

## The Military, Egyptian Bag-snatchers

Silvia Colombo

Egypt's recent history can be read in terms of the career of the coercive apparatus and its relationship with the other institutions of the state.<sup>1</sup> As in the case of other authoritarian regimes, the country had trusted an invasive system of different institutions to serve its own defence and security needs. These institutions include the different components of the armed forces – army, navy and air force – the security and intelligence agencies, the police, and, in some cases, a Praetorian Guard. Historically, the role of the coercive apparatus was in the main focussed on fulfilling three tasks: the defence of the country against foreign attack; the maintenance of internal law and order; and, which is overlooked in several analyses, the promotion of its own institutional prerogatives, prominent among which are the protection of internal cohesion and of the prestige and legitimacy of the military as a collective organisation, as well as the guarantee of its own economic interests, at both the institutional and individual levels.<sup>2</sup> Considering the central role which relations between the civilian apparatus and the military have played in the history of the country, this contribution sets out to examine the interests and the actions of



Cairo, 25 October 2014 - President Abdel Fatah al-Sisi, Prime Minister Ibrahim Mahlab and Interior Minister Mohamed Ibrahim leading a military funeral. Photo: Youm7

1 For a treatment of the political and economic role of the Egyptian coercive apparatus, as well as its role in the maintenance of security, in a historical perspective, see the following references: Elizabeth Picard, "Arab Military in Politics: From Revolutionary Plot to Authoritarian State", in Giacomo Luciani (ed.), *The Arab State*, London, Routledge, 1990, p. 189-219; Holger Albrecht and Dina Bishara, "Back on Horseback: The Military and Political Transformation in Egypt", in *Middle East Law and Governance*, Vol. 3, No. 1-2 (2011), p. 13-23, <http://dx.doi.org/10.1163/187633711X591396>; Hazem Kandil, *Soldiers, Spies and Statesmen: Egypt's Road to Revolt*, London and New York, Verso, 2012.

2 See Risa Brooks, "Political-Military Relations and the Stability of Arab Regimes", in *Adelphi Papers*, No. 324 (1999); Eva Bellin, "Reconsidering the Robustness of Authoritarianism in the Middle East: Lessons from the Arab Spring", in *Comparative Politics*, Vol. 44, No. 2 (January 2012), p. 127-149.

the military in the period 2011-2013, i.e. the first three years after the fall of the Mubarak regime, in the light of the continuities and the breaks with the preceding period. In particular, this contribution is divided into two sections, which analyse the promotion of the military's interests in the economic and political spheres respectively, before concluding with a reflection on the ability of Egyptian military apparatus to ensure the security of the state and of its citizens.

## 1. The military between economic and business interests

As a complex collective organisation, the military's interests depend to a great extent on the degree of institutionalisation of the apparatus itself. The greater the degree of institutionalisation, the greater the sense of identification with the group and its interests by the individuals which compose it. On the other hand, a low level of institutionalisation can result in an inward-looking organisation and a series of relationships with the other state institutions based on (neo-)patrimonial dynamics, forms of clientelism and a thin division between the public and private spheres. In the final analysis, the level of institutionalisation is important insofar as it determines the relationship between the military apparatus, on the one hand, and the regime and its continuity, on the other.<sup>3</sup>

Emerging from the overturning of the monarchy by the Egyptian armed forces in 1952, the so-called "Officers' Republic" experienced a significant expansion in the following decades. In particular, during the Mubarak regime, an ever-increasing number of high-level officials was co-opted into the clientelistic system, which had been built around the figure of the President on the basis of a tacit agreement by which the military was rewarded for abstention from political activity by the promise of benefits and bonuses to be had at the moment of their retirement. The benefits in question were usually configured as a sort of "loyalty programme" allowing members of the high military command to obtain prestigious positions in the public sector, thus receiving a real stipend in addition to their military pension. The structural adjustment measures and privatisations launched during the 1990s gave a notable boost to the participation of the Egyptian military in economic activity and the accumulation of wealth.<sup>4</sup>

To produce a map of the economic activities controlled directly or indirectly, as in the case of plots of land, by officials is a difficult task. Indeed, such a map does not officially exist, given that the military's economic activities are excluded from supervision by the parliament or any other civilian institution.<sup>5</sup> An

3 See Yezid Sayigh, "Above the State: The Officers' Republic in Egypt", in *The Carnegie Papers*, August 2012, <http://carnegie-endowment.org/publications/?fa=48972>.

