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Claremont McKenna College

Policies and Politics of Reform : The Governmentality of Structural Adjustment in
Urban and Rural Egypt

submitted to
Professor Hicham Bou Nassif

by
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for
Senior Thesis
Spring 2020
May 11, 2020

Acknowledgements

I am grateful for Professor Hicham Bou Nassif for advising me and for inspiring my study on this topic, and for consistently reminding me to love what I study.

I am indebted to Bassam Frangieh, Marie-Claude Thomas, Nadia Al-Assaf, and Shawki al-Zatmeh for their instruction. I am grateful for many formative conversations with Ahmad al-Naimat. I am thankful to Bassam Abu Khajil for his hospitality and openness.

I am thankful for my friends who supported me throughout the past year and beyond, and who endured countless musings and tangents. Thank you to my parents and sister, who collectively raised me to search for justice in all walks of life. Thank you to Mira Horwitz, who encouraged me and raised me up when I felt unsure.

For the people of Egypt, in their everyday struggles and monumental sacrifices.

Introduction

*And people live in the Thing,
And people die in the Thing,
And people sleep on the Thing,
And people go to sleep hungry.
Because this is what the Thing brought
It brought immense destruction
Because destruction is a piece of the Thing
A knife to the head of the beast*

In his satirical poem “The Thing,” Ahmad Fu’ad Negm paints a vivid picture of Egyptian life in the latter half of the 20th century and the beginning of the 21st century. Excoriating Sadat’s *Infitah* policies, Negm describes the immense destruction brought on by *Infitah*, to the values of the nation, to the poor, and the ignorance and corruption with which Egypt moved into a new economic era. Negm, known as “al-fujami” or “The Outspoken One” for his nascent political expression and opposition under successive Egyptian regimes, taps into the experience of Egyptians with liberal development like no traditional academic can. He exudes playfulness in his work while describing a social, economic, and political phenomenon that sapped economic security and livelihoods from millions.

What Negm expresses about Egypt boils down to an analysis of life under unequal economic development and reform and exposes a disconnect between the actions and rhetoric of the political and economic elite in contrast to the experiences of everyday Egyptians. The political frustration found in Negm’s economic critique sets the groundwork for viewing political developments in Egypt through the lens of the benefits and the burdens generated by Egypt’s transition from socialism to capitalism, from statism to market liberalism. This transition deeply challenged the expectations of the Egyptian people as the government receded from its role as economic guarantor and became an apparatus for furthering capitalist cronyism and political patronage. In shifting from one economic model to the other as a part of the “Neoliberal turn”, successive Egyptian regimes implemented policies that attempted to alleviate various economic crises. During this time, the Egyptian government took on obligations with

International Financial Institutions(IFIs) as well as foreign governments, necessitating changes in Egypt's economic model from state driven to market driven, from public sector to private sector.

This change in policy and economic, partially imposed and partially pushed internally, exposed contradictions in the Egyptian political economy. Following the revolution of the Free Officers, the Egyptian social contract guaranteed the Egyptian people economic and social security in return for tacit support for the government and its regime. Established under the ideology of Nasserist socialism, the state grew to ensure jobs, education, social security, health care, and a revamped Egyptian nationalist image centering Egypt's glory and its resistance to the bi-polar order of the Cold War and Israel's nascent presence. Part and parcel with this form of governance was a centralized regime of corruption and patronage politics which maintained the state. This corruption provided insurances for regime stability and was passed down from Nasser to Sadat to Mubarak. The onset of economic transition post-Nasser broke this contract.

The transition from Nasserist socialism to crony capitalism via liberal reform brought with it serious implications for the functioning of the state and the economy. The present analysis divides along the lines of the contrasting rural and urban experiences under neoliberal reform, focusing on the Mubarak era. Housing and land policy, agricultural policy and food security, employment, services, and patronage politics all changed and affected the countryside and the cities of Egypt in related but unique ways under economic reform. Putting the divergent experiences of the rich and the poor, the strong and the weak, in the context of the rural-urban divide informs the process of comprehending political and economic frustration in the lead-up to the Arab Spring in particular and political revolution by-in-large. Furthermore, this divide contributes to an understanding of why Egypt failed to live up to its billing as a success story of neoliberal economic policy as the forces of corruption, stagnation, and disconnect between the powerful interest of regime maintenance clashed with the desire for prosperity, financial security, and social justice.

This analysis explores the unique and tumultuous approach to reform in Egypt and addresses the effects of the implementation of neoliberal policy tools. These tools included privatization, price liberalization, deregulation, and land reform in both urban and rural areas. Based on these effects, this analysis will argue that the benefits accrued by the political-economic elite created opportunities for new patronage networks that upheld elite economic privilege through the process of liberalization while a wide swath of Egyptians suffered the loss of limited privileges and protections from the state established by Nasr and upheld by his successors. Consequently, the socialist-statist ‘social contract’ underlying the legitimacy of successive regimes crumbled as the withdrawal of state support for industry, agriculture, and services thrust more and more Egyptians into poverty and economic insecurity, and the failure of a healthy private sector to materialize exacerbated unemployment. The promise of modernization and economic prosperity via the path of neoliberal reform contrasted significantly with the reality of concentrated gains captured by few while urban workers, small farmers, and public sector employees lost their job security, land security, steady wages, and state supports. These developments which began during the time of Anwar Sadat and peaked under the rule of Hosni Mubarak, eroded public quiescence and tolerance of a corrupt and increasingly detached regime, undercut legitimacy and fomented revolution. The contrast between the regime’s narratives of legitimacy and the real-world effects of the reform policies of the Mubarak regime provide an understanding for how the economic frustrations of Egyptians materialized into revolution. The domestic conditions of impending succession (*tawreeth*) from Hosni to Gamal Mubarak combined with declining economic conditions fed off the Tunisian revolution to mobilize the related grievances of Egyptians to demand change. The context of decades of push-and-pull, stop-and-start reform with marginal benefits and tangible costs set the stage for these popular frustrations and grievances to coalesce along with a greater regional movement.

The consequences of the frustrations and subsequent movements that coalesced around neoliberal reform are not confined to the onset of the 2011 Arab Spring in Egypt. This analysis examines how changing economic expectations and reform policy interact with political structures and established sources of popular legitimacy. This relationship builds a framework for understanding how the success of economic development in a country relies upon established political expectations of the distribution of power and control. This framework provides the potential for explanatory power for a diverse set of examples across political arrangement and economic circumstance. Furthermore, the localized case of Egypt remains fluid and complex following the Arab Spring, as neoliberal economic reform remained a tenet of the Muslim Brotherhood's policy during their time in power and continues to direct economic discourse with the current El-Sisi regime. These post-2011 developments do not receive comprehensive attention in this analysis and deserve greater attention, some of which has been addressed in literature addressing neoliberalism and Islamism,¹ and neoliberalism as carried out by El-Sisi.² This work aims to provide a groundwork for the relevant policy changes and shift in the distribution of resources and benefits under Mubarak with an eye on the urban-rural divide as a means of zooming in on the ground level effects of liberal reform on different environments and tying those effects to political frustration.

Literature Review

¹ See Joya, Angela. "Neoliberalism, the state and economic policy outcomes in the post-Arab uprisings: The case of Egypt." *Mediterranean Politics* 22, no. 3 (2017): 339-361.

- ² See Dalacoura, Katerina. "Islamism and neoliberalism in the aftermath of the 2011 Arab uprisings: The Freedom and Justice Party in Egypt and Nahda in Tunisia". In *Neoliberal Governmentality and the Future of the State in the Middle East and North Africa*, ed. Emel Akçali 61-83. Palgrave Macmillan, 2016.

Literature focusing on Egyptian political economy and neoliberal economic reform rarely combines concrete and nuanced policy analysis with the political significance of that policy. This work aims to fill that gap with an approach which recognizes both. In Egypt, the political economy's orientation towards regime survival determined the rate of reform, the policies and rhetoric of the reform program, and the actual implementation of reform. Consolidating the study of neoliberal reform policies and localized political economy under one umbrella helps answer questions neither group can fully address alone. Moreover, doing so conceptualizes a *rationality* of reform. On a base level, underlying political arrangements can explain why similar reform policies yielded differing levels of success in implementing economic reform in comparative scenarios. On a theoretical level, the *interaction* between the structure of a political arrangement and a given reform program reshapes the political landscape as economic and thus political expectations shift, disintegrate, or reform. The story of the Egyptian uprising, with similarities throughout the Arab world and beyond, follows the shifting political implications of reform.

With the intent of combining the study of political economy with neoliberal economic reform, this study adopts the framework of neoliberal governmentality. Governmentality is separated from other conceptions of the state or authority by Foucault. Barry et. al write that Foucault distinguished governmentality in two ways, as a “practice” and “political rationality.”³ Governmentality as practice is distinguished from theory and ideology by its deliberate attempt to shape the world and spacialize the policies of governance.⁴ As a political rationality, governmentality serves as a “machinery or apparatus for rendering reality thinkable” and deploys a system of reasoning in creating that reality.⁵ Neoliberal

³ Barry, Andrew, Thomas Osborne, and Nikolas Rose. *Foucault and Political Reason: liberalism, neo-liberalism and the rationalities of government*. Routledge, 2013.

⁴ Barry et. al, 41.

⁵ Ibid., 42

governmentality thus employs a particular political rationality in order to put into practice the tenets of neoliberal political and economic ideologies.

Ferguson and Gupta further expand the definition of neoliberal governmentality to include relationships beyond a given society or state. They write that relevant extensions “include not only new strategies of discipline and regulation, exemplified by the WTO and the structural adjustment programs implemented by the IMF, but also transnational alliances forged by activists and grassroots organizations and the proliferation of voluntary organizations supported by complex networks of international and transnational funding and personnel.”⁶ While I do not delve into the transnational context of Egyptian reform, the close connection between some Arab Spring countries in terms of uneven neoliberal development as well as the similarities and differences between countries which undergo structural adjustment merits greater study. Varman et. al⁷ also add a further definition conceptualizing neoliberal governmentality in the context of freedom. They claim that “according to the neoliberal discourse, people are free as long as they are working, are psychologically healthy, stay on the right side of the law, and so on. If people are unable to fulfill these fundamental neoliberal obligations, they become a threat, and the discourse holds that individual freedom can be rightfully restricted through sheltered employment, imprisonment, hospitalization, and similar institutions of confinement.”⁸ My analysis does not engage extensively with the coercive elements of neoliberal governmentality, but Varman et. al provide an important reminder that ostensibly benign economic policy can have real and significant implications in the deployment of violence. The ways in which policing and state violence and their rationalities overlapped with the rollout of neoliberal economic reform in Egypt adds another piece to the puzzle.

⁶ Ferguson, James, and Akhil Gupta. "Spatializing states: toward an ethnography of neoliberal governmentality." *American ethnologist* 29, no. 4 (2002): 981-1002.

⁷ Varman, Rohit, Per Skálén, and Russell W. Belk. "Conflicts at the bottom of the pyramid: Profitability, poverty alleviation, and neoliberal governmentality." *Journal of Public Policy & Marketing* 31, no. 1 (2012): 19-35.

⁸ *Ibid.*, 20.

The framework of neoliberal governmentality brings front and center the effects of reform policies in their material and political manifestations as a source of instability and a force of change. This mode of analysis opens a new question about the nature of reform; How do the policies and changes made by reform regimes legitimize or undermine modes of governmentality? The macroeconomic outcomes of a set of reform policies tells one story, their bearing on the relationship between the governor and the governed tells another. In taking the route of analyzing Egypt's specific neoliberal governmentality I aim to add to the literature using the concrete examples of Egyptian reform and its implications on the Arab Spring in Egypt. One line of thought developing in the literature centers the role of neoliberal development as a defining feature animating protest against the Mubarak regime and governments around the world. In this regard, Koenraad Bogaert describes neoliberalism as an "accumulation of activities" in which the market takes over from public institutions, creating private assets and wealth accumulation.⁹ He then frames the Arab Spring and other revolutionary movements as a reaction to the spread of neoliberalism; "The (still ongoing) uprisings are not just a revolt against authoritarian regimes but also expressions of a systemic crisis, a structural crisis of the social order of neoliberal globalization."¹⁰ To add to this claim, I investigate why the spread of neoliberalism and its governmentality in Egypt caused such a crisis.

This analysis also attempts to address a contradiction in development discourse on the link between macroeconomic indicators and economic realities. Questions have continued to rise since 2011 about similar cases of countries boasting macroeconomic success stories experiencing mass mobilization against prevailing economic conditions. As a case in point which could mirror any number of articles from 2011, an article reacting to the mass protests in Chile in the fall of 2019 noted "Chile

⁹ Bogaert, Koenraad. "Contextualizing the Arab revolts: The politics behind three decades of neoliberalism in the Arab world." *Middle East Critique* 22, no. 3 (2013): 213-234.

