

Revisiting the Political Economy of the State to Society Relation during Mubarak Regime

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Abstract

This study revisits the political economy of the Mubarak Regime and his downfall by engaging with the existing literature, which dwells on political, economic, administrative, legal, and constitutional methods of maintaining hegemony and regimes survival. This paper revisits and combines them into a single framework and argues that state structure and society remained fundamentally disconnected from each other, whereas their relations remained dialectical between the state's control over society on the one hand and interests of the people on the other. It is argued that Mubarak made use of moralism rhetoric and pragmatic coercion that disenfranchised the society of Egypt from the state structure and interest articulation which were not sustainable for the longer term. It is argued that the revolution was rolled back as the Morsi regime applied the same tactics his predecessor had applied.

Key Words: Infatih, Egypt, Structural Adjustment Program, Civil Society, Revolution, IMF, World Bank, Military Industrial Complex, Privatization, Terrorism, Muslim Brotherhood

Introduction

Mubarak had served in the Egyptian Air Force in which he was elevated to the rank of Air Marshal in 1975. As he had a close association with the Sadaat, he was made the Secretary-General of the National Democratic Party (NDP), the ruling political party of Egypt. His experience in the military, his close association with Sadat, and the leadership of the NDP earned him an experience that Mubarak would later use as a ruler of Egypt (Cook, 2012, 156-157). During a military parade on October 6, 1981, when President Anwar Sadat, along with vice president Mohammed Hosni Mubarak and Minister of Defense, Field Marshal Abdel Halim Abu Ghazala, was observing the display of Egypt's firepower, two armed men opened fire on the president and other attending dignitaries. In the incident, nine people, including President Sadat, were killed and thirty-eight wounded, including three U.S military officers. Soon after Sadat's assassination, the military and security forces

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assumed control of the country and started preparations for the succession of the president. According to the constitutional procedure, the president of the People's Assembly, Sufi Abu Taleb, became the interim president of the country. The constitution requires that the successor shall be selected within sixty days after the position of the president becomes vacant (Ibid). In the subsequent days, Mubarak was nominated by the National Democratic Party (NDP) for the presidency. A week later, 98.4 percent of the Egyptians voted in his favor in a referendum held for the election of the president. Mubarak took oath on October 14, 1981, as the president of Egypt and delivered his first speech before the parliament (Ibid.,157).

He outlined the future political and economic policies of the government in his first speech and explained that the open door policies (started in the Sadat era also called *Infatih*) based on production would continue that would benefit the poorer people of society not the few rich. He assured the continuance of important subsidies and restrictions on imports of luxury goods. He declared to observe the peace treaty with Israel and welcomed to deal with any state that would not meddle in the affairs of Egypt. He stated that Egypt needed to cleanse itself from the plague of extremism through social justice. He said that opposition parties will be allowed to operate, but opposition shall mean the exchange of views and not accusations (Hopwood, 1993, 184). His statement has three main pillars, the constitutional and emergency powers of the Mubarak regime his economic and political policies. These are discussed in the following sections.

Constitution and the Emergency Powers

In this section, the question as to how Mubarak and his regime justified the emergency rule. It deals with three aspects of the emergency laws and constitutional powers of the regime; the different laws determine the relationship between the ruler and the ruled, the justification factor, and the actual practice. These three elements are used as indicators to assess the contradictions between the claims and actions of the regime.