4 On these measures and their impact on the relationship between civilian and military power, see Steven A. Cook, *Ruling but Not Governing: The Military and Political Development in Egypt, Algeria, and Turkey*, Baltimore, Johns Hopkins University Press, 2007.

5 Among the organisations directly managed by the Ministry of Defence are the National Service Projects Organization (NSPO), with its specialised subsidiaries (around 10 in number) which were created by the military to invest in various sectors of the national economy; the Arab Organization for Industrialization (AOI), which manages 11 factories across the country producing defence equipment for both civilian and military use; and the National Organization for Military Produc-

attempt in this sense has, however, been made by certain academics, who arrived at an estimate of the value of that part of the Egyptian economy which is controlled by the military as being between 25% and 37% of the total, which makes the army *de facto* economically the most powerful institution in the country. As stated by Zeinab Abul Magd: “[r]etired generals manage the vast enterprises owned by the military institution and produce goods and services for consumers rather than for military production. This includes chains of factories, service companies, farms, roads, gas stations, supermarkets, and much more”.<sup>6</sup> To this list should be added partnerships and joint ventures with the local private sector and foreign companies, as well as the military’s exclusive control over the defence budget, and the \$1.3 billion in aid annually allocated and transferred by the US to the Egyptian armed forces.

The involvement of organisations controlled by the military in the supply of public and consumer goods has traditionally been justified by the need to defend strategic and national security interests. Another type of explanation, of a more utilitarian nature, suggests that former high-level officials have a greater degree of familiarity with the administrative and bureaucratic system which they themselves created.<sup>7</sup> According to the military’s own logic, this would also allow the state to free itself of the necessity of providing for their economic needs, permitting at the same time the creation of jobs and development opportunities for the country. This notwithstanding, some analyses have shown that many of the raw materials used in the military’s productions are subsidised by the state, thereby constituting a burden on the public finances.<sup>8</sup>

The cultivation of enormous economic interests by the Egyptian military has continued at an even more frenzied rhythm since the fall of Mubarak, and has further consolidated itself as a practice with the accession of Abdel Fattah al-Sisi to the post of president in June 2014. Between the end of 2013 and the first months of 2014, the Ministry of Defence was awarded several contracts, to a total value of \$1 billion, by its colleagues in the Ministries of Health, Transport, Housing and Youth.<sup>9</sup> The contracts are for huge infrastructure projects, ranging from the building of new motorways to the construction of residential complexes, and from the rebuilding of hospitals to the construction of youth recreation centres. The order won by a UAE construction company, Arabtec, for a housing project of a value of \$40 million covering an area of around 160 million m<sup>2</sup> has drawn particular attention and caused controversy. This order is an example of collaboration on the basis of close and friendly relations between the new Egyptian leadership, close to the military apparatus, and certain Gulf states, in particular the UAE and Saudi Arabia.<sup>10</sup> A further construction project of particular interest to the military hierarchy concerns the development

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tion, which manages more than 15 factories mainly producing arms and weapons, as well as certain goods for the civilian sector, such as electronic components and sports equipment. See Ahmed Morsi, “The Military Crowds Out Civilian Business in Egypt”, in *Carnegie Articles*, 24 June 2014, <http://carnegieendowment.org/publications/?fa=55996>.

6 See Zeinab Abul Magd, “The Egyptian Republic of Retired Generals”, in *The Middle East Channel*, 16 May 2012, <http://www.foreignpolicy.com/node/1249221>.

7 It is worth remembering that, with the exception of Mohammed Morsi, all Egyptian presidents came from the military hierarchy.