¹⁰ *Ibid.*, 214

was once a pin-up economy, lauded as the model other emerging economies should copy. What went wrong?"¹¹ The specific context of Arab authoritarianism and non-democratic patronage politics limits the similarities one can draw between countries like Chile and Egypt. However, the lens of neoliberal governmentality transcends government type precisely because neoliberalism as an economic system is presumed to operate independently of political conditions. The following analysis flips that assumption on its head; economic policies and their minutia contain profound political consequences and the potential for erosion of legitimacy, even when macroeconomic indicators suggest economic success.

Some sources address the emerging rationality of neoliberal development in limited contexts. Kuppinger describes how in Egypt cities and states tried to “illustrate their global ‘arrival’” and appeal to luxury and spectacle to heighten their image or status while marginalizing local populations and systems.¹² This issue materialized in Cairo in the form of malls, luxury developments, gated communities, hotels, clubs, and the promise of a bid for the 2010 World Cup. In order to achieve this pristine image, cities need to control and segregate spaces and restructure them through “layered methods of control and surveillance and regimes of economic and spatial governance.”¹³ These methods of control and governance can destabilize expectations and perceptions of legitimacy. Kuppinger also explicitly describes reform as a method of promoting elite interests; “resources, economic processes, potential sources of corporate profit, and urban spaces are re-evaluated by political and economic elites and redistributed in their own best and corporate interest.”¹⁴ Evaluating a broad spectrum of policies and their effects along these lines can help conceptualize not only their driving rationality but also the significance of their political outcomes.

¹¹ Davies, Richard. "Why is Inequality Booming in Chile? Blame the Chicago Boys." Guardian News & Media Limited, last modified Nov 18, 2019.

¹² Kuppinger, Petra, Najib B. Hourani, and Ahmed Kanna. "Crushed? Cairo's garbage collectors and neoliberal urban politics." *Journal of Urban Affairs* 36, no. sup2 (2014): 621-633.

¹³ Ibid., 623.

¹⁴ Ibid, 622.

Urban Experiences During Reform

Education

Reforming the Egyptian educational system tied in directly with the vision of Egypt's overall economic development. Egypt signed onto the Education For All pledge which triggered IMF and World Bank structural adjustment requirements to "decentralize, standardize, privatize, and equalize" education. Along these lines, Nixon writes that educational reforms "have squarely been of a neoliberal variety, based on the belief that economic liberalization, and in particular privatization, will bring about social progress."¹⁵ The World Bank pushed for private sector investment and public-private partnership in education and the end of job guarantees for university graduates.¹⁶ These job guarantees previously linked the work force of the public sector to those educated in the Egyptian public education system.¹⁷ Instead, the late 1990s, World Bank emphasized shifting the government's focus from university level education to primary and secondary, with a focus on technical training.¹⁸ The shift to focus on primary and secondary education ties to export driven economic reform to create a "substantial base of semi-skilled laborers" who attract investment through the service sector and qualified local middle management.¹⁹ The effort to link education to economic growth also followed a greater trend; "the concern over basic education cannot be divorced from the plan under structural adjustments to build export economies in developing countries."²⁰ Policies of reform flowed from a greater trend of building export-driven economies as a part of adjustment programs, overriding long-standing guarantees such as those in Egypt.

The results of the initial push for reforming the educational had mixed outcomes that showed some advancement but comprehensive change. On the surface level, education indicators improved.

¹⁵ Dixon, Marion Wood. "Investing in Inequality." *Middle East Report* 255 (2010): 40-43, 47

¹⁶ Dixon, 41.

¹⁷ It is important to emphasize that the productivity and economic value of these job guarantees are outside the purview of this work. Others such as Assaad (2006) argue that this system incentivized families to misappropriate spending and overburdened unproductive sectors.

¹⁸ Dixon 41.

¹⁹ Ibid., 43.

²⁰ Ibid.

Net enrollment and literacy rates increased significantly from the 1990s to the mid-2000s. However, those increases reflected the quantity of students enrolled rather than the quality of education provided.²¹ Teachers also continued to receive low pay and inadequate classroom support. Egypt's education system employs 1.6 million²², and teachers represent the largest portion of employees in the public sector. However, they received some of the lowest salaries in the public sector and suffered from a low status, leading to "absenteeism, minimal classroom initiative and informalization of classroom teaching through private tutoring - all factors that contribute to poor-quality education."²³ The failure to elevate teachers as a part of a program emphasizing the early phases of education undermined the grand vision of education as an incubator for economic growth. Ironically, the problem of an underperforming education system was later used to pass off wider economic concerns; IFIs in the 2000s dismissed growing unemployment, blaming it on "labor market rigidities" and the educational system not preparing people for the private sector.²⁴ Part of the education reform program involved protecting education from excessive funding cuts, with an eye on preventing dramatic change. This also came at a particularly difficult time to reduce funding; "the rapid growth in population made it difficult to meet the demand for additional schools and health facilities and the quality of social services started to decline."²⁵ The government promised it would not touch education funding or a promised 2006-2007 teacher wage hike, but financial instability and the USAID assessment program casted doubt that on that promise.²⁶ Conflict emerged between the promise to bring about reform without leaving behind

²¹ Ibid., 41.

²² Farag, Iman. "Major Trends of Educational Reform in Egypt". In *The Politics of Education Reform in the Middle East: Self and Other in Textbooks and Curricula*, 80-96. Berghahn Books, 2012. 81.

²³ Dixon, 41.

²⁴ Pfeifer, Karen. "Neoliberal transformation and the uprisings in Tunisia and Egypt." In *Political and Socio-Economic Change in the Middle East and North Africa*, 21-73. eds. Samira Alayan, Achim Rohde, and Sarhan Dhouib. Palgrave Macmillan, 2016. 26

²⁵ Harrigan, Jane, and Hamed El-Said. *Economic liberalisation, social capital and Islamic welfare provision*. Springer, 2009. 82

²⁶ Dixon, 42.

teachers and schools and the policies put in place to grow the economy and provide jobs through education. Teachers also did not receive backing from the institutions representing their interests. As teachers faced low wages and poor treatment, the public teacher's union offered little support as it was an arm of the political system.²⁷ With no legal alternative for formally organizing, teachers had little input with the NDP to advance their interests in policy.

Policies of education reform also became a source for private sector profit. As with other major reform initiatives pushed by the Mubarak government, the policies put in place used resources and powers exclusive to the government for private gain. In similar fashion to industrial business interests, for-profit private education benefited from incentives such as cheap land and tax breaks in Cairo and in new cities built by the Ministry of Infrastructure.²⁸ These investments offered little for existing public school infrastructure while engaging the limited resources of the state to benefit expensive private education by underwriting some of the greatest expenses for starting a private school. This phenomenon does not separately from the public education cuts and stagnation; "Suppression of public spending is part and parcel of policies that are redirecting public wealth into fewer private hands."²⁹ Pairing policies that benefit private education with public sector cuts that undermine the public system relied upon by a much greater proportion of the population formed an overall theme of the reform program.

The process of reforming the education system also created an incentive for students and teachers to seek informal means of acquiring quality education and extra wages, respectively. Private tutoring and the privatization of education grew significantly as a part of the education system during the period of liberal reform. Both served as reactions to elements of reform that placed a heavy emphasis on education a means of obtaining economic prosperity, while scaling back on the investment

²⁷ Ibid., 47.

²⁸ Dixon, 42.

²⁹ Ibid.

in the public, formal education system. The tutoring market serves as an informal privatized education system where the perceived low quality of education leads families to seek extra help for their children, and underpaid teachers tutor in order to supplement their income.³⁰ In terms of those who supply tutoring, the growth in tutoring exemplifies the informal part of privatization where people find new ways to survive with high living costs and stagnant wages.³¹ Teachers essentially take second jobs out of necessity; “Low salaries and inadequate funding for schools have led to a growth in private tutoring by teachers employed by the state, creating an informal education market to compensate for the shortcomings of the public sector.”³² The emergence of a private market for education, both in the formal and informal spheres, exacerbated rather than alleviated existing inequalities in education while taking more student and educator time to provide a baseline quality of education. The privatization of the educational system in the context of neoliberal reform “raised fears of growing inequality in educational provisions, especially given that the quality of public education has continued to decline after two decades of perpetual reform.”³³ The privatized informal education system made up ground for the lowered quality of the gutted formal public education system, but only for those who could pay. Furthermore, sending children to hours of tutoring after schools just to keep up drew on the time and resources of families.

The effort to push reform failed to maintain the educational system as a public good for all; “The wave of privatization in education that was supposed to ‘fill in the gaps’ of public provision has instead served those who can afford a private education.”³⁴ The regime also prevented actors rivaling its authority from attempting to fill the gap in education. Harrigan and El-Said point out that “As the

³⁰ Ibid., 43.

³¹ Ibid., 47.

³² Ibid., 41.

³³ Ibid., 47.

³⁴ Ibid., 43.

quality of state welfare provision, especially in health and education declined, faith-based groups along with other civic groups stepped in to fill the gap. In turn, the Mubarak government has felt threatened by this trend and has used legislation to make it increasingly difficult for many of these groups to operate whilst trying to bring them under state control.”³⁵ Other actors who tried to provide this key service and reduce its cost threatened to displace the regime and could not fit into the landscape of reform the regime wanted. In the end, educational reform policies geared towards privatization meant that only the upper class with significant amounts of disposable income could afford quality education.

The decline of the education system conflicted with the established narrative of the government insuring opportunity and employment through education. Educational reform “signaled the gradual disengagement of the MoE from its own ‘socialist’ past as it partly adopted neo-liberal development policy strategies devised by international donors, who see investment in education as a means to increase productivity, national income and socio-economic mobility, which would eventually lead to socio-economic transformation and ultimately democratisation.”³⁶ Reforming the educational system formed a core part of the mission, both of the government and outside forces, to boost Egypt’s economy while some further hoped to transform the country politically at the same time. The execution of educational reform did not match the grand result envisioned. As Dixon writes, “By marrying human development initiatives to market-led growth, neoliberal reforms have helped create huge pools of the formally unemployed and underemployed - a disgruntled mass that represents the achievement of neither human security nor state security.”³⁷ Not only did the model of improving the economy and education through a neoliberal lens fail to improve education and the economy, but further exacerbated conditions of social and economic inequality that drove the frustrations of the 2011 uprising. Those emerging from the dilapidated education system were at the center of these

³⁵ Harrigan and El-Said, 79

³⁶ Farag, 82.

³⁷ Dixon, 47.

frustrations; “Rapid economic growth matched by growing inequalities, worsening poverty levels and rising youth unemployment among educated, and deepening political repression matched by grassroots mobilisation, lie at the heart of the destabilisation of Mubarak’s regime.”³⁸The lowered quality of public education through the period of reform pushed teachers and students into a private tutoring market which took more time, money, and effort from the middle class and the poor. Meanwhile, the rich shifted to private schools built with government incentives, money, and land. Under Mubarak, public education eroded as a means of guaranteeing employment and opportunity. Instead, the public educational system demanded extreme sacrifices from family, students, and teachers for little to no return and yielded an underemployed generation unable to advance. Educational reform along the lines of neoliberal ideology also took a burden off of the Mubarak regime. Using the rhetoric of shrinking government, the reform program in concrete terms removed the government’s responsibility to properly fund public schools and removed the expectation that government would employ graduates. These changes followed a logic that individuals, rather than the state, bore the responsibility for achieving success. Drastically shifting expectations for a wide swath of the population about what getting an education would provide them in terms of skills and employment bred frustration and a sense of betrayal.

Labor Relations

One of the most important relationships strained by the government’s pursuit of economic reform was between workers and the state. Early on under Gamal Abdul Nasr’s presidency, a tentative deal was struck in which “trade union leaders agreed to support Nasir’s regime and give up the right to strike in

³⁸ Paciello, Maria Cristina. "Egypt: Changes and challenges of political transition." *MEDPRO Technical Paper 4* (2011). 6.

exchange for guaranteeing worker's economic demands, most importantly job security."³⁹ This bargain set the stage for the conflict that neoliberal reform would open between workers and the Sadat and Mubarak regimes. Adopting neoliberal policies disrupted the economic security provided by the state because the state was expected to retreat from providing employment and therefore economic security. Joya expands on this contrast; "Workers who had experienced extensive benefits from the Nasserist period were witnessing a withering away of those benefits under neoliberal reforms. Under Nasser, workers' benefits ranged from extensive labour rights such as high wages, public pensions, sick leave, child bonuses, fixed rents and price controls of basic commodities."⁴⁰ These benefits formed the basis of the expectations workers held against the state, especially those employed by the state. Public sector employees held a further, slight privilege over others; "even though the salaries of public sector employees were modest, they nonetheless were higher than those of most of the working class."⁴¹ In a country and economy where a living wage and stable employment were hard to come by, public sector employees valued their jobs and benefits deeply.

These expectations, along with the relationship between labor and the state, changed drastically with the adoption of neoliberal reform. During this period of slower privatization and liberalization of the 1990s the government changed labor laws to provide greater control over unions, preventing radicals from moving up the ranks while rewarding loyalists who adhered to the system. These law changes prevented fixed-contract employees from running in union elections, prevented public workers from running who were most vulnerable and likely to oppose government privatization.⁴² As a result,

³⁹ Bishara, Dina. *Contesting Authoritarianism: Labor Challenges to the State in Egypt*. Vol. 52. Cambridge University Press, 2018. 27.

