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**NEO-LIBERAL STRUCTURAL ADJUSTMENT,  
POLITICAL PARTICIPATION AND  
POLITICAL MOBILIZATION IN EGYPT**

*by Joel Beinin*

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**Conceptual Framework**

The mid-1970s to the present form a historical conjuncture in the Arab World and the Middle East more broadly in which political community and political culture have been reimagined, modes of collective action and political mobilization have been reorganized, and, with some peripheral exceptions like Morocco, the core states of the Arab world have become more authoritarian. This conjuncture has been informed by a shift in the mode of capital accumulation in the transnational and local political economy, thus linking the histories of global centers of capital and its Middle Eastern peripheries. Egypt is one of the most salient examples of this phenomenon and therefore a good case for examining this argument.

At the global level this conjuncture is defined by: 1) the demise of the Fordist-Keynesian regime of capital accumulation which prevailed from the Bretton Woods Agreement of 1944 until the delinking of the dollar from gold and the establishment of floating exchange rates in 1971-73. The shift was marked by the global recession of 1973-75, the subsequent decade of stagflation. In the aftermath, a neo-liberal regime of flexible accumulation and stabilization and structural adjustment programs promoted by the U.S. and British governments, the International Monetary Fund, and the World Bank was inaugurated; 2) the defeat of the United States in Vietnam, the end of the Portuguese African empire and challenges to US dominance in central America; and 3) the withdrawal of British forces from “East of Suez” in 1971. This left the United States with sole responsibility for the security of the oil resources of the Gulf and enhanced the likelihood of armed intervention in the region.

In the Arab World, this conjuncture is informed by four interlocking developments: 1) the historic defeat of secular Arab nationalism and Arab socialism in the Arab-Israeli war of 1967; 2) the retreat from economic nationalism exemplified by Egypt’s 1974 “open door” policy and the IMF agreements with Egypt, Jordan, Morocco, and Tunisia and Algeria’s self-imposition of a similar program during the 1980s and 1990s; 3) the oil boom and bust of 1974-86; and 4) blowback from the anti-Soviet jihad in Afghanistan (1979-92).

The particularities of this conjuncture in Egypt are informed by its role as the first Arab state to sign a peace treaty with Israel, the shift in its foreign policy alignment from the Soviet Union to the United States. Although the primacy of the US commitment was never in doubt, Egypt became major US ally in the Middle East. As a reward for signing the 1979 Camp David accords and the 1982 Egyptian-Israeli treaty, Egypt has received at least \$60 billion in US economic and military aid since 1979, the second

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highest level after Israel.<sup>1</sup> These foreign policy changes have provided easy targets for mobilization of all forces opposing the regime, both secular and Islamist. Such mobilizations have typically had a populist character and indulged in inflated conspiratorial and anti-Semitic rhetoric. Often, they have served as an easy substitute for engagement with domestic policy issues. The level of repression would likely have been much higher had domestic issues been consistently addressed. But, perhaps the political field would be livelier today.

In this conjuncture, Islamist political and social movements have emerged as the most widespread form of resistance to the new global economy and anti-popular, autocratic, and corrupt Middle Eastern regimes. Paradoxically, in the same period, Islam has constituted a form of social capital alleviating the uncertainties and exploiting the opportunities of the new market environment by constituting a network of trust and reciprocity for Muslim-identified businesses, such as Islamic banks, investment companies, construction companies, department stores, etc.

Islamism is, therefore, not an anti-modern phenomenon “over there,” it is an integral component of global modernity. It comprises a family of diverse and even internally contradictory social movements that may be systemic or anti-systemic. In the era of neo-liberal economic restructuring they have been both simultaneously.

Most western scholars, journalists, and political figures have treated Islamism as an anti-modern phenomenon “over there.” If they attempt to understand it at all, they do so by examining the texts and of salient individuals and organizations, like Sayyid Qutb (Egypt), Abu ‘Ala’ al-Mawdudi (Pakistan), Sayyid Yasin (Palestine), Sayyid Hasan Nasrallah (Lebanon), or Abdessalam Yassine (Morocco) or the Society of Muslim Brothers, Hamas, or Hizballah. In contrast, an important minority of scholars have analyzed Islamism as urban or regional protest movements or through the lens of network or social movement theory. Social movement theory explains the successes of Islamist movements in mobilizing the core of their activists: the educated, modern middle classes. But the social base of Islamism extends well beyond this sector because, in contradictory ways, it appeals to both the losers and the winners in the new global economy.