8 See Steven A. Cook, *Ruling but Not Governing*, cit.

9 See Ahmed Morsi, “The Military Crowds Out Civilian Business in Egypt”, cit.

10 See Yasmine Farouk, “More than Money: Post-Mubarak Egypt, Saudi Arabia, and the Gulf”, in *GRC Gulf Papers*, April 2014, [http://www.grc.net/data/contents/uploads/Egypt\\_Money\\_new\\_12-05-14\\_4667.pdf](http://www.grc.net/data/contents/uploads/Egypt_Money_new_12-05-14_4667.pdf).

of the Suez Canal – one of the country’s main strategic assets – by means of a plan for the expansion and upgrading of the ports and the creation of a huge new industrial zone, which should bring billions of dollars in profits into the state coffers each year.

In general, the ability of the Egyptian military to penetrate the country’s economy is based on a series of concessions which guarantee the generals’ apparatus a competitive advantage over both its public and its private competitors, not only in the winning of orders, but also in their execution, as in the examples mentioned above. Firstly, on the basis of a 1997 presidential decree, the military has exclusive rights over non-agricultural land which is not used for any other activity of a private or public nature. According to certain estimates, this applies to around 87% of the country.<sup>11</sup> Secondly, the military apparatus is able to use recruits as low-cost manpower. The third factor which is particularly favourable to military organisations involved in economic activities relates to the fact that their profits are not taxed, as provided for by Article 47 of the Egyptian law of 2005 on the taxation of income, ostensibly for security reasons. These factors are to be added to the extensiveness of the neo-patrimonial networks in which leaders of the military hierarchy participate. This poses a series of problems not only for the economic development of the country, given that it hinders the emergence of a private sector which is able to attract investment, but also for the transparency and accountability of the system as a whole.

## 2. The military’s attempt to conquer the state

Given the economic interests described above, the behaviour of the military apparatus is a central factor in understanding the chain of events which brought about the revolts of January/February 2011, later shaping the Egyptian transition. Two incidents in particular demonstrate the deep involvement of the military in the evolution of the Egyptian political system in the 2011-2013 period. One is the decision taken in February 2011, in the face of the escalation of the protests against the Mubarak regime, to abandon the *rais* and to encourage his fall by means of what has been described as a *coup d’état* supported by the popular will.<sup>12</sup> The other is the relationship which was eventually created with the Muslim Brotherhood and its political arm, the Freedom and Justice Party (FJP), in the wake of the latter’s triumph in the parliamentary elections of 2011-2012 and, later on, in the election of the Islamist candidate, Muhammad Morsi, to the presidency of the country.

As far as the first issue is concerned, the behaviour of the military at the beginning of 2011 should be set in context against its need to protect its own economic interests and the positions of privilege

11 See Ahmed Morsi, “The Military Crowds Out Civilian Business in Egypt”, cit. According to certain commentators, it was from the 1980s onwards, during the Mubarak regime, that the military started to have almost exclusive access to land as a means of production, while being deprived of access to other, more energy-intensive types of economic activity. For this reason, the military’s main economic interests have progressively concentrated on the construction industry. See Nadine Marroushi’s interview of Robert Springborg, “US expert: Leadership of ‘Military Inc.’ is running Egypt”, in *Egypt Independent*, 26 October 2011, <http://www.egyptindependent.com/news/us-expert-leadership-military-inc-running-egypt>.

12 See Robert Springborg, “Whither the Arab Spring? 1989 or 1848?”, in *The International Spectator*, Vol. 46, No. 3 (September 2011), p. 5-12, <http://dx.doi.org/10.1080/03932729.2011.609357>.

acquired within the Egyptian power-structure against the challenge posed by the accession, from the mid-2000s onwards, of a new entrepreneurial class gathered around the figure of Gamal Mubarak, son of the President and candidate for the succession. In such a context, the clash between the parasitic capitalist system cultivated by the “Republic of the military” and the neo-liberal policies promoted by Gamal Mubarak’s clique appears as the central element. Similarly, the intervention of the military at the end of June 2013, which led to the deposition of Morsi on the back of the discontent of millions of Egyptians who went to the street to protest against the Islamist government under the slogans of the Tamarrod movement, can be better understood in the light of the need to protect the huge economic interests of the military from the vision and practices of greedy capitalism enacted by the leadership of the Muslim Brothers.<sup>13</sup> The most significant example of such practices and of the clash which broke out with the military concerned the above-mentioned plan for the development of the Suez Canal, which would have been one of the flagship projects of the Morsi presidency, thanks to the financial support provided by Qatar. This would have led to the exclusion of the military from one of the most strategic and remunerative assets of the entire economy of the country.