⁴⁰ Joya, Angela. "The Egyptian revolution: crisis of neoliberalism and the potential for democratic politics." *Review of African political economy* 38, no. 129 (2011): 367-386. 373.

⁴¹ Paczynska, Agnieszka. "Economic Liberalization and Union Struggles in Cairo" in *Cairo Contested: governance, urban space, and global modernity*. ed. Diane Singerman 331-348. Oxford University Press, 2009. 342

⁴² Bishara, 31

union power went down with liberalization and the regime kept the union in line by co-opting the leadership. However, that leadership became ineffective because the union could no longer play its fundamental role of protecting job security and wages and the rank-and-file lost its faith in the official union to provide them with representation.⁴³ Union leaders won political and material benefits, but the rank-and-file lost their economic stability and their limited access to representation. The continual pushback mounted by workers throughout reform represents a principal-agent problem; the regime wanted to control the union in order to make it more pliable to the reforms it aimed to pursue. However, co-opting the leadership made that leadership ineffective; the union brass no longer represented the interests of the workers and became a stooge of the regime.

Workers in the public sector faced some of the greatest sacrifices as the state looked to restructure its role in the economy. The effort to privatize major public companies offered lucrative opportunities for the political and economic elite, but spelled disaster for the economic security of those employed by the state. Public sector jobs offered key benefits including health care, retirement pensions, and consumer good subsidies. These benefits were unrivaled in the private sector, which also could not fill the existing employment gap between the public and private sectors.⁴⁴ In order to ease the transition of state-held companies from the public sector to the private sector, the government offered workers early retirement to shed costs from public sector enterprises before selling them.⁴⁵ For reasons mentioned above, workers did not favor this option. To avoid triggering backlash the government tried to create incentives and retirement packages that encouraged public sector workers to leave their jobs voluntarily instead of laying off workers en masse. Contentious negotiations on the particular conditions of these retirement packages went back and forth throughout the 1990s.⁴⁶ The slow pace of

⁴³ Bishara, 35

⁴⁴ Paczynska, 335

⁴⁵ Ibid., 331

⁴⁶ Ibid., 339

these reforms and the governments tentative attitude toward making sweeping, fast changes reflect the efficacy of the social contract between labor and the government. This tentative pace of negotiations came from the government's desire not to upset the workers too much, while also pushing forward the privatization program. However, this tentative pace failed to generate quiescence from workers and protests against reform continued.⁴⁷ Protest and discontent continued because "the changes in the global economy and the market reforms that the Egyptian government initiated during the 1990s had a deleterious effect on workers' job security and standard of living."⁴⁸ Regardless of how slow the reforms came or the exact terms by which public sector workers would retire or transition to the private sector, the insistence on dismantling the public sector itself inherently threatened the few privileges workers coveted.

The government-labor conflict was renewed by further attempts to reduce the rights of workers. In 2003, the government passed the Unified Labor Law giving more firing and hiring discretion to employers but still did not give labor "the right to organize, to strike, and to elect its own independent leaders."⁴⁹ Another showdown ensued, as workers and ETUC representatives pushed back against business interests with limited success. Workers won the limited right to strike, but only through formal channels like the ETUC⁵⁰, which offered little substantive representation as discussed previously. Thereafter, protests and notable wildcat strikes increased dramatically throughout the rest of the decade; in 2007 alone over 500 protest actions and strikes occurred. These actions included various parts of the public sector including real estate tax collectors, workers at the Misr Spinning and Weaving Company, microbus drivers, and the Telephones Equipment Company. Their demands and grievances

⁴⁷ Bishara, 31

⁴⁸ Paczynska, 333

⁴⁹ Pfeifer, 54

⁵⁰ Paczynska, 340.

included increasing wages, receiving unpaid wages, and the insecurity of temporary contracts in place since privatization.⁵¹ The fight for worker's rights moved outside the confines of institutions co-opted by the regime.

Regime-labor relations occupies an important place in the development of reform regimes, and their successes and failures. Per Bishara; "Authoritarian regimes may resort to the support of popular classes during the early phases of state formation, but that they may try to shift their support to other constituencies, such as business, when they attempt to carry out neoliberal economic policies."⁵² Reform did not just entail changing economic policies, it involved realigning the informal social contracts which limited regime activity. Gutner emphasizes this point further; "Political leaders may also alienate important interest groups and supporters when undertaking structural adjustment and other economic reform policies, which can thwart the success of reforms."⁵³ Breaking the agreements upon which the legitimacy of the regime rests can throw a reform program into question; in Egypt, the result was a widespread popular uprising.

Part of the perception of reform comes from who the reform program appears to serve and benefit. In the neoliberal conception of reform, labor tends to get the short end of the stick. Hinnebusch wrote of the 1991 Egyptian ERSAP; "Although all Egyptians accept some reform measures, many, including economists, see the IMF/World Bank package as untailored to Egypt's needs and expressing the drive of international capital for a friendly global environment in which the requirements of

⁵¹ Khawaga. "Egypt Labour Unrest: Late October Updates." libcom.org, October 25, 2007. <http://libcom.org/news/egypt-labour-unrest-late-october-updates-25102007>.

⁵² Bishara, 34.

⁵³ Gutner, Tamar. "The political economy of food subsidy reform in Egypt", 1999. <https://ageconsearch.umn.edu/record/94518>

investors and creditors come before those of labour, debtors or nations.”⁵⁴ By adopting an adjustment package that benefitted investors over labor, the regime signaled its abandonment of labor as a stakeholder in the economic path that the country would take. As Hinnebusch emphasizes, Egyptians were not opposed to reform a priori, but putting the burden of reform on workers and hollowing out their historical privileges and forms of economic security marginalized workers in the process of reform. Looking forward, this marginalization of workers as a stakeholder in decision-making came back in full force; “The growth of new labour and farmer syndicates before the revolution and throughout 2011 gave Egyptians who had been thrown out of the processes of development an arena in which to voice demands for a new Egypt.”⁵⁵ The voices and demands of workers were only briefly silenced. Once new forms of organization and expression emerged with the breakdown of the regime, labor interests reasserted their demands as formalized groups.

Urban Land Seizure

Land seizure formed a battlefield between the interests and expectations of the mass poor and the desire of the government and political elite to reclaim land for commercial purposes and personal benefit. On the urban side, land seizure and counter reform take a different form than the rural context discussed below. Instead of pushing a program of land consolidation for export-driven, large-scale farming, the government pursued urban land seizure in Cairo and elsewhere through a program of slum eradication. The government used various justifications to clear areas deemed undesirable, through commercial justifications, environmental justifications, among others. These actions, among them violent and

⁵⁴ Hinnebusch, Raymond A. "The politics of economic reform in Egypt." *Third World Quarterly* 14, no. 1 (1993): 159-171. 162

⁵⁵ Bush, Ray. "Marginality or abjection? The political economy of poverty production in Egypt" in *Marginality and Exclusion in Egypt*. Eds. Ray Bush and Habib Ayeb. 55-71 Zeds Books, 2012. 67.

destructive conflicts, placed the reality of residents of informal housing at odds with a government that wanted to upgrade the image of Cairo without consideration for the needs of residents.

A majority of the twenty million residents of Cairo live in *ashwa'iyat*,⁵⁶ dense informal housing which receive neither formal inspection nor services. The *ashwa'iyat* are spread throughout Cairo, largely on the Northern and Western periphery and emerged in the early 20th century. Informal areas also occupy the periphery in terms of the state's attention; "The living standards in general tends to be much lower in informal areas due to lack of facilities, e.g. water networks, sewerage systems, public and social services."⁵⁷ Inhabitants of these informal settlements in many ways build and grow the city where planning does not occur. These areas also blur the line between the city and the countryside; "Ashwaiyyat is generally established in areas of essentially rural character located on the urban fringe that are interspersed with, surrounded by, or adjacent to undeveloped sites or sites that remain in agricultural use, and spread in advance of the principal lines of urban growth."⁵⁸ While informal, the construction of *ashwa'iyat* carries out a natural process in the city, filling in the gaps to provide housing for those who cannot afford other options. These settlements emerged in a context where the government role in planning and housing construction petered out alongside formal private construction, especially for the poor. As Soliman describes, "ill-conceived and inadequate policies have led over time to a mismatch between supply and demand and to severely curtailed private sector investment in housing production for the urban poor," leading to the situation where *ashwa'iyat* make up 88 percent of new housing in Egypt.⁵⁹

⁵⁶ Bell, 350

⁵⁷ Serag, Hani, Amal Sabri, Abdel-Mawla Ismail, Kabir Karim, and Azza Sallam. "Voices from Urban Settings in Egypt." *Report to The Knowledge Network on Urban Settings (KNUS) WHO Commission on Social Determinants of Health, Association for Health and Environmental Development* (2007): 20. 13

⁵⁸ Soliman, Ahmed M. "'Nothing More to Lose': Ashwaayat and Land Governance in Egypt." *Annual World Bank Conference on Land and Poverty* (2014). 3.

⁵⁹ *Ibid.*, 5



Cairo from the Salah a-Din citadel, October 2018. Image by author.

The *ashwa'iyat* received the ire of reform minded officials. Slums and informal housing suffered from a perception as a roadblock to state and private housing development which ignores “the larger infrastructure and services gaps that are prevalent in the informal city.”⁶⁰ Informal settlement not only received a reputation as an eyesore but as unnatural to the city; “the ashwa’iyyat in Cairo are commonly viewed by the state and non- settlement residents as a problem; in their view, these settlements produce social ills and violate the modern, cosmopolitan image they hold for Cairo.”⁶¹ In addition, informal settlement has been “pathologized in state-sanctioned public discourses as unplanned, unserviced, and illegal.”⁶² Informal housing in urban areas and small landowner and tenant farmers in rural areas shared a similar perception as antithetical to potential economic progress. Support for these groups, therefore, waned in the face of a liberalization program that failed to

⁶⁰ Bell, Jennifer. "Land disputes, the informal city, and environmental discourse in Cairo." In *Cairo contested: Governance, urban space, and global modernity* ed. Diane Singerman. 349-371. Oxford University Press, 2011. 351

⁶¹ O'Donnell, Shawn. "Informal Housing in Cairo: Are Ashwa'iyyat Really the Problem?." (2010). <https://conservancy.umn.edu/bitstream/handle/11299/92714/1/Informal%20Housing%20in%20Cairo.pdf>. 3

⁶² Dorman, W.J. “Of Demolitions and Donors: The Problematics of State Intervention in Informal Cairo.” In *Cairo contested: Governance, urban space, and global modernity* ed. Diane Singerman. 269-290. Oxford University Press, 2009. 272.

articulate robust plans to serve the basic needs of and provide basic opportunities to these marginalized groups. These perceptions manifested in how resources and the attention of the state were divvied out; “Authorities designated inhabitants of areas that experience outbreaks of disease as uneducated or backwards, blaming them for their conditions rather than the lack of services, while wealthier areas enjoyed greater infrastructural advantages and attention.”⁶³ Areas already seen as unpleasant suffered further as authorities put their effort into providing greater services for the already well-off.

The discourse around the destruction and resettlement of informal dwellers changed over time along with the onset of reform. Informal settlement clearing occurred under Sadat and Nasr with the addition of the resettlement of the displaced under Nasr. The major distinction with Mubarak was the addition of environmental language as a guiding reason. The government “began to mobilize environmental discourse to buttress its land use policy” to justify the destruction of informal housing for road construction and tourism development.⁶⁴ As discussed below, tourism in particular offered opportunities for the state to mobilize resources to benefit its constituents in business. Informal residents and communities on the periphery of tourist areas or who occupied land valuable for tourism came into the sights of state for removal and rehabilitation. The state’s environmental agenda in informal housing areas “serves to distract from the equity issues involved in policies that favor the tourist or private real estate sector over the urban poor and from the costs associated with the destruction of housing when it is in such short supply.”⁶⁵ A type of opportunism for development further undergirded attempts to remove informal settlements. When environmental crises came, such as with the smog incident of 1999, authorities quickly blamed informal residents and artisans who stood in the way of tourism development in Old Cairo.⁶⁶ One of the targets of informal settlement demolish was

⁶³ Bell, 353.

⁶⁴ Ibid., 354.

⁶⁵ Ibid., 353.

⁶⁶ Ibid., 357.

a community of artisan potters in the Old Cairo area. Potters had appealed for funds to broaden the use of gas fired kilns to improve the fumes they generated. Instead, the government demolished their workshops wholesale, drawing questions of whether authorities were truly concerned with pollution or just the potters' "informal way of being."⁶⁷ Destroying the pottery settlement prompted protest and riots, followed by an altercation with police that led to deaths.⁶⁸ The stigma propagated by the state against informal housing materialized in the form of violence and dispossession.