Alongside the emergence Islamist movements, most notably the Muslim Brothers, as the largest and best-organized movement of opposition to the Egyptian regime there have been sporadic efforts by workers, primarily in the public sector, to defend the rights and social gains they achieved during the era of Nasserist authoritarian populism. Collective actions including, sit-in strikes, demonstrations, and petitions have typically been led by trade union activists linked to left-wing parties or with no prior political affiliation. They have almost always been opposed by the General Federation of Egyptian Trade Unions and its component sectoral general unions, which have been, since their establishment in 1957, institutions of the regime.

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<sup>1</sup> Highlights of [GAO-06-437](#) “Security Assistance: State and DOD Need to Assess How the Foreign Military Financing Program for Egypt Achieves U.S. Foreign Policy and Security Goals,” April 11, 2006 at <http://www.gao.gov/highlights/d06437high.pdf>. *The Christian Science Monitor*, December 9, 2002 reported a figure of \$117 billion.

The Egyptian state under President Anwar al-Sadat (1970-81) initially sought to mobilize Islamic forces to defeat the Nasserist and Marxist left and enhance its legitimacy. In addition, Sadat authorized a limited political opening to allow opposition forces to express themselves without there being the slightest possibility of a democratic rotation of power. Paradoxically, this also marked the beginning of the demobilization of the party of the state – then the Arab Socialist Union, now the National Democratic Party. Despite its name, the National Democratic Party is not a political party as commonly understood. It has no ideology; it has no local political organization; it does not have a transparent mechanism whereby its candidates for office are selected. It is a machine for distributing patronage and an arm of the state.

As the opposition became more vociferous, the state became more repressive. The repression backfired, resulting in the assassination of al-Sadat and the consolidation of a jihadist movement. One branch focused on Egypt, a second set its horizons on Afghanistan and eventually globally.

The regime of Husni Mubarak (1981- ) initially lifted the heavy hand of the repression of the late al-Sadat years. But it too, never contemplated a democratic rotation of power. Oil wealth broadened the political capacities of the Islamist opposition while the fitful implementation of neo-liberal, Washington consensus policies provoked strikes and demonstrations by public sector workers. The emergence of a low-level armed Islamist insurrection provided the pretext for ratcheting up the level of repression, including massive detentions without charges, violations of legal due process, systematic torture, and extra-judicial executions.

The stalemate in Egyptian political life since the military defeat of the armed Islamists in 1997 was broken in December 2004 with the first public demonstration targeting Husni Mubarak personally and opposing the rumored plan to have his son, Gamal, succeed him to the presidency. Since then, the main political contestants have been: 1) so-called “reform” elements within the regime which have promoted constitutional amendments and other “reforms” which in no way change the basic contours of the regime or its grip on state power. In fact, these measures, to the extent that they convince some (a very small number) people that the regime is democratizing, have tended to enhance the power of Gamal Mubarak and his allies such as Minister of Trade and Industry Rashid Muhammad Rashid, Minister of Investment Mahmud Muhyi al-Din, and Minister of Finance Yusuf Butrus Ghali; 2) The Muslim Brothers, especially after their success in the December 2005 parliamentary elections; 3) Kefaya (“Enough”) and other forms of extra-parliamentary opposition, which appear to have run out of steam as of this writing due to in-fighting and limited organizational capacity. None of these forces has yet succeeded in mobilizing large numbers of people over a sustained period of time in a way that would pose a fundamental challenge to the regime.

What is perhaps most remarkable about this latest period is the nearly complete collapse of all of the legal secular opposition parties, left, Nasserist, or liberal. While they may have an ideology (which often consists of little more than clichéd slogans), they have little organization or popular support, especially outside Cairo. The only parties to gain any seats in the November-December 2005 parliamentary elections were the European-

style liberal New Wafd, the leftist Tagammu' (National Progressive Unionist Party), and al-Ghad (Tomorrow), which split from the New Wafd over personalities with no discernable ideological differences. Altogether, they won 9 out of 454 seats.