In relation to the interests of the Egyptian military apparatus in the political field, it cannot be doubted that, right from the first months after the fall of Mubarak, the high military command, gathered in the form of the Supreme Council of the Armed Forces (SCAF), exercised strong pressure over the transition, interfering with the constituent process and in particular determining its timetable and sequence. Having assumed full executive and legislative powers on 11 February 2011, the so-called “state within a state”, i.e. SCAF, under the guidance of Field Marshall Tantawi, Minister of Defence since 1991, played the leading role on the political stage.<sup>14</sup> In its attempt to defend its own positions of privilege, both socio-economic and political, throughout the 16 months in which the SCAF exercised *de facto* power, the behaviour of the military was directed towards the maintenance of the *status quo*. Certain commentators have read in the actions of the military, in particular in its paternalistic, conservative, defensive and authoritarian attitude, a high degree of continuity with the preceding regime, which in fact had not been completely undone, on account precisely of the continuing presence of the leadership of the army in positions of power.<sup>15</sup> This can also be seen in certain aspects of the institutional transition in the country which started immediately after the fall of Mubarak, and which was manipulated by the military through both constitutional and extra-constitutional means in order to reinforce its own authority, at the same time undermining civilian power, for example by making full use of military courts – which constitute an independent judicial system which operates in parallel to the civilian system under the control of the Ministry of Defence – and by extending the state of emergency and suppressing independent channels of communication.<sup>16</sup>

13 Interview of a researcher by the author, Cairo, May 2013.

14 See H.A. Hellyer, “Military or President: Who Calls the Shots in Egypt?”, in *RUSI Analysis*, 24 August 2012, <http://www.rusi.org/analysis/commentary/ref:C50379EA7E956C>.

15 See Yezid Sayigh, “Above the State: The Officers’ Republic in Egypt”, cit., p. 7-10.

16 On questions relating to the Egyptian judicial system, see the analysis of Daniela Pioppi, “The Judiciary and ‘Revolution’ in Egypt”, in *Insight Egypt*, No. 2 (August 2013), <http://www.iai.it/content.asp?langid=2&contentid=971>. In addition, the fact that the constitutional documents approved in the 2011-2013 period did not contain a single provision limiting the military’s power, as had instead been loudly demanded by the Tahrir Square demonstrators (for example as concerned the possibility of civilians being judged by military courts), was one of the factors which led to the protests and the clashes

This is the case, for example, in relation to the military budget, whose discussion and approval, on the basis of the successive redrafts of the constitutional document, are not included among the prerogatives of the civilian authorities. Not only does this represent a significant distancing from the practices of democratic governance, which foresee the supervision of military questions by the civilian sphere, but the financial autonomy guaranteed to the different components of the wide spectrum of the military forces is *de facto* a further element of the lack of transparency and accountability in the relationship between the governing and the governed.<sup>17</sup> The control of the military over the transition process was articulated through the creation of bodies with an *ad hoc* constitutional status and which were created with a view to protecting the interests of the army's hierarchy. One of these was the National Defence Council, provided for by the constitution adopted in 2012 and taken over by that adopted in 2014, and made up of a majority of members from the military command. Tasked with managing all questions concerning the maintenance of the security of the country and with exclusive competence to discuss the budget of the armed forces as well as all draft laws concerning the military, the National Defence Council can be distinguished from the National Security Council, which is tasked with managing the response to crisis and disaster situations, and in which responsibility is divided between civilians and the military.<sup>18</sup>