Despite healthy speculation and harsh rhetoric concerning informal settlements, major confrontational demolitions remained relatively uncommon. The Egyptian government has instead not fulfilled its intentions to demolish informal settlements, and has fallen back to promises of "upgrading and legalizing."⁶⁹ One reason explaining this inconsistency says that popular action, organized or unorganized, effectively resisted efforts to eliminate informal settlement, providing "bottom-up pressure" that prevented the state from taking drastic action against informal housing. Fearing resistance and violence in response due to Cairo's urban constitution and history, the government prefers to "neglect the informal rather than coerce it."⁷⁰ Residents who organized and protested against the destruction of their places of living demonstrated the power small segments of urban communities can have when the government had little means to justify razing the homes of their citizens. This resilience also demonstrates the weakness of the state at heart; "the survival of the Cairo informal housing sector can be understood in terms of a perennially impoverished state lacking the resources to intervene effectively in its capital."⁷¹ That a few small communities could successfully force the state to back down showed the government its limits. Informal settlements and their communities defied

⁶⁷ Ibid., 356.

⁶⁸ Dorman, 269.

⁶⁹ Ibid., 274.

⁷⁰ Ibid. 275.

⁷¹ Ibid.

attempts to force them to acquiesce to this system of developing the city. As Asef Bayat writes, the poor “negotiated with the neoliberal order, creating their own informal communities of life and labor through protracted struggles in everyday life”⁷² Informality in Cairo proved resistant to the half-hearted reform attempts at integrating informal communities into the “neoliberal order.” Similar to the way that informal housing conflicted with regime reform rhetoric, the following section details another informal community’s struggle with the government’s attempts to impose through reform and standardization a particular order onto informal modes of living and working.

Waste Collection – The Case of the Zabaleen

Waste collection restructuring posed a major challenge that the government aimed to address in urban areas. In Cairo, privatization of the waste collection system formed a part of the overall goal of private sector driven growth and the offloading of public services. Furthermore, the standardization of services such as waste disposal into a more systematic, organized structure formed a key piece in upgrading the image and stature of Cairo as a world metropolis. In the case of trash collection, the push for privatizing trash collection came into conflict with the embedded trash disposal system which serviced Cairo. The *Zabaleen* trash system in Cairo was linked to the religious, cultural, and economic peculiarities of Cairo’s evolution into a sprawling, dense city. Moreover, the communities and networks formed by the trash collection system became a symbol of dynamic indigenous innovation that served Cairo according to its needs and on the terms of its residents. The government sidestepped the local system of trash collection and imposed a transition to liberalization by contracting foreign firms. In

⁷² Bayat, Asef. "Plebeians of the Arab Spring." *Current Anthropology* 56, no. S11 (2015): S33-S43. S34.

doing so, the government overrode the urban social fabric and functioning local structures in order to establish Cairo as a modern metropolis along neoliberal lines and rationalities.

Prior to privatization and standardization, two communities in Cairo were responsible for waste collection and processing, the *Wahiya* and the *Zabaleen* (*Zabaleen* collectively). The *Wahiya* were collectors and held the contracts with residents and served as middlemen.⁷³ In addition, the *Wahiya* “kept the city (especially the wealthier quarters) relatively clean, and instituted networks of recycling.”⁷⁴ Meanwhile, Christian *Zabaleen* who migrated from Upper Egypt at the turn of the 20th century provided services as disposers of organic waste using pigs which the Muslim *Wahiya* could not raise, and sold the pigs to tourist facilities. Middlemen set up settlements and work premises for *Zabaleen* who “devised organic solutions to problems, as they tailored work regimes, methods, and techniques to local circumstances.”⁷⁵ Health, safety, and economic security were tenuous for the *Zabaleen*, and various local organizations worked to improve living conditions and build institutions for the community. As such; “despite remaining hardships and poverty, the quarter ‘prospered.’”⁷⁶ In 1970, the city relocated the *Zabaleen* to the Moqattem plateau. There, the *Zabaleen* established a community that employed thousands, disposing of waste through recycling or through their pigs, surrounded by complementary economic activity to their disposal system such as craftspeople. The community enjoyed no services and no school or health center until the 1980s.⁷⁷

Changes to the livelihood of the *Zabaleen* began with attempts to push their settlements and workshops farther out of the city. The attempts to clear out the *Zabaleen* from their settlements and

⁷³ Fahmi, Wael, and Keith Sutton. "Cairo's contested waste: The *Zabaleen*'s local practices and privatisation policies." In *Organising waste in the city: International perspectives on narratives and practices* eds. María José Zapata Campos and Michael Hall. Bristol University Press, 2013. 162.

(2013): 159.

⁷⁴ Kuppinger et. al, 624.

⁷⁵ *Ibid.*, 625.

⁷⁶ *Ibid.*, 626.

⁷⁷ *Ibid.*, 625.

workshops tied into the desire to rehabilitate Cairo's external image. This drive ignored the critical role of the Zabaleen; "The objectives of the rehabilitation programme tended to favour tourism-orientated projects, while ignoring the local population's interests, through the proposed removal of informal Zabaleen settlements."⁷⁸ As a nascent operation occupying land valuable in terms of real estate and tourism development, the Zabaleen represented a fundamental contradiction to the government's vision of the future of Cairo. As a solution to the contestation of settlement clearing, the government instead moved the Zabaleen outside the city. The Cairo governorate relocated Zabaleen settlements 25 kilometers to the east, similar to the relocation of people from other areas designated for "rehabilitation" such as pottery artisans in medieval Cairo.⁷⁹ By pushing the Zabaleen out into the desert the government physically marginalized a group already living on the periphery.

Driving part of the struggle of families and collectors in the face of relocation was their informal status on the land they occupied. The trash collecting and processing communities faced similar problems to rural tenants and landless peasants who lacked documentation and legal protection for where they lived. When the government began insisting on relocation from areas in which the Zabaleen had worked and lived for decades, they lost security and faced eviction.⁸⁰ Compounding the inherent informality of the Zabaleen, the plans for relocation or compensation were unclear and unpopular and the Zabaleen feared for their physical security and ability to carry out their work. Zabaleen expressed frustration about the lack of inclusion and consultation of their community in the waste restructuring project. Community representatives proposed poverty alleviation projects and emphasized the potential consequences of resettlement and restructuring for social and communal

⁷⁸ Fahmi and Sutton, 165.

⁷⁹ Ibid., 166

⁸⁰ Ibid., 167

ties.⁸¹ The concern for their livelihoods took center stage but the conflict over restructuring trash collection was further characterized by the contested role of the Zabaleen in society.

The Zabaleen saw themselves as serving an important role for the city and valued their work and their place in the city. Moving and having to change how they went about their work threatened their way of life, physical security, and economic livelihood.⁸² The push to remove the Zabaleen advanced a “hidden agenda” to benefit housing and land developments to capitalize on the value of the land by relocating the Zabaleen to the desert, thereby freeing their previous settlements for development into luxury housing or tourism.⁸³ The spatial presence of the Zabaleen hampered the vision of development in terms of the stigma regarding the uncleanliness of waste disposal as a restriction to the growth of business, but also due to their direct presence on valuable land. These dynamics made the Zabaleen a target of liberal reform.

In contrast to the self-perception of the Zabaleen, the government’s narrative portrayed the trash collecting communities as an impediment to reform, progress, and modernity. Similar to the rhetoric around *fellahin* small farmers, the Zabaleen’s old methods that grounded economic and social ties were seen as holding back Cairo from its full potential; “Officials at the [Cairo Cleaning and Beautification Authority] regarded the Zabaleen’s indigenous methods of waste collection as unhygienic.”⁸⁴ As trash and pollution problems increased into the 21st century authorities pushed for “more comprehensive solutions” that brought in multinational corporations to handle waste, ignoring the Zabaleen as stakeholders in process.⁸⁵ Implementing privatization involved creating a system of contracts between the city and contractors. This process received criticism given that it ignored the indigenous and

⁸¹ Ibid., 168.

⁸² Ibid., 167

⁸³ Ibid., 177.

⁸⁴ Ibid. 168

⁸⁵ Kupinger et. al, 627

already existing Zabaleen system. The cost and effort alone in creating a new system from the ground up raised questions. As one Community and Institutional Development member pointed out, “these contracts are costing the city big money. Why not spend just 10 percent of such a budget to upgrade the Zabaleen system.”⁸⁶ While most could recognize that the Zabaleen system needed upgrading, an overhaul and replacement of the system made little sense. Proposals suggested using organic waste to make ethanol, further threatening and marginalizing the role of the Zabaleen in waste collection and the use of that waste for recycling and other production.⁸⁷ Rather than incorporating the benefits of the Zabaleen’s informal methods into a partnership with privatized services, the model advanced by the government focused on private companies training Zabaleen as wage workers, creating “dependency rather than partnership.”⁸⁸ Incorporating the Zabaleen as laborers within the corporatized system run by foreign firms eliminated the Zabaleen’s agency as a stakeholder. Organizations representing the Zabaleen failed to protect the Zabaleen from the process of privatization or mitigate those problems through mediation with the government or through a campaign against privatization. Instead, “it would appear that their business interests now prevail over the NGOs’ earlier role of promoting the Zabaleen community.”⁸⁹ As a marginalized group operating in an informal landscape, the Zabaleen had few resources and supporters to challenge the path taken by the government.

After taking responsibility for waste collection and disposal, private contractors failed to provide the same widespread, and consistent service as the Zabaleen. The new system proved unable to meet the needs of Cairenes while costing more and marginalizing the Zabaleen. The Zabaleen meanwhile proved resilient and useful by separately contracting with individuals and the contracted corporations to fill in the service gaps left, but overall the waste situation deteriorated.⁹⁰

⁸⁶ Fahmi and Sutton, 171

⁸⁷ Ibid. 174

⁸⁸ Ibid. 175

⁸⁹ Ibid.

⁹⁰ Kuppinger et. al, 627

Rules imposed on the Zabaleen, such as the elimination of donkey carts for waste transportation, creating a “stratification” among the Zabaleen between those who could afford to upgrade their equipment and those who could not, therefore determining who could continue operating in affluent areas where bans were enforced.⁹¹ In addition, private contractors were unable to find enough workers and so had to contract the Zabaleen who still remained in service. The city also failed to pay contractors, leading to strikes and absences in service, which further deteriorated the quality of trash collection.⁹² Privatization eroded the ability of the Zabaleen to provide robust services, while the quality of the services provided by the contracted firms dropped. The Zabaleen eventually returned to servicing around one third of Cairo’s waste, but the damage was done and contracted companies continued to profit off of the official role they enjoyed.⁹³ The privatization process disrupted expectations and quality of life standards held by urban dwellers about waste disposal.

The importance of privatization in all aspects of economic activity in Cairo trumped organic, existing systems built on the local labor and social ingenuity that provided an imperfect but stable system. The government did not investigate how an upgrade to or investment in the Zabaleen system could achieve the stated goals of modernization, cleanliness, and health. Rather, privatization of waste introduced a new paradigm from scratch that provided worse services and threatened the jobs and livelihood of the Zabaleen by putting foreign firms in charge of waste collection and disposal. The transfer of trash collection services amounted to a transfer of resources. The conflict between the government and the Zabaleen “not only diminished the livelihood of the Zabaleen but ultimately aimed to eliminate much of this livelihood and transfer its revenue to global corporations.”⁹⁴ The community

⁹¹ Ibid., 626

⁹² Ibid., 627

⁹³ Ibid.

⁹⁴ Ibid., 621.

and collection economy developed by the Zabaleen became a target because the activity it undertook could be coopted.

A particularly stark incident highlights the growing tension between the trash collecting community and the government. In 2009, the government culled and slaughtered between 190,000 and 300,000 in response to the swine flu, many owned and used by Zabaleen to process organic waste and as a source of food and income.⁹⁵ Killing the pigs caused the Zabaleen to stop picking up organic waste, leading to a buildup of rotting food on the city streets, creating an actual cholera health crisis whereas the swine flu had been disproved as a threat to the population. Moreover, malnutrition spiked in children due to losing the pigs as a source of food. The justification of the slaughter shifted over time, from a necessity driven by a swine flu health crisis to a general need to clean up the neighborhoods and settlements of the Zabaleen.⁹⁶ The shifting narrative of the state was further tainted by what was done to make up for the loss of the pigs; “Some zabaleen received compensation for their pigs, but how long does a limited amount of money last? The zabaleen’s response was straightforward: with no pigs to feed, they stopped collecting organic waste.”⁹⁷ In this incident, the government’s repeated attempts to marginalize the Zabaleen showed their true consequences. The pig slaughter demonstrated the inefficacy of the contract system with foreign companies, as a garbage crisis emerged once the Zabaleen could not or would not pick up trash without their pigs.⁹⁸ The corporatized system failed to address the needs of the city on its own and left Cairenes and the Zabaleen without proper services and work, respectively. The significance of this incident should not be underestimated; the pig slaughter “was one of numerous instances of government oppression and violence that indirectly and unintentionally fed into the Egyptian uprising of 2011.”⁹⁹ Growing discontent with the state can grow when trash piles up and the

⁹⁵ Fahmi and Sutton, 172

⁹⁶ Ibid., 173

⁹⁷ Kuppinger et. al, 629

⁹⁸ Ibid.