Al-Ghad leader Ayman Nur won 7% of the vote in the September 2005 presidential elections. Since then he has languished in jail after being convicted on fabricated charges of falsifying the petition to establish his party. The legal political parties have been unable to mount a united protest to the regime's defiance of even the limited reforms that enabled the first multi-candidate presidential election in Egypt's history.

### **The Political Economy of Islamism**

There is a pre-history to the Islamist upsurge during the oil boom. In the 1960s Saudi Arabia raised the banner of Islam in opposition to Nasserist Arab socialism. The link to Saudi Arabia and the influence of Saudi-based leaders of the Egyptian Muslim Brotherhood explain why Islamist movements tended to ally with pro-American authoritarian regimes, like Egypt under Anwar al-Sadat, against challenges from secular left opponents. As the oil boom intensified and migrant laborers from Egypt, Sudan, Jordan, Palestine, and Yemen found work in Saudi Arabia and the Persian Gulf, Islamic movements were often funded by recycling the earnings of these workers through informal exchange networks such as those established by exiled Muslim Brothers. Some of those networks subsequently became major financial institutions such as Egypt's "Islamic investment companies," the Faisal Islamic Bank, etc.

The relationship between oil and Islam during the oil boom has often been treated crudely, suggesting that Saudi petrodollars created a religio-political movement<sup>2</sup>. This instrumentalist view fails to historicize the conjuncture in which specific forms of Islamist mobilization emerged. As the price of oil rose twenty-fold from 1973 to 1981, rentier coalitions based on petroleum revenues dominated several Middle Eastern states. However, they could not establish a stable social structure of capital accumulation or a new political vision. The political, economic, social, and moral crises of these states are the context for the rise of Islamism.

Economic stabilization and structural adjustment programs imposed cutbacks in state budgets and social spending. Consequently, state efficacy became increasingly restricted to urban upper middle class and elite areas. Income distributions polarized. States became unable to provide previously established levels of services or to insure adequate supplies of commodities to all sectors of their territory and population, undermining the terms of the social compact established in the era of authoritarian populism and state-led development. Undermining state capacity provided a windfall to Islamist movements, enabling them to speak in the name of resistance to foreign domination and exploitation of "the people." They established a popular base by offering social services that states could no longer afford to provide. The populist

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<sup>2</sup> Daniel Pipes, *In the Path of God: Islam and Political Power* (New York : Basic Books, 1983).

elements in the Islamist discourse linked the corruption and autocracy of state elites with their inability to provide social services and jobs.

The number of university graduates nearly tripled from 1975 to 1985. But because of cuts in the state budget and commodity subsidies imposed by the IMF, public sector employment no longer provided wages adequate to marry and raise a family. Hence, fewer university graduates sought public sector employment, even though they were entitled to a position by law. At the same time, the declining price of oil on the world market after 1982 reduced opportunities for young men to migrate to oil-rich countries and amass savings to buy and furnish an apartment – the prerequisites of a middle-class marriage. The real unemployment rate in the mid-1980s was well over the official rate of 12 percent and was concentrated among first-time job seekers with intermediate and university degrees. This “lumpen intelligentsia,” as Carrie Rosefsky Wickham dubs them,<sup>3</sup> was deeply aggrieved that despite their hard work and academic achievements they had few prospects for material success. They became the primary social base of the Islamist movement in the 1980s, and many joined the Society of Muslim Brothers.

At the other end of the Islamist spectrum, by the late 1980s and early 1990s blowback from the anti-Soviet jihad in Afghanistan fueled the armed insurrection based in Upper Egypt and the urban peripheries of Cairo and Alexandria.

### **The Nasser Regime (1952-70)**

The Nasser regime can claim important accomplishments – an end to the British occupation, nationalization of the Suez Canal, land reform and land reclamation, heavy industrial projects like the Helwan Iron and Steel Company and the Aswan High Dam, expanding access to education, and raising the living standards of many Egyptians. However, none of these measures were the result of a popular mobilization. Such state-led initiatives must be distinguished from social movements that emerge from civil society and maintain a degree of autonomy from the state in determining their policies and directions.