Right from the beginning of the transition, the relationship between the SCAF and the emerging power of the Muslim Brotherhood represented one of the central elements in the search for a new political equilibrium for the country. It is possible to describe this relationship as one of exchange between strong powers, characterised initially by a significant convergence of interests between the two parties, a convergence which was made concrete in the vote of the moderate Islamist group in favour of the transition plan proposed by the military and put to a referendum in March 2011. Such convergence went beyond the traditional intolerance nurtured by the coercive apparatus towards the Islamists, and was motivated by the incidental and shared need to forge alliances with strong partners able to guarantee the achievement of strategic objectives.<sup>19</sup> For the Muslim Brotherhood, it was a question of a desire to share the burden of governing the country, while for the military the convergence with the Islamists was dictated by the need to provide civilian cover for the pervasive power of the military, and at the same time to prevent the united front of the civilian forces from consolidating their own control over

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between the people and the army in the same period. See "Million-strong protests in Egypt demand end of military rule, Tantawi accepts Cabinet resignation, battle continues", in *Ahram Online*, 22 November 2011, <http://english.ahram.org.eg/News/27243.aspx>.

17 See International Crisis Group, "Lost in Transition: The World According to Egypt's SCAF", in *ICG Middle East Reports*, No. 121 (24 April 2012), <http://www.crisisgroup.org/en/regions/middle-east-north-africa/egypt-syria-lebanon/egypt/121-lost-in-transition-the-world-according-to-egypts-scaf.aspx>.

18 Compare Articles 203 and 205 of the constitution approved in January 2014. An English-language version of the 2014 constitution is available on the website of the State Information Service (SIS) at <http://www.sis.gov.eg/En/Templates/Articles/tmpArticles.aspx?CatID=2603>.

19 According to certain sources, the SCAF was at one point disposed towards an alliance with the youth groups, in particular the 6 April movement, later however recognising that the more suitable partner was the Muslim Brotherhood on the basis of its organisational capacity and its social penetration (interview of a representative of the FJP by the author, Cairo, May 2013).

the institutions of the state. This initial convergence was not, however, strong enough to avoid the surfacing of harsh conflicts between the military and the Muslim Brotherhood, conflicts which were visibly heightened following the deposition of Morsi and the consolidation of the military's political power between 2013 and 2014.<sup>20</sup>

One passage in particular appears of crucial importance to understanding the dynamic and not always crystal-clear character of the relationship between the military and the Muslim Brotherhood. This is the events of August 2012, which led to the replacement of the leadership of the SCAF, up until that point Field Marshall Tantawi and Lieutenant General Anan, with other figures, including General al-Sisi, the future president. Although certain commentators have seen in this crucial passage a demonstration of the ability of the newly-elected Morsi to impose his own power on the military and to regain some of the prerogatives of power of which the figure of the president had been deprived by the dispositions passed by the SCAF in the first half of 2012, a closer reading allows for the view, to be held with a small margin of error, that this important change in the military hierarchy was the result of internal dynamics in the military apparatus itself.<sup>21</sup> Although it may not be necessary to speak of open conflict within the military, the replacement of Tantawi with al-Sisi can indeed be seen as a sort of generational exchange intended to respond to the needs of a new guard desirous of greater recognition in terms of privileges and status. A second rank of motive which can be advanced in order to explain the change brought about within the military hierarchy concerns the need to remedy the loss of legitimacy, popularity and professional ability of the armed forces in their primary task of guaranteeing the security of the state and its citizens.

### 3. The intrinsic weakness of the Egyptian military apparatus

With a total staff of 2 million units, of which about 500,000 are in active service, the Egyptian military apparatus is the biggest in the African continent and one of the largest globally. However, its numerical size, which increased during the years of the "Generals' Republic", has not always been accompanied by an adequate level of preparation and efficiency in terms of the protection of national security. Certain commentators go so far as to argue that certain institutions of the Egyptian state, amongst which the military, became gradually weakened and unable to fulfil their missions as a result of a process of erosion which took place during the several successive years of authoritarian government. In the case of the military apparatus, it can be argued that the pervasiveness of the economic interests and the great number of extra-military activities in which the generals' high command was involved represented a distraction from their primary role, which is that of defending the country.<sup>22</sup> To this effect, the words with

20 See the contribution of Paola Caridi, "The Hunt for the Muslim Brotherhood: What Next?", in *Insight Egypt*, No. 4 (May 2014), <http://www.iai.it/content.asp?langid=2&contentid=1130>.