⁹⁹ Ibid., 621

streets get dirty. Trash collection and waste disposal rarely makes the headlines in terms of revolutionary grievances. The state of the Zabaleen and waste disposal in Cairo demonstrates that disturbances to marginalized professions and groups have profound effects.

The efforts to restructure urban trash collection exposed a deep flaw not only in the specific plans of the Egyptian government to change the urban environment but also a blind spot in the neoliberal model for development. In marginalizing indigenous trash collection, the government tried to privatize an already private system that had developed deep roots in the urban fabric of Cairo. Kuppinger further puts the Egyptian case in a wider context; “Globally modeled high-tech solutions, urban patterns that privilege rapid circulation, and consumption-oriented projects took precedence over local forms, potentials, and livelihoods.”¹⁰⁰ These projects also orient themselves towards benefitting corporations. The new contract system reduced Zabaleen to collectors, undesirable for the Zabaleen as well as residents, while profitable for the contracted companies.¹⁰¹ Furthermore, physically removing the Zabaleen from their workplaces was oriented towards the development of the land on which they lived and worked. The construction of al-Azhar Park, the Cairo Financial Center, and real estate speculation on the Moqattam plateau brought pressure from authorities and developers for the Moqattam Zabaleen settlement to move.¹⁰² Empowering the private sector and transferring land from underneath the Zabaleen signaled clearly the rationale the government embodied; promote development as modeled by neoliberalism and leave local systems behind as a vestige of the past. The weakening of the Zabaleen system fits in a greater trend, wherein governments endeavor to assimilate into a global model instead of embracing local ingenuity.

The case of trash collection begs a further question about the reason for undertaking privatization. Unlike other sectors where public sector firms dominated the market through party

¹⁰⁰ Ibid, 629

¹⁰¹ Ibid, 627

¹⁰² Ibid, 628

cronyism, Cairo's Zabaleen system already operated largely outside the purview of the state. An infrastructure for collecting trash already existed, so why did the government bother to create a new one from scratch? The drive to bring in foreign firms and supplant the Zabbaleen system served as another means of mobilizing state power to bring investment and build ties between an emergent private sector and the government. In the context of trash collection, the government's rationality demonstrated that it prioritized siphoning public funds to foreign firms rather than supporting a functioning, indigenous service system.

Health Care

Along with education, health care service formed a core tenet of government provision of services along with education and consumer good subsidies. Health care spending lags behind world rates at 3.7% of GDP and more than half of that spending occurs in private healthcare rather than in the public sector. Furthermore, the public health care system does not cover those working in the informal sector, creating greater instability for the economically vulnerable.¹⁰³ In addition, the system is in some ways regressive; "The poor pay relatively more (both out-of-pocket and through the tax system) and receive relatively less in benefits than the better-off social strata."¹⁰⁴ In this way, the system failed the people it was intended to help. The public health care system also goes underutilized; "only 25% of households who are covered by public health insurance are benefiting from it due to low quality services and excessive red tape."¹⁰⁵ Other logistical flaws compound the ineffectiveness of the system;

¹⁰³ Haley, Donald Robert, and Sama A. Béq. "The road to recovery: Egypt's healthcare reform." *The International journal of health planning and management* 27, no. 1 (2012): e83-e91. 84.

¹⁰⁴ Gericke, Christian A. "Financing health care in Egypt: current issues and options for reform." *Journal of public health* 14, no. 1 (2006): 29-36. 31.

¹⁰⁵ Rashad, Ahmed Shoukry, and Mesbah Fathy Sharaf. "Who benefits from public healthcare subsidies in Egypt?." *Social Sciences* 4, no. 4 (2015): 1162-1176.

“Insured individuals reported several reasons for not using HIO facilities: distance was cited by 18% of the individuals, 35 percent cited the long waiting time, and 44 percent cited lower-quality services”¹⁰⁶ Even those who are eligible to access free health care through the government could not navigate the system or did not trust the quality of the care they would receive. Gericke summarizes; “The Egyptian health system has been characterised as having virtually all the problems encountered in former socialist countries, while at the same time possessing few of the advantages and most of the problems of an open-ended, US type system.”¹⁰⁷ Egypt’s health system had the worst of both worlds, an overly complicated public bureaucracy lowering the access to and quality of care compounded by a freewheeling private system which enjoyed a better reputation.

The aforementioned problems pushed forward efforts to increase the effectiveness of the public health sector. In tandem with economic reform, “the Egyptian government began developing healthcare reform policies with the premise of providing and financing a basic level of health care services for its population.”¹⁰⁸ However, similar to the problems faced in public education during reform, the quality of health care continued to suffer from a disparity of quality between the private and public sectors. A tendency emerged where public sector doctors took second jobs in the private sector, giving them an incentive to siphon patients to their own private practice.¹⁰⁹ In a further parallel to the tutoring problem mentioned above, families going to the private sector for healthcare paid out of pocket at their own risk; “To obtain adequate healthcare, many households in Egypt rely on out-of-pocket financing which increases the risk of becoming impoverished if the out-of-pocket payments were substantial and for prolonged periods”¹¹⁰ Unlike education, where out of pocket expenses could at least theoretically

¹⁰⁶ Rashad and Sharaf, 1173

¹⁰⁷ Gericke, 31.

¹⁰⁸ Haley and Beg, 84.

¹⁰⁹ Ibid., 85.

¹¹⁰ Rashad and Sharaf, 1163.

increase the opportunities of the student, health care expenses treated illnesses but did not provide a longer term benefit. Along these lines, Haley and Beg warn that “Policies must also be established that prevent the shift of limited resources from the public healthcare system to fund a private system that often caters to a wealthier population.”¹¹¹ Privatization of health care and the decline of the public system were linked by crossed incentives by doctors and a lack of funding to keep the value of public sector treatment competitive. In fact, the health care provided by Islamic and Coptic private voluntary organizations(PVOs) had a greater reputation than government hospitals due to a perception of greater care for the sick regardless of station and in the actual quality of care.¹¹² The provision of treatment based on economic class and financial ability eroded the trust in the public sector healthcare system to treat people in an equitable way. Already a source of inequality, the erosion of quality in health care and the inability of reform to solve these issues compounded the uneven development in the decades leading up to the Arab Spring.

¹¹¹ Haley and Beg, 90.

¹¹² Harrigan and El-Said, 102

Rural Experience Under Neoliberal Reform

In rural Egypt agriculture reigns supreme. The banks of the Nile have famously produced plentiful bounty for millennia, but the strains of a booming population and stagnant land usage placed tremendous strains on the Egyptian agricultural sector to boost productivity and the amount of land cultivated. Entering the Mubarak era under which agricultural development became a key feature of World Bank, IMF, and USAID reform policy and support in Egypt, Egyptian farmers faced monumental challenges and weak incentives to shift their production. As seen above in the urban context, reform pitted various segments of the population against the government and its vision of what structural adjustment would look like for Egypt and Egyptians. In the rural context, different policies and priorities brought new conflicts unique to the countryside yet fundamentally related to the problems of the city. Land seizure, state support and services, employment, and investment all played a part in the government's reform program in rural areas, conflicting with previous expectations held by small farmers and tenured residents. During the reform era guarantees protecting crop prices, ensuring subsidized inputs, and laws which provided land security to peasants all came under fire. Furthermore, in advancing neoliberal reform in the countryside, the Egyptian government prioritized large-scale, export-driven agricultural production at the behest of major IFIs and to the detriment of small farmers and peasant workers. As in the urban context, the collapse of basic services and guarantees from the government redefined the relationship between the governors and the governed and contributed to the frustrations which drove the Arab Spring in 2011.

Tenure Reform

For rural Egypt ownership and control of land, specifically arable land, determines economic opportunity and security. Egypt experienced two major shifts in land distribution in the post-monarchy period. The first re-distribution occurred under Nasr in a bid to dislodge the landed elite and extend influence in rural areas previously held by the aristocracy. In the decade following the Free Officers' Revolt in 1952, Nasr's government enacted land reform policies that "redistributed one seventh of the cultivable land, mostly from large landowners to the *fellahin*, and capped land ownership at 200 feddans by 1961" while also providing guarantees of security to small landowners and tenant farmers.¹¹³ This combination of robust, direct state support in production and support for land claims presented serious challenges for the entering Mubarak regime which faced a broad economic crisis and specifically an agricultural one. These existing traits of the Egyptian agricultural sector and the literal rural landscape encapsulated an entrenched rural political economy that made reform not only a difficult process in theoretical economic terms, but also in political practice. The *fellahin* class had become accustomed to a post-revolution "social contract" in which government supported their livelihood and protected their land, costing the people "political repression and limited political participation."¹¹⁴ Nasr's land reform policies aimed to reduce the holdings of large landowners and provide robust rights for small landowners through laws of inheritance and tenant farmers through rights to secure tenure. While a large swathe of land was redistributed and the largest landholdings broken up, the elite managed to maintain much of their land and the desired shift in power to a broader segment of the population failed to take hold.¹¹⁵ Nevertheless, this distribution of land created a system of support for the agricultural *fellahin* class and spoke volumes about the legacy of Gamal Abd al-Nasr

¹¹³ Bush, Ray. "Coalitions for dispossession and networks of resistance? Land, politics and agrarian reform in Egypt." *British Journal of Middle Eastern Studies* 38, no. 3 (2011): 391-405. 395

¹¹⁴ Bush, Ray. "Politics, power and poverty: twenty years of agricultural reform and market liberalisation in Egypt." *Third World Quarterly* 28, no. 8 (2007): 1599-1615. 1601

¹¹⁵ Bush 2011, 1601

and the state of Egyptian political and economic philosophy up to the 1990s and the shift to aggressive liberal reform.

The second redistribution occurred in the context of liberal reform under reform as it kicked into gear in the 1990s following the adoption of the 1991 ESRAP and growing pressure from the World Bank. Centered around the Law 96 of 1992, this tenure reform effort implemented liberalized land and tenure laws, significantly altering the land distribution in rural Egypt. The law reduced limits and moratoria on rent increases by landlords and eliminated protections for renters and land inheritors guaranteeing them security. The law allowed for rents to increase gradually but significantly; “the maximum rent was raised from seven to twenty-two times the land tax for a five-year period, after which rents and tenancies were to be uncontrolled and all tenants could be freely evicted.”¹¹⁶ As a result, at least 800,000 lost their rights to their land, rents increased significantly, and many could not afford or were rejected for new leases or land purchases.¹¹⁷ The effects of the law further rolled back the clock on the goals of the initial land reform of the 1960s; “The new law deregulating land rent and the ‘ return ’ to determining rents ‘ by the laws of the market alone ’ may well have the effect of not only fully liberalizing the agricultural sector, but also, whether intended or not, of encouraging a trend toward reconcentration, due to small tenants abandoning their plots since they cannot afford the new rent.”¹¹⁸ Landowners with newly unprotected tenets were able to push poor tenets off the land and reclaim it. The law further revoked credit assistance from small land holders and dismantled cooperative agricultural organizations which small farmers had relied on previously for inputs like

¹¹⁶ Mitchell, Timothy. “The Market’s Place” in *Directions of change in rural Egypt* eds. Nicholas Hopkins and Kirsten Westergaard, 3-24. American Univ. in Cairo Press, 1998. 18.

¹¹⁷ Ayebe, Habib, and Ray Bush. *Food Insecurity and Revolution in the Middle East and North Africa: Agrarian Questions in Egypt and Tunisia*. Anthem Press, 2019. 138.

¹¹⁸ Ireton, Francois. “The Evolution of Agrarian Structures in Egypt: Regional Patterns of Change in Farm Size” in *Directions of change in rural Egypt* eds. Nicholas Hopkins and Kirsten Westergaard, 25-49. American Univ. in Cairo Press, 1998. 48.

fertilizer. Eliminating these supports and instituting a market based system for inputs and land amounted to wholesale rejection of Nasser's policies.¹¹⁹ As a result of this counter-reform, "peasants with secure tenure rights were transformed into landless sharecroppers or migrant labourers."¹²⁰ Peasants went from a protected class enjoying state guarantees and physical security to largely landless and devoid of state support.

The issues of land tenure also spilled over into fishing communities. In the Four Sister's lakes along the Mediterranean, communal management of the lakes' fishing resources from the past was eliminated by the repeal of land reform and land privatization.¹²¹ In this context, the winners of privatization were large-scale farm fishing corporations. These companies occupied a similar position to large agricultural companies in that their ability to increase productivity and volume of fish promised to bring food security to Egypt. In pursuit of this goal, these companies increase the use of chemical inputs and vastly increased production, putting pressure on a fragile ecosystem previously worked by small local families with limited chemical inputs.¹²² These large-scale operations frequently encroached on local operations, but their informal claim to their fishing areas gave them little recourse. Furthermore, enforcement of any claim required contacts in the police and NDP in order to actualize your claims to an area.¹²³ Small fishing communities on the coast faced similar challenges to small landowners or tenet farmers. Neither fit the vision for how the government imagined Egypt would advance economically, and so the government chose to disregard their interests and ways of life.