Using this distinction it can be argued that, despite Nasser’s personal popularity and charisma, his regime actually demobilized those sectors of the Egyptian population which had been most active in promoting a nationalist and social reform agenda during post-World War II period that preceded the coup of July 23, 1952. In those years there were three successive waves of mobilization around

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<sup>3</sup> Carrie Rosefsky Wickham, *Mobilizing Islam* (Columbia University Press)

nationalist and social issues involving primarily high school and university students, recent graduates and trade unionists.<sup>4</sup>

While the military regime granted some of the demands of this social movement, it suppressed all forms of popular initiative in the political and social arena, blocking the formation and then dominating the leadership of a national trade union federation until 1957, dissolving the women's political party led by Doria Shafiq, Daughter of the Nile, subjecting all opposition forces – Marxist, Islamic, and liberal – to extended imprisonment and torture. All the social and political organizations promoted by the new regime – a series of single parties supporting the regime culminating with the Arab Socialist Union and its secret Vanguard organization, rural cooperatives for purchasing inputs and marketing crops, trade unions, and institutions of intellectuals, like the Afro-Asian People's Solidarity Organization and various progressive journals – were subject to supervision by the state.

Even before the June 1967 Arab-Israeli War the Nasser regime began to turn away from economic populism as the import-substitution-industrialization began to falter. This policy change was deepened with the March 30, 1968 Declaration, which adopted a more technocratic approach to the economic difficulties Egypt had been experiencing since 1965.<sup>5</sup> These measures were balanced by appearing to adopt a more radical orientation with the establishment of the Vanguard Organization, which included many former communists who, after years of jail and torture, had dissolved the two principal parties after they were released from prison in 1963, and the Higher Committee for the Liquidation of Feudalism.<sup>6</sup>

### **The “Liberal” Period of Husni Mubarak (1981–92)**

The regime of Husni Mubarak, who came to power after Sadat's assassination in October 1981, can be divided into two. During the first decade, Mubarak lightened the hand of the repressive apparatus on opponents of the regime. He released the 1,300 political prisoners Sadat had arrested a month before his assassination, among them hundreds of Islamist activists. Opposition press and political parties were given more leeway, and an electoral alliance of the Muslim Brothers and the Wafd was permitted to participate in the 1984 parliamentary elections. A more ideologically compatible Muslim Brothers-Labor Party “Islamic Alliance” contested the 1987 elections.

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<sup>4</sup> Beinín and Lockman, *Workers on the Nile* (Princeton University Press 1987) ; Raoul Makarius, *La jeunesse intellectuelle d'Égypte au lendemain de la deuxième guerre mondiale* (Paris 1960). 1) October 8, 1945 (end of martial law) – July 11, 1946 (anti-communist legislation), General strike, National Committee of Workers and Students Feb. 21, 1946; 2) September 1947 – April 1948, June 1947 – DMNL formed, Sept 2–Oct. 4, 1947 – strike at Misr Spinning and Weaving; 3) January, 1950 – January 26, 1952 (Cairo fire), Abrogation of Anglo-Egyptian treaty – Oct. 8, 1951, Labor strikes, etc., Guerilla warfare on the Suez Canal.

<sup>5</sup> Mark N. Cooper, *The Transformation of Egypt* (London: Croom Helm, 1982).

<sup>6</sup> Joel Beinín, *Was the Red Flag Flying There?* (University of California Press 1990) on communists. Timothy Mitchell, *Rule of Experts* on Higher Committee for the Liquidation of Feudalism and culture of fear among peasants

A few of the most prominent student Islamist leaders of the 1970s became parliamentary representatives of the Wafd-Muslim Brothers alliance of 1984 or the Islamic Alliance of 1987. Muslim Brothers occupied thirty-eight of the sixty seats won by the Islamic Alliance in 1987, sending a strong signal to the government that they had become a powerful force, even within the constraints of Egypt's autocratic political system.

The parliamentary success of 1987 led 'Abd al-Mun'im 'Abd al-Futuh, head of the Cairo University Student Union from 1974 to 1977, and other young Muslim Brothers leaders to develop a plan to contest the leadership of Egypt's professional associations. Operating under the banner of the "Islamic Trend" or the "Islamic Voice," they and their allies ran for positions on the executive boards of professional associations (syndicates, an Anglicized form of *syndicat*, is a common translation for the Arabic *niqaba*) enrolling some two million engineers, doctors, dentists, pharmacists, teachers, commercial employees, agronomists, and others. Most of the associations were in the Islamists' hands by 1992. Having established their dominance in most student unions, Islamists also won control of the boards of most university faculty clubs, beginning with Cairo University in 1984.