21 As far as the first interpretation of the events of August 2012 is concerned, see Moataz El Fegjery, "Crunch Time for Egypt's Civil-Military Relations", in *FRIDE Policy Briefs*, No. 134 (August 2012), <http://www.fride.org/publication/1054/>. One of the first to put forward the alternative view of the events of August 2012 was H.A. Hellyer, "Military or President: Who Calls the Shots in Egypt?", cit.

22 On the debate about strong and weak state institutions, see Joel S. Migdal, *Strong Societies and Weak States: State-Society*

which Henry Clement and Robert Springborg have described the inefficiency of the Egyptian military apparatus are illustrative:

[The military] is bloated and its officer core is indulged, having been fattened on Mubarak's patronage. Its training is desultory, maintenance of its equipment is profoundly inadequate, and it is dependent on the United State for funding and logistical support [...] The *raison d'être* of the military was always to support the Mubarak regime, not defend the nation.<sup>23</sup>

The vulnerability of the Egyptian military apparatus, already present during the Mubarak regime, and made obvious by its inability to counter the growing threat of terrorism and criminality, in particular in the Sinai region, also increased during the first year and a half after the beginning of the transition, a fact which seems to provide an additional explanation for the series of events of August 2012.<sup>24</sup> In that moment, it can be argued, the need to reduce the involvement of the military hierarchy in political affairs, without threatening personal and institutional interests of primary importance, and to not be obliged, in this way, to share responsibility for not having been able to give concrete answers to the socio-economic needs of the population, emerged in its full force. Such a need was understood *in primis* by the new guard, desirous not only of affirming its own pre-eminence over the old generation, but also of protecting the integrity and the popularity of the military institution in order to be able to continue to enjoy its privileges and prerogatives.

Although the reciprocal balance between the moderate Islamist party and the military has significantly changed, a long road still lies ahead before the problems which afflict the Egyptian military in its mission to guarantee the security and safety of the country and its citizens against external threats as against, often preponderantly, the excessive power of certain bodies of the state itself, are resolved. It remains to be understood how the interrelationship of economic interests, positions of political power and security needs will be articulated in the coming years. For sure, the resistance to change put forward by the military over the course of history and recently in the wake of the fall of Mubarak does not give much room for hope for a country which must confront huge challenges in order to achieve democracy and respect for human rights for all, and which today sees no end to the strong polarisation of society.

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*Relations and State Capabilities in the Third World*, Princeton, Princeton University Press, 1988.

23 See Henry M. Clement and Robert Springborg, "A Tunisian Solution for Egypt's Military", in *Foreign Affairs Snapshots*, 21 February 2011, <http://fam.ag/wJWhG5>.

24 See Sarah El-Rashidi, Ahmed Eliba and Bel Trew, "Sinai on the brink: Arms trafficking and the rise of Egypt's Jihadist groups", in *Ahram Online*, 7 August 2012, <http://english.ahram.org.eg/News/49807.aspx>.



## About Insight Egypt

The series is part of a two-year research project on Egypt, started in 2013, which aims at monitoring the uncertain transition taking place in the North African country. Following closely the evolution of events, the series explores the transformations of the socio-economic and political-institutional, as well as energy policy and foreign policy of the country, including its relations with Italy and Europe

A specific attention is devoted to the actors of the transition: opposition movements, youth groups, the judiciary, the Supreme Council of the Armed Forces, the Muslim Brotherhood and other social actors such as trade unions and business associations.

Possible scenarios of the political, economic and social evolution in Egypt are also prepared and discussed.

The project will be realized by a multidisciplinary research team of the Istituto Affari Internazionali (IAI), which has developed over the years a solid experience on Egypt.

## About the author

**Silvia Colombo** is a researcher at the Istituto Affari Internazionali (IAI). An expert in Middle Eastern politics, she works on Euro-Mediterranean relations, transatlantic relationships in the region, and the domestic and regional dynamics of the Arab world. Also prominent among her research interests are relations between the European Union and the countries of the Gulf Cooperation Council.

She holds a doctorate in comparative politics from the Scuola normale superiore di Pisa (Florence branch), and an MA in Near and Middle Eastern studies from the School of Oriental and African Studies (SOAS) in London.