Implementing the new tenancy law required the use of force as many protested evictions and rent increases. Bush "Peasants also challenged owners in the courts, mobilised against the police and

¹¹⁹ Bush 2007, 1606

¹²⁰ Joya 2011, 374

¹²¹ Malm, Andreas, and Shora Esmailian. "Doubly dispossessed by accumulation: Egyptian fishing communities between enclosed lakes and a rising sea." *Review of African Political Economy* 39, no. 133 (2012): 408-426. 414

¹²² *Ibid.*, 414

¹²³ *Ibid.*, 415

were often found not guilty of criminal offenses only to have rulings overturned by military governors.”¹²⁴ Violence also accompanied these court rulings; “In Egypt there were more than 119 deaths and 846 injuries between January 1988 and December 2000 that were linked to rural conflict, and the drafting and implementation of Law 96 of 1992”¹²⁵ As a fundamental restructuring of the state does not disappear as private owners or enterprises establish ownership of land, property, or resources. Rather, the state “is often absolutely instrument in *establishing* the rule of private property - particularly if resistance is encountered - and enforcing the rules of the market.”¹²⁶ Not only did the regime create laws that dispossessed land from the rural poor, but the courts, local police, and the military upheld these dispossessions through violence. Organized protest formed around the law changes and counter-reform but the full weight of the state intervened to enforce the new land distribution. Privatization of land and the removal of tenancy protections was not a passive act, it required responding to the people’s objections with force in order to turn the new law into reality.

Driving the effort to remove small farmers and tenants from small agricultural lands was a perception that their way of life prevented economic progress. This reversed the previous perception of small landowning farmers and tenant farmers from the anti-aristocracy sentiments of the age of Nasr. In the new era of reform, peasants were depicted as “the real culprits of the Egyptian agricultural crisis and therefore of the country’s economic difficulties as a whole” and this argument was used to “better justify the liberalization of the economic sector and the call for investors and big landowners to ‘save’ the agricultural sector in Egypt.”¹²⁷ Peasants went from the lifeblood to the burden of Egypt’s agricultural aspirations. Peasants shifted from being the producers of Egypt’s food to liabilities: economic burdens whose lack of productivity and fierce protection of their land limited the potential of

¹²⁴ Bush 2011, 403

¹²⁵ Ibid., 394

¹²⁶ Malm and Esmailian, 409

¹²⁷ Ayeb and Bush, 137

Egyptian agriculture to modernize the economy.¹²⁸ Instead, peasants became simple wage workers in the greater scheme of large agribusiness; the shift away from small land ownership relied on peasants working on the large farms.¹²⁹ In the process of tenure counter-reform, peasants lost their role as the standard bearers of Egyptian agricultural production. Their security and dignity were stripped, yet their labor remained necessary.

The aggressive nature of the tenure reform pursued in the 1990s also represented a new drive among business interests in the NDP empowered by a liberalizing economic environment; “The rollback of the agrarian tenancy law was the work of the bourgeoisie in parliament which pushed a radical version favorable to landlords and utterly devoid of protection for tenants which even the government initially wanted.”¹³⁰ The regime and the NDP spent the 1980s cautiously, carefully pushing mild reforms and quickly backing off whenever policies faced too much resistance as in the cases of price liberalization and subsidy cuts. Tenancy reform stands as one of the first shifts towards more aggressive reform pursued by the Nazif government in 2004 and beyond. The fact that the government weathered the storm of tenancy reform without an existential challenge to its legitimacy signaled that it could continue with a program of reform that dispossessed and impoverished vulnerable peasants, small landholders, and tenet farmers without large-scale opposition. The outcome of this dispossessions contrasts the urban scenarios discussed above; rural opposition and protest did not carry the same weight as urban protest which had the potential to mobilize great numbers. The stories of resistance and violence in the face of tenancy reform show that opposition existed, but that such opposition was overwhelmed by the capacity and willingness of the regime and its clients to mobilize the repressive apparatus as well as the legal system to crack down harshly in order to entrench the new land distribution in pursuit of agricultural exports.

¹²⁸ Bush 2011, 397

¹²⁹ Ibid.

¹³⁰ Hinnebusch, 166

Underlying this land tenancy counter-reformation was an assumption that placing land and crop production in the hands of large landholders and export-oriented corporations would boost exports and help feed the country. However, tenancy and agricultural reform provided little concrete evidence of economic growth or reduced poverty but clearly benefitted landowners who capitalized on support for seizing land and business people who used the land for large agricultural ventures.¹³¹ Furthermore, these reforms exacerbated inequality between reinstated large landowners and small landowners as well as the newly landless. Re-concentration of land ownership through “dispossession of smallholder farmers, under the guise of market reform-induced land transfers, has accelerated resource and income inequality.”¹³² In pursuit of large-scale farming as a means of boosting Egyptian agricultural exports, the Mubarak regime reversed the Nasr-era rhetoric of anti-aristocratic social justice through the redistribution of land back to the wealthy. The results consisted of dispossessed and massacred poor farmers, empowered large landowners, and questionable economic gains at the end of the day.

Agricultural Policy Reform

The dominant discussion around agriculture viewed the sector as a force for nationalist pride; Egypt, with abundant natural resources and the greatest river in the world, should feed itself. However, the goals of self-sufficiency and food security faced significant problems posed by trends of consumption and production heading towards a spiral of increasing imports, stagnant productivity, and noncompetitive exports. Nasr-era policies of agricultural support as well as fears of revolt during the Sadat era kept in place supports such that consumers enjoyed low, almost free prices on basic foodstuffs, especially bread and other wheat products, while farmers enjoyed controlled prices for their

¹³¹ Bush 2012, 64

¹³² Bush 2011, 393

crops and agricultural inputs such as fertilizers and seeds that kept costs low. The agricultural policy reforms undertaken by the Mubarak regime in consultation with IFIs aimed to end those supports and offset the need for imports with high-value exports.

As early as 1989, before the ERSAP was finalized, Galal Amin identified that “the distorted economic structure can be traced to the abandonment by the state of its role as an active investor in agriculture and industry and as a regulator of private investment.”¹³³ One of the key changes in reforming the agricultural sector was price liberalization. The government reduced controls on staple crop prices, notably price floors. This change resulted in a reorientation between farmers and distributors; “with the withdrawal of the state from procurement, farmers must negotiate their prices with competing (and sometimes unpredictable) merchants.”¹³⁴ In fact, the creation of a market price system substituted one form of structural power over the agricultural sector with another. In one case, a study in Qina and Aswan found that “only larger landholders were likely to have the financial and logistical capabilities to access and benefit from the private sector.”¹³⁵ Transitioning from flawed public price controls to a private market system only offered relief to those with the capacity to take advantage in filling the vacuum left by the government. In reality, the switch to market system did not alleviate the problems small farmers faced; local brokers and landowners controlled who could use land and how they would sell crops, establishing new market monopolies where state dominance and regulation used to be.¹³⁶ With the government exiting its role as a price controller, powerful middlemen took over to determine prices in its place, favoring those with bargaining power over those with smaller amount

¹³³ Amin, Galal. "Migration, inflation and social mobility." in *Egypt Under Mubarak* eds. Charles Tripp and Roger Owen, 103-121. Routledge, 1989. 105.

¹³⁴ Hopkins, Nicholas S., and Kirsten Westergaard. *Directions of change in rural Egypt*. American Univ in Cairo Press, 1998. xx.

¹³⁵ Tordhol, Tor Håkon. "Rural Revolutionaries: Political Mobilisation of Farmers and Fishermen in the Egyptian Countryside after the 25th of January Uprising." University of Oslo, 2013.
<https://pdfs.semanticscholar.org/5aac/419650c06ab24c64a3445ad925f8f6924962.pdf> 4.

¹³⁶ Tordhol, 4.

of land and crops to influence the price they can receive from these middlemen. Creating free markets opened up many avenues of manipulation while also failing to protect Egyptian producers; “Markets did not work, because of monopolization, hoarding, and speculation, and the exposure of farmers to international price swings that make free-market farming impossible all over the world.”¹³⁷ In eliminating supports for farmers, Egypt did not even provide protection for its industries that established market economies did. For example, the United States and Europe both protected their sugar producing industries to the detriment of less developed producers.¹³⁸ Egypt’s approach to entering the free market did not compensate for the complexities of the international market and how they would affect domestic producers.

Major figures, such as Agricultural Minister Yusuf Wali, identified a needed change in Egypt’s agricultural production. From the 1960s through the 1980s, Egyptian leaders and ministers had attempted to make Egypt self-sufficient in producing its most important staple crop, wheat. However, due to consumption Egypt was the third largest importers of grain in the world by the mid-1980s. In order to end that reliance Egyptian farmers would have to use every single *feddan* for wheat production. Instead, Wali wanted to cover cereal imports with other agricultural exports in an effort to exploit comparative advantage, specifically through fruit and vegetable exports.¹³⁹ USAID also pushed for the agriculture industry to grow high value, low nutrition crops for Europe to boost exports and capitalize on comparative advantage.¹⁴⁰ The results of this strategy were mixed; some producers increased output as well as productivity per *feddan*. On the other hand, this strategy resulted in a decline in earnings for rural producers because of higher input costs and oligopolistic traders.

¹³⁷ Mitchell 1998, 16.

¹³⁸ Ibid., 12.

¹³⁹ Sadowski, Yahya M. *Political vegetables? Businessmen and bureaucrats in the development of Egyptian agriculture*. Brookings Institution, 1991. 148.

¹⁴⁰ Bromley, Simon, and Ray Bush. "Adjustment in Egypt? The political economy of reform." *Review of African Political Economy* 21, no. 60 (1994): 201-213. 208.

Furthermore, production was reaching its technological limit and labour ceiling. IFIs and USAID wanted to expand past those limits by moving to large commercial farmers which hurts the rural poor, and still did not address the problems with the crops' competitiveness in the export market.¹⁴¹

Agricultural reform aimed to remove the government from production of inputs and outputs and remove regulation and price control. This would facilitate the creation of large agro-business that would export high value products. However, Egypt lacked the “infrastructure and the knowledge necessary to compete effectively in a very competitive international market,” rendering futile the attempts to use the free market to boost the agricultural sector. Furthermore, the political landscape incentivized real estate speculation and development or construction over agribusiness for investment.¹⁴²The path of agricultural reform policy failed to accomplish the goal of global export competitiveness while also undercutting vital sources of economic security for the vulnerable in the Egyptian countryside.

Health Care and Education: Dwindling Resources

Health care and education form a nexus representative of inequalities and disparities between rural and urban areas generated by liberal reform in Egypt. As elsewhere, public education and health programs declined with reform, lowering the quality of education and emptying clinics and hospitals.¹⁴³However, rural health care systems also suffer disproportionately. Rural areas have many fewer inpatient facilities, receive disproportionately fewer physician hours, and suffer from severe shortages or simply the absence of specialists. General practitioners, while more numerous in rural

¹⁴¹ Bromley and Bush, 209.

¹⁴² Tordhol, 3.

¹⁴³ Abu-Lughod, Lila. "Living the “revolution” in an Egyptian village: Moral action in a national space." *American Ethnologist* 39, no. 1 (2012): 21-25. 22.

areas, are underqualified or inexperienced.¹⁴⁴ Furthermore, Ibrahim¹⁴⁵ documented from 2006 to 2008 “the ground-level experience of local inhabitants with inadequate education (e.g., illiteracy of up to 30 percent and a falling school enrollment ratio), failing healthcare provision, growing unemployment and poverty, and disillusionment with an incompetent and disengaged state bureaucracy, corruption, and electoral fraud.”¹⁴⁶ Alongside civic and political frustrations, the decline in key services like education and health care lowered the quality of life in rural areas. Health care in rural areas also suffered from contradictory incentives and perceptions. In rural clinics, “The rule is that patients could be examined at the village health unit for a nominal fee of fifty piasters (half an Egyptian pound) between 9 a.m. and 12 noon. After midday, the physician is free to examine the patients privately for a fee of LE3– 4. Despite the higher cost, most people prefer the private examinations, since they feel that the physician gives them more attention and a thorough examination.”¹⁴⁷ Getting transportation to these clinics also imposed greater challenges in the rural context. Long travel times added to the cost of care such that “the cumulative effect of the cost and inconvenience of transport, medical care, medication, and the fact that other problems have a greater priority than health, is to dissuade many people from seeking treatment.”¹⁴⁸ The obstacles faced by rural residents in obtaining health care made it likely that treatment for all but the most dire illnesses was prohibitively expensive.

Another source of declining education prospects in rural areas came from Law 96, the tenure counter-reform law. Forced to pay higher rent and with precarious living situations, peasant families took their kids out of school as parents could no longer afford transportation and school fees.

¹⁴⁴ Haley and Beg, 86

¹⁴⁵ Ibrahim, Solava. "A Tale of Two Egypts: contrasting state-reported macro-trends with micro-voices of the poor." *Third World Quarterly* 32, no. 7 (2011): 1347-1368.

¹⁴⁶ Pfeifer, 42

¹⁴⁷ Mehanna, Sohair and Peter Winch. “Health Units in Rural Egypt: At the Forefront of Health Improvement or Anachronisms?” in *Directions of change in rural Egypt* eds. Nicholas Hopkins and Kirsten Westergaard, 207-222. American Univ. in Cairo Press, 1998. 214.