In Egypt, the military regime, since 1971, enjoyed unlimited authority in the legal and constitutional framework of the country. President was given supreme authority by various methods. Among them, the question of succession was solved by perpetuating the term of the presidency for an indefinite period. This was done by making an amendment in the 1980 amendment, according to which a president could run for unlimited terms (Hassan, 2011). The second was the matter of presidential powers. The other way to increase his powers, he enacted the emergency law in 1981, which was authorized by article 148 of the constitution (Sullivan and Jones, 2008, 34). Mubarak had the legacy of the past that made it easy for him to follow the past precedent. The emergency law had been passed for the first time in 1954. It was followed by the law of 1958, a law that gave more powers to the president in times the government would declare an emergency. The 1958 emergency, lifted in 1964, was re-employed in 1967 when the Six-Day War with had Israel broke out. The emergency lasted till the 1980s, which upon the death of Sadat, was re-imposed (Sadiq Reza,2007, 536-537). Article 148 says:

"The President of the Republic shall proclaim a state of emergency in the manner prescribed by the law. Such proclamation must be submitted to the People's Assembly within the subsequent fifteen days to make a decision upon it. In case the People's Assembly is dissolved, the matter shall be submitted to the new assembly at its first

meeting. The state of emergency in all cases, shall be for a limited period, which may not be extended unless by approval of the Assembly”(Tamir Moustafa, 2007, 263).

The emergency law of 1958 empowers the president to declare the state of emergency subject to the approval of the People's Assembly in fifteen days whenever the threat of war, internal disturbances, natural disasters or epidemics to public security or order arises. The emergency authorizes the president to restrict the freedom of assembly, movement, residence, passage. The suspects or those dangerous for security and order can be arrested, searched, and detained without being restricted by the provisions of the Code of Criminal Procedure (CCP). For the performance of this duty, the president can nominate anyone. The president orders the surveillance of letters and supervises censorship of the press and publications. He can determine the working hours of the shops and confiscate any property or building, companies, corporations, and postpone the dates of loans. He has the power to withdraw the licenses of arms, ammunition, explosive devices and order their submission, and closure. He can have the power to regulate transportation or limit its means (Ibid.,538).

State Security Courts (SCC), under emergency law, were established that dealt with defiance of the emergency orders and other matters the president referred to it. Ordinary judges sit in these courts, but the president had the power to nominate military judges for the hearings. The courts followed ordinary procedure, but the president could dictate terms to these courts because the decisions were subject to the ratification of the president. Except the presidential ratification of the courts decisions, there was no right to appeal against the verdict of these courts.(Ibid.; Amnesty International, 2007). Under article 6 of Military Orders Law, the president had the power to transfer cases to military courts, the decisions of which could be reviewed by the president (Denis Joseph Sullivan and Kimberly Jones, 2008, 35-36). However, the government in 2003 abolished the State Security Courts, but amendments in the Code of Criminal Procedures reinstated these courts. In January 2004, Mubarak abandoned most of the military orders that were promulgated under the emergency laws since 1981 except the laws dealing with the protection of public security (Amnesty 2007).

In addition, anti-terrorism laws were passed in 1992 called as Anti-Terrorism Law (no 97) of 1992, which gave unfettered powers of arrest, detention, and persecution. According to United Nations Human Rights Committee, the definition of terrorism in this law encompass a wide range of acts which means that terrorism was vaguely defined (Denis Joseph Sullivan and Kimberly Jones, 2008). These laws were used by the government's interior ministry through various agencies, the General Directorate for State Security Investigations (SSI also called Mahabath al-Dawala), the police, the Central Security Force (CSF or al-Amn al-Markazi). The CSF deals with demonstration, curfews, Islamists, both militants and political. The Military Intelligence and General Intelligence Service (GIS or Mukhabarath al-Aama) are closely connected to the president (Ibid.,33). In 2006 Mubarak announced that 34 articles of the constitution will be amended but when the amendment was passed in 2007, concerns were raised against article 179 of the constitution as it renewed the emergency powers of the president (Reza,2007,536-537; Sullivan and Jones, 2008,35-36). These constitutional laws entrusted the regime with unfettered powers. When promulgated emergency laws, the pretext was security, anti-terrorism, and prevention of extremism. His claim was moralistic in content as it highlights certain specific functions that were claimed to provide security to the nation. On the contrary, these laws proved to be a repressive measure aimed at perpetuating the rule of the Mubarak regime, a factor on