The Islamic Trend's message of equity, social justice, moral renewal, and criticism of official corruption and neglect of the common welfare provided a cogent explanation for the social experiences and blocked ambitions of students and recent graduates and was an important factor in their professional association victories. In a different era they would have been leftists. Indeed, the social profile of those arrested as members of illegal communist organizations around this same time resembles that of the Islamist cadres. Carrie Rosefsky Wickham offers this social movement theory explanation for the Islamist successes:

Graduates became Islamists not because of the intrinsic appeal of the *da'wa* but because the networks of its transmission were deeply embedded in urban, lower-middle-class communities; its social carriers were familiar and respected; and its content resonated with the life experience and belief system of potential recruits.<sup>7</sup>

In a different Turkish class context, Jenny White terms these social and cultural practices "vernacular politics."<sup>8</sup> Because its appeal was familiar and "resonated with the life experience and belief system of potential recruits," this form of Islamism, unlike that of the armed groups, was often not perceived as politics at all. Abu'l-'Ila Madi Abu'l-'Ila was using a rhetorical device when he declared in a 1977 speech, "There is nothing called religion and politics. We only know religion."<sup>9</sup> But it was a plausible claim for much of his audience. Putting things this way did not require people to embrace anything other than the beliefs they had grown up with.

Leftist and independent trade union activists also found somewhat more space to operate. Some fifty to seventy-five actions a year were reported in the Egyptian press

<sup>7</sup> Wickham, *Mobilizing Islam*.

<sup>8</sup> Jenny White, *Islamist Mobilization in Turkey*.

<sup>9</sup> Wickham, *Mobilizing Islam*.



during 1984-89, surely not a comprehensive tally. The left was an active and sometimes a leading component in struggles involving major confrontations with the state, such as the massive strike and uprising of textile workers in Kafr al-Dawwar in September-October 1984, the strike at the Misr Spinning and Weaving Company in February 1985, the railway workers' strike of July 1986, and the two sit-in strikes at the Iron and Steel Company in Helwan in July and August 1989.

### **The Post-Populist National Security State Perfected (1992- )**

During the 1990s, as the jihadi Islamists became more active and especially after they launched a low level armed insurrection based in Upper Egypt and the urban peripheries of Cairo and Alexandria, the regime became more repressive. The legal left Tagammu' entered a tacit alliance with the regime against the Islamists. This ultimately resulted in the loss of a substantial part of its social base and credibility. Political life became ossified. The state pursued a dual strategy. On the one hand, it sought to annihilate its armed opposition by military measures, indefinite detentions without charges, trials in security courts without appeal, torture and extra-judicial executions. On the other hand, it sought to outflank and co-opt the Islamic opposition by promoting a state-sponsored Islam. The result was the entrenchment of anti-democratic and extra-legal procedures as the standard modus operandi, a broad and demonstrative Islamization of public culture, and an amalgam of intimidation and co-optation, which resulted in the fragmentation and corruption of all legal forms of opposition.<sup>10</sup>

### **Return of the Arab Afghans**

The Islamic Group launched a broad armed offensive signaled by the assassination of the secularist journalist, Farag Fuda, in June 1992. The arrest of 'Umar 'Abd al-Rahman in the United States in 1993 led to intensified armed struggle centered in Upper Egypt. The Islamic Group particularly targeted the tourist industry, culminating in a massacre of fifty-eight foreigners and four Egyptians in Luxor on November 17, 1997. The combination of repression and loss of credibility following this incident ended the viability of the *jihad* option in Egypt.

### **Rise of the Technocrats**

Gamal Mubarak, etc

### **The Era of Open Criticism of Husni Mubarak**

*al-Misri al-Yawm* (April 2004?) – the first liberal Arabic daily in half a century  
Kefaya – from the demonstration of December 2004 to fragmentation

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<sup>10</sup> Eberhard Kienle, *A Grand Delusion* (I.B. Tauris)

Ayman Nur, al-Ghad, the 2005 presidential election, and the demise of the secular political parties

**The Limits of the Parliamentary and extra-Parliamentary Opposition**

**The Muslim Brothers after the 2005 Parliamentary Elections**