¹⁴⁸ *Ibid.*, 215.

Furthermore, the promise of employment after education was faltering as well.¹⁴⁹ Rural students faced much greater challenges turning their primary and secondary education into success in higher education. The chances for rural students, both male and female, to succeed in finishing higher education is significantly lower than their wealthier counterparts in urban areas.¹⁵⁰ Assaad argues that in fact the structure of Egypt's public education system so privileges the rich over the poor, the urban over the rural, that the free education system requires overhaul in order to narrow the gap the two groups.¹⁵¹ Yet, the value of education never doubted despite low quality and little chance of employment. Reflecting on fieldwork in rural Egypt, Abu Lughod writes "It is surprising to me, for example, that the faith in education is so widespread given that there is so little decent employment for the educated, and that the overtaxed educational system is so poor (with underpaid teachers forced to make ends meet by offering private lessons in the afternoons and evenings to students who learn nothing in overcrowded classrooms). Yet, no one questions the value of education."¹⁵² The perception of education as a vehicle of opportunity never faded despite narrowing avenues for advancement.

During the era of reform, the gap between rural and urban healthcare and education further grew. The modest gains in poverty rates and health indicators in the 1990s also failed to reach rural areas, particularly Upper Egypt.¹⁵³ The gap grew to the point that "in 2008–9, on the eve of the popular uprising in January 2011, the rural poverty rate is just under three times urban poverty rate and far exceeds the average poverty level in Egypt."¹⁵⁴ These disparities are highlighted by stark statistics; "In Egypt in 2008, a pregnant rural woman was about half as likely as an urban woman to receive

¹⁴⁹ Ayeb and Bush, 139.

¹⁵⁰ Assaad, Ragui. "Equality for All? Egypt's Free Public Higher Education Policy Breeds Inequality of Opportunity" *Economic Research Forum, Policy Perspective No. 2* (2010). 2.

¹⁵¹ *Ibid.*, 1.

¹⁵² Abu-Lughod, Lila. "Television and the Virtues of Education: Upper Egyptian Encounters with State Culture" in *Directions of change in rural Egypt* eds. Nicholas Hopkins and Kirsten Westergaard, 133-152. American Univ. in Cairo Press, 1998. 146.

¹⁵³ Harrigan and El-Said, 95

¹⁵⁴ Ayeb and Bush, 144

prenatal care or to have an assisted delivery, and she was more than three times as likely to give birth at home.”¹⁵⁵ This inequality also drew resentment. As Abu-Lughod writes of villagers’ perceptions of visiting urban tourists; “it stung villagers to know that these others were richer than they were more powerful, and looked down on them; the locals were convinced that their own schools, the goods available to them in their markets, their opportunities for jobs and futures, and even their medical care were all inferior to the goods, services, and prospects enjoyed by these urban visitors.”¹⁵⁶ The growing divide between resources and services in urban and rural areas raises the question of whether macro indicators of health and wealth fully capture lived experience. Years of reform brought Egyptians farther apart, not closer together.

Land Reclamation

Part of the challenge of developing Egypt’s economy stems from the rapidly growing population on a constant or shrinking amount of arable, habitable land. Throughout Egypt’s modern history, successive governments attempted land reclamation projects to increase arable land and relieve pressure on overcrowding cities. Characterized by grand visions and chronic underachievement, reclamation projects consumed significant resources and promised revolutionary change, but delivered little. Desert land reclamation projects pursued by the Mubarak regime represented a seriously flawed aspect of its reform program while continuing to promote the interest of large investors and agricultural interests.

The Toshka reclamation project was a staple reclamation project of the Mubarak regime. The project had further implications for the rest of the Egyptian agricultural sector downstream in the Nile

¹⁵⁵ Pfeifer, 43.

¹⁵⁶ Abu-Lughod 2012 , 22.

Delta; “Toshka has also diverted water from Lake Nasser that would otherwise flow to irrigate crops in the Delta and it became an additional mechanism to reward political (and economic) allies close to the Mubarak regime.”¹⁵⁷ Mega-projects such as Toshka promised to revitalize the countryside by opening new agricultural lands and relieve pressure on urban populations through migration away from overcrowded cities. The process of creating new towns, opening new lands, and building dams served to extend the reach of government farther in the desert. Reclamation taking the form of government expansion also allowed the government to determine the beneficiaries of reclamation. Concentrated capital in the form of investors and large companies came out on top in this competition; “in the newly reclaimed land, farms are larger, more technologically advanced, and owned by private corporate businesses such as exporters and processors. These large private farms have the resources to use certified seeds, proper crop rotation, and drip and sprinkler irrigation systems, which reduce the occurrence of disease and increase yields.”¹⁵⁸ Reclaiming lands benefitted the already well-off, those who had the capital, whereabouts, and connections to further capitalize on their advantages. As such, “agrarian reform since the mid-1980s rewarded political coalitions of large landowners and investors able to benefit from state subsidies in the new desert reclaimed lands and mega new agricultural projects.”¹⁵⁹ From tenure reform to reclamation policies, large landowners made up the state’s constituent beneficiaries. Bush further connects efforts at desert land reclamation to the overall agricultural development and reform strategy; “The IFIs and the government are now trying to maximise the production of high-value low nutritious foodstuffs for export markets. In doing this they focus on developing new land, reclaiming deserts and investing in capital- intensive machinery that only large landowners and investors can afford.”¹⁶⁰ Establishing new lands on which to pursue large

¹⁵⁷ Bush 2011, 397.

¹⁵⁸ Sadowski, 205.

¹⁵⁹ Bush 2011, 397

¹⁶⁰ Bush 2007, 1600

scale farming to grow agricultural exports opened new opportunities for land distribution to the well-connected without the violence and friction of displacing small farmers as with the Nile Delta.

While offering lucrative investment opportunities, large reclamation projects did not meet their stated goals despite large expenditure. For example, the Toshka project did not meet its goals; it generated a maximum of thirty thousand jobs, did not spur mass migration from the city to the country side, and still managed to reduce liquidity and benefit “crony investors.”¹⁶¹ The government did establish a program to grant unemployed graduates and landless peasants small plots in the “New Lands”, but the actual number of people settled paled in comparison to the growing population – 69,000 claimed beneficiaries over a period of twenty years.¹⁶² Land reclamation promoted a grand vision, but few results. Mitchell and Sims write that the goal of resettlement was largely for show and to “appear to give hope to the many tenant farmers who had been tossed off their old land and farms in the liberalization reforms of the mid-1990s.”¹⁶³ In the end, “there is little basis upon which to assume that any of Egypt’s big schemes will provide a panacea for agricultural growth. There is far more evidence that the schemes will promote environmental crisis, suck in available liquidity and provide opportunities for asset stripping by foreign and some Egyptian interests.”¹⁶⁴ Land reclamation projects received the full force of the state’s bureaucratic and financial toolkit to chase dreams in the desert.

Regardless of the political conditions that spawned the gold rush for reclaimed land, the nature of large, new, remote projects promoted the interests of those groups that could afford to participate in such an endeavor. Land reclamation, billed as the expansion of Egypt’s agricultural prowess, marginalized Egypt’s rural population which did not benefit from the same kind of intensive

¹⁶¹ Ibid., 1612

¹⁶² Sims “A Roll Call of Desert Schemes and Dreams, 1952 to 2014”, 4.

¹⁶³ Ibid, 5.

¹⁶⁴ Bush 2007, 1610

investment. Instead, the reform regime passed over tougher issues of growing productivity and improving infrastructure to pursue vanity projects at high cost and with little return.

Tourism

Part of the vision of economic reform in Egypt involved maximizing the resources Egypt already has. Famously, Egypt possesses ancient sites of religious, cultural, and historical significance, including the Pyramids of Giza, Christian and Muslims sites, and the natural beauty of the Nile. Furthermore, Egypt's Mediterranean and Red Sea coasts offer significant potential for vacationing. Part of the reform process, then, included a push to exploit these resources to boost to the private sector through tourism. This process involved privatizing land, awarding contracts, and attempting to attract investment for building necessary infrastructure at the sites in question and the necessary transportation infrastructure. While expanding the tourism industry brought in tax revenue, further investment in the tourism industry played out in a way that maintained rents for patronage through special laws and tax exemptions. This process allowed the regime to maintain a system of patronage while also preserving services in the short term.

Richter and Steiner¹⁶⁵ describe the threat to the rentier state in Egypt in the 1980s with the fall of oil prices and a general economic downturn which cut Suez revenues and foreign remittances. They then put forward the claim that tourism filled this gap in the 1990s and 2000s, as the economic and political elite searched for a new source of patronage. This discussion of the adaptation of neo-patrimonialism through the tourism industry intersects with the political economy of economic reform. Tourism fit squarely with a reform program that employed the language of privatization, attracting

¹⁶⁵ Richter, Thomas, and Christian Steiner. "Politics, Economics and Tourism Development in Egypt: insights into the sectoral transformations of a neo-patrimonial rentier state." *Third World Quarterly* 29, no. 5 (2008): 939-959.

foreign investment and visitors, and most of all required little deviation from the existing system of patronage.

The adaptation of the tourism industry to provide patronage through the language and policy of liberalization carries implications for authoritarian patronage regimes embarking on economic liberal reform. The Egyptian case challenges neoliberal policy prescriptions in developing, rentier states because the neopatrimonial state adapts to maintain itself. In this case, the liberal prescriptions of privatization and the offloading of the state's assets amounted to a transfer of wealth from the state to the political elite at the expense of the Egyptian treasury. A healthy liberalization process would have dismantled the neopatrimonial state but the tourism sector contributed to keeping patronage alive. Instead, the 1980s decline in rents connected directly to the tourism increase; offsetting one loss in rentierism with a gain in the other.

The great symbols of Egyptian history and centers of tourism also served as the lifeblood of this new rentierism. Egyptian tourism has an absolute rent and monopolistic advantage at places like the Pyramids, archaeological sites, and Coptic Cairo among others.¹⁶⁶ The government controlled access, licensing, and renovation resources for these areas. As such, "It is difficult to separate patriotic concern for the preservation of Egypt's heritage from desires to increase tourism and the income it generates for the state and private investors."¹⁶⁷ The exploitation of tourism sites came into direct conflict with the former's physical surroundings. As exemplified by the story of a family near Luxor; "In 1982, the World Bank drew up plans to convert their field into a parking area for tour buses. Fortunately, when the government implemented the plans it spared the field, although several other households lost land to tourist industry expansion."¹⁶⁸ The needs of the tourism industry became imposed on the vulnerable

¹⁶⁶ Ibid., 943.

¹⁶⁷ Abu-Lughod 1998, 150.

¹⁶⁸ Mitchell, 76. Worlds apart

to the benefit of tourism companies. On the other side of the equation, the process of land reclamation fed into the utilization of land for the benefit of tourism. Starting in the 1980s, independent investors could reclaim land ostensibly for agricultural use and gain the title to the land after 3 years. However, “In other cases, as came to be reported prominently in the subsequent decade, many large farms were converted to upscale villa developments or roadside commercial strips.”¹⁶⁹ Reclamation, land reform, and the expansion of opportunities for tourism investment all merged together. While the poor were kicked off their land for large agriculture projects or the construction of parking lots, investors gained new land and new opportunity.

Rentier states can weather fiscal crises either through “external renter diversification” or “internal development policies.”¹⁷⁰ Throughout reform, Egypt pursued a middle ground with tourism. Tourism diversified rents, but only internally. Growth in tourism was largely fueled by domestic investment, but not the kind that grew the more important parts of the economy, instead elites used the high profitability and exploitability of the tourism industry to maintain personal benefit. In addition, expanding tourism further acted as a solution to the economic crises Egypt faced by bringing in foreign currency. From 1970-2005, “tourism became the most important source of foreign exchange income for the Egyptian economy.”¹⁷¹ Tourism provided a lifeboat for an economy deeply in trouble, but not a long-term solution to underlying weaknesses. Government bodies also helped grease the wheels for the tourism industry to expand. The establishment of the TDA (Tourism Development Agency) - helped the “tourism industry to take advantage of the changing legal and economic environment” as the TDA facilitated the planning and implementation of coastal and remote land distribution. The TDA facilitated the passing of laws which codified import benefits and international investment incentives in

¹⁶⁹Sims “A roll call on Desert Schemes and Dreams, 1952 to 2014”, 6.

¹⁷⁰ Ibid., 944.

¹⁷¹ Richter and Steiner, 952

the 1990s.¹⁷² Expanding and investing in tourism in Egypt provided opportunities for differential rents; state policy in Egypt significantly affects the viability of tourism.¹⁷³ Thus, opportunities abound to generate rent from capturing the benefits of changing policy in tourism through shrewd positioning.

Part of the tourism expansion strategy was to open remote areas controlled by the government that had potential for development. The recent peace treaty with Israel opened large swathes of desert coastline in areas previously restricted by the Egyptian military for security purposes, including in the Sinai and along the Red Sea.¹⁷⁴ In these areas, few communities existed to benefit from new development. Instead, resorts and tourist destinations opened new, isolated zones for economic profitability for the military which facilitated the transfer of land to private investors along with the TDA. In reference to the Sinai, Mitchell and Sims write “this 190- kilometer shoreline was a coastal resort paradise waiting to happen. All that was needed were better roads, some utilities, a commercial airport, and a government policy friendly to private investors.”¹⁷⁵ Existing communities in both rural and urban areas were circumvented by development in isolated areas which instead generated rents for the intermediaries and investors.

The push to turn over undeveloped coastal land to the private sector took on the distinct character of a cronyist operation. The state sold coastal land to investors at below market rates, generating rents and also potentially creating personal advantage for the deal-makers and their reputations in the bureaucracy.¹⁷⁶ This process closely relates to the methods used to sell off public companies to “private” individuals; those with the connections and wealth got the land for cheap, and

¹⁷² Ibid., 949

¹⁷³ Ibid., 943

¹⁷⁴ Richter and Stiner pp. 946

¹⁷⁵ Sims “Desert Tourism and Environmental Challenges”, 8

¹⁷⁶ Richter and Steiner, 955

those helping out benefit. Various laws boosted the tourism industry, including tax exemptions for investment in tourism, designation of land for tourist use, public sales of land to private investors from the state, and investment in tourism infrastructure by the government.¹⁷⁷ Meanwhile, banks provided massive lines of credit and liquidity for this cheap land. This process could turn a relatively small investment into tremendous amount of capital with which to build a hotel. Combined with the tax incentives and government provided infrastructure, a connected investor could turn a massive profit in this environment.

Amidst all these factors which bring into question motivations of the push to grow tourism as a part of liberalization, the tourism industry in fact experienced a massive boom. No industry experienced the growth of tourism; for example, textiles grew 223% from 1991-2005, but tourism went up 592% in the same time period.¹⁷⁸ Further, tourism increased its overall role in the economy, reaching eight to ten percent of GDP and thirteen percent of total tax revenues.¹⁷⁹ This rise in tourism almost managed to offset the failure to upgrade traditional economic sectors¹⁸⁰ allowing the pace of reform to lag while holding off another crisis. Tourism not only provided new opportunities for patronage, but also maintained the tax revenues of the government; “without tourism revenues, the state could not have financed its budget deficit through domestic borrowing for so many years; instead, large cuts in the vast public expenditures would have been likely, eventually followed by increasing social instability.”¹⁸¹ This revelation further explains why a booming tourism industry did not make a dent in terms of improving the actual health of the Egyptian economy. In fact, the Arab Spring happened *despite* a growing tourism industry. The grievances of high unemployment, deteriorating services, and

¹⁷⁷ Ibid., 948

¹⁷⁸ Ibid., 952

¹⁷⁹ Ibid., 953

¹⁸⁰ Ibid., 940

¹⁸¹ Ibid., 954

blatant corruption were not addressed by growth in tourism. Tourism aided in maintaining rents for patronage and tax revenues, propping up existing economic arrangements without substantive reform. The tourism industry amounted to a rent-based, shock-prone industry that created reliance rather than overall economic growth and security.

Richter and Steiner sum up the incentive to pursue economic reform through tourism succinctly; “The advantage of tourism development was that it did not require substantial structural reforms and was therefore less costly than reforming, de monopolising and expanding other economic sectors.”¹⁸² Tourism provided a quick fix to the foreign exchange and revenue crises the country faced while also offering a life line to the domestic economic elite during a period when the public sector was ostensibly shrinking. Moreover, the tax breaks, cheap land, lines of credit, and public infrastructure expansion all served as expenditures in favor of tourism over supporting other productive sectors.

Conclusion

The rural experience tells a crucial part of the larger story of attempts to liberalize the Egyptian economy while the existing system of patronage authoritarianism shifted its framework from bureaucratic stateism to crony capitalism. Small landowners and tenured workers saw their rights and their social bargain dissolve before their eyes as powerful players ranging from rich former monarchical aristocrats to big businessmen expanded or retook land holdings, squeezing out small land owners and summarily removing tenant farmers. Vulnerable peasants witnessed crop prices fall and input prices rise, while external support aimed at raising Egyptian exports flowed to large, well-connected or foreign owned operations as opposed to smaller, local farmers. The judicial and repressive

¹⁸² Ibid., 956

apparatus affirmed these changes as police and thugs lashed out violently at anyone who challenged or objected to court rulings that appeared to turn back the clock to times of unabashed inequality that inspired previous uprisings throughout centuries of Egyptian history. For peasant farmers and small landowners in rural Egypt in the era of reform, the countryside became a battlefield for survival as unemployment rose, established norms and expectations collapsed, and the wealthy and powerful further established their privileged status. Whereas previously small farmers made up the backbone of regime stability through stable expectations of support and dignity in their livelihood and their land, the average peasant was cast aside by a regime that pursued policies of liberal development which empowered connected investors and large farming operations.

The Role of the Egyptian Military

No analysis of Egyptian political economy is complete without a discussion of the outsized role of the military in the Egyptian economy and the sway it holds in the Egyptian political economy. Further research is merited on the degree to which military influence in public economic affairs bears responsibility for the failure of Egyptian reform to bring about economic gains. As discussed above, the conflicting interests between government, the connected business community, and international actors pushing reform lead to a stop and start reform process that both failed to enact some vital reforms while going too far in other areas. Embedded throughout this process was the military, exerting its power and filling in the gaps to profit off government inaction and to capitalize on limited forms of privatization.

The Egyptian military “captures a disproportionate share of public revenues and resources that would otherwise have gone to competing state institutions and private companies, and diverts considerable amounts of investment capital from other productive sectors of the economy.”¹⁸³ Parallel to a bloated and corrupt civilian public sector, the military’s economic empire enjoyed benefits as an organization which fundamentally clashed with any attempt at decentralization and the transition to a free market economy. The number of economic endeavors that fall under the umbrella of the military’s control are staggering. Sayegh maps these various organizations,¹⁸⁴ showing that the military’s assets

¹⁸³ Sayigh, Yezid. "Owners of the Republic: An Anatomy of Egypt's Military Economy" *Carnegie Endowment for International Peace* (2019), <https://carnegie-mec.org/2019/11/18/owners-of-republic-anatomy-of-egypt-s-military-economy-pub-80325>. 6

¹⁸⁴ *Ibid.* 48 and 92

include companies that produce helicopters, planes, vehicles, and armaments, but also fertilizers, chemicals, wood, and bottled water. The military also owns tourist hotel chains, supermarket chains, steel and cement giants. With all this productive potential sequestered in the military's area of the economy, the economy as a whole lost out as it went through the difficult transition from socialist statism to the "free" market.

The process by which the military made use of liberal reform further had a personalist character; "The economic reforms that began in the 1990s facilitated the transformation of the power wielded by the senior officers into wealth. Businessmen in Egypt had the resources to buy what the generals-turned bureaucrats had the authority to sell, namely, public lands and companies, and the collaboration between the top brass and wealthy entrepreneurs proved profitable to both sides."¹⁸⁵ Military leaders formed a parallel group of beneficiaries of reform through the power and influence they wielded and their institutionalized control of the state's resources. The officer's connections with each other and their control of a bureaucracy shielded from the public eye allowed them to undermine the liberalization process to their own benefit. The military's wealth and power also fed into the overall effect of reform wherein privatization "benefited only men with connections to Egyptian politicians and the military establishment."¹⁸⁶ While the military often prides itself on providing for Egypt and for driving Egyptian industrialism, the military's contribution to the corruption and opportunism which defined Egyptian structural reform tells the opposite story.

It is no overstatement to presume that with a military that did not control land, private wealth, and significant competitive advantages, private sector growth and liberal reform in Egypt would have

¹⁸⁵ Nassif, Hicham Bou. "Generals and Autocrats: How Coup-Proofing Predetermined the Military Elite's Behavior in the Arab Spring." *Political Science Quarterly* 130, no. 2 (2015): 245-275.

¹⁸⁶ Paciello, 5.

expanded in a healthier way. On the other hand, those gains captured by the military may have simply fallen into the hands of the economic elite in Gamal Mubarak's circle and the NDP's patronage system. Regardless, the complex relationship between the Egyptian population and the military obscured mass inefficiencies and the outsized role of the military in the economy as a part of the military's role as the protector of the nation, whereas elite cronyism enjoyed fewer excuses in the public eye.

Conclusion

In Egypt, implementing liberal economic reforms under the prevailing political system handed powerful tools to seasoned veterans of exploitation among the economic, political, and military elite to evolve and thrive to the detriment of the economic progress of the country and the Egyptian people as a whole. When push comes to shove, Egyptians went to the streets because they perceived neoliberal economic reform as unjust. Growing inequality, falling subsidies, stagnating wages, higher input costs, higher housing and education costs, and failed infrastructure projects communicated to the public that the rewards of reform would not come to them quickly. The timeliness of these uprisings also intersected with the worry of many that Gamal Mubarak's rise to prominence in the regime during the 2000s predicted decades of more of the same.¹⁸⁷ Moreover, the system of political and economic patronage seemed to reward the rich and powerful with a steady stream of benefits that buoyed them to comfort and insulated them from the harsh parts of reform suffered by the masses. Bush and Ayeub makes this case as well; "The struggles between the broadly defined groups of those who benefited from growth - the political elite, crony capitalists and the military on one hand and workers and peasants on the other - shaped the revolutionary forces that toppled Mubarak."¹⁸⁸ The costs of constantly and consistently marginalizing the poor and vulnerable in the economic policies and political decision-making came to bear on the regime.

In reflecting on the initiation of liberal reform and its vast consequences, it is crucial to ask why Egypt went down this path towards neoliberal reform in the first place. Part of the answer may be in the specific context of 1991 and the Gulf War; Egypt received debt relief for supporting the US-led coalition, saving the government from a crisis while also pressuring the government into the ERSAP. On the other hand, it is impossible to ignore the overall fiscal and import crisis starting in the 1970s and continuing through the crash of oil revenues and remittances in the 1980s. After all, Sadat's *Infitah* laid

¹⁸⁷ Hammer, Joshua. "Gamal Mubarak's Change of Fortunes", The New Yorker. January 30, 2011.

¹⁸⁸ Bush 2012, 56.

the groundwork for attempts at full liberalization more than a decade before the Gulf War and began in a different geopolitical moment. I posit that all those factors reflected an underlying need for economic change, and it just happened that neoliberal reform through IFI-style structural adjustment was the solution of the day. Most importantly though, neoliberal reform conveniently fit with the Mubarak regime's survival - it did not have to make political reforms to please its creditors. The regime could initiate privatization, cut subsidies, increase private property rights, and ultimately reduce what the regime was responsible for while bolstering their "networks of privilege"; the authoritarian crony capitalist dream. Why neoliberalism? Because it was the model the powerful West advocated for and put faith in, and it worked with Mubarak's cronyism.

It is also important to note that this outcome is not inevitable. Neoliberal governmentality shifts from context to context, as the political structure and government type govern who directs reform and structural adjustment and the beneficiaries therein. In Egypt, adopting structural adjustment under cronyist state-ism yielded crony capitalism. In Costa Rica, for example, stronger and more independent representation and popular pressure led to a significantly different outcome following neoliberal development; “even after a quarter century of neoliberalism, widespread citizen support for key public-sector institutions has permitted the survival of a reinvented welfare state and, moreover, has made a willingness to adapt, preserve and extend the model an essential ingredient of popular legitimacy for any government.”¹⁸⁹ There, decades of neoliberal reform yielded a political reality which *necessitated* that any government protect similar rights and guarantees that were wiped away in Egypt. However, the recognition that neoliberal structural adjustment does not *always* throw the popular masses under the bus does get neoliberal institutions off the hook for their failures in Egypt and elsewhere; the relative success story of Costa Rica stems from popular pressure and grassroots organizations, not external

¹⁸⁹ Sandbrook, Richard, Marc Edelman, Patrick Heller, and Judith Teichman. *Social Democracy in the Global Periphery*. Cambridge University Press, 2007. 95.

agencies or creditors. While they still wield the power they do to influence the livelihoods of billions around the world, neoliberal institutions must restrict themselves from working with countries who they know will abuse privatization and will take advantage of markets. The policy is only one piece of the picture, the politics make or break the policy.



Tahrir Square, Cairo, October 2018. Image by Author.

The bravery and sacrifice of Egyptians who went to the streets in 2011 cannot fade from the public consciousness. Those people, in that triumphant moment, stood up to a political system that had ceased to represent them and had sold out the public at large in favor of a select elite. The following decade of turmoil does not provide much optimism that the political change which seemed inevitable in the frenzy of the Arab Spring will materialize. However, the protests across the world in the past year have called out growing inequality and again reinvigorated the will for popular mobilization expressing economic and political frustrations. The world is awake and full of those advocating for something else, a global, inclusive political and economic order that dispossess no one, ignores no one, and lifts up the vulnerable. As the Hebrew phrase goes, *ken yehi ratzon*, let it be so.

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