the basis of which it is argued that his moralism and practice contradicted each other. For example, explaining the justification of the 1981 emergency rule, the prime minister of Egypt told the United Nations Human Rights Committee that under the conditions following the assassination of Mohamed Anwar al-Sadat, the country was forced to declare and extend the state of emergency to tackle the problem of terrorism and to protect the security and stability of society (Reza, 2007). The Egyptian government, in 1993, in a report submitted to the United Nations outlining the situation of Human Rights justified the emergency rule. It stated that when the emergency has been legally proclaimed, the president is authorized to use powers under emergency laws to thwart threats and maintain order and security in the country (Sullivan and Jones, 2008, 35-36).

In 1998, Mubarak stated that confronting terrorism and protecting democracy and stability, emergency law was necessary. The Interior Minister in 2000 said that emergency rule was indispensable deterrent against those criminal forces who wanted to incite public unrest and sabotage the national interests. In 2003 the prime minister justified emergency rule on the pretext of national protection. Three years later a different prime minister mentioned that due to terrorism, the state of emergency was deemed as a remedy (Reza, 2007). The government claimed that these laws are aimed at curbing terrorist threats and internal security threats. In the 1990s, the growth of the militant organizations, when the terrorist organization's Jihad al-Islami, Al-Gama al Islamiyya (UN, Martin Scheinin Mission to Egypt 2009), and Al-Qaida launched terrorist activities against the state, it provided legitimacy to use these repressive laws.

In practice, these moralistic claims proved contrary rather, these laws were used as a legal tool for the concentration of power which kept the majority of the people alienated from the affairs of the country. The law enforcement agencies circumscribed personal freedoms and the integrity of the citizens in the 1990s. The military courts sentenced to death thirty-nine people in the years 1992 and 1993. Seventy-four civilian death penalties were passed by the military judges, from 1992 till 1996. Since 1993, the number of political detainees exceeded ten thousand, which is 1996, according to other sources, were more than sixteen thousand. The then minister of the interior, Hassan Al-Alfi, put the number less than ten thousand. Similarly, reports of torture were many, which, however, were denied by the regime. Under the 1995 press law, ninety-nine journalists were interrogated, charged, and sentenced by the lower courts. However, this law was repealed in 1996 (Kienle, 1998, 222-223). Under the emergency laws some eighteen thousand administrative detainees [were] held in custody (Amnesty, 2008).

Similarly, the arrest and trial of the Islamist forces were common in the Mubarak era. The assassination of Sadat was followed by the mass arrest of the Islamist groups. In 1985, five hundred pro-Islamist activists were arrested who were going for a demonstration against the government. Before the 1987 elections, two thousand members and supporters of the Muslim Brotherhood were detained. In 1995, on the eve of parliamentary elections, fifty four prominent Brotherhood leaders were apprehended and convicted in military courts. The pre-election arrest of the Muslim Brotherhood was followed during the 2000 and 2005 elections (Reza, 2007) and 2006 (Sullivan and Jones, 2008).

The Amnesty International Report 2011 states:

"The authorities....use state of emergency powers to target government critics, opposition political activists, and people suspected of security-related offenses, despite a presidential decree in May limiting the application of the Emergency Law. Some were held

in administrative detention without charge or trial; others were tried before emergency or military courts whose procedures did not satisfy international standards for fair trial. Journalists and other government critics continued to be prosecuted under criminal defamation legislation. The authorities maintained strict controls on freedom of expression, association and assembly. Torture and other ill-treatment remained common and widespread, and in most cases were committed with impunity."

From the above discussion, it is concluded that the emergency laws were used for political ends, the cumulative effect of which entailed the exclusion of the general populace from the mainstream of the state. Along with this, the administrative organization of the country was highly centralized. The country was divided into twenty-six governorates, one hundred and twenty-six cities, and four thousands four hundred and ninety-six villages. The governorates were headed by governors and Executive Councils appointed by the president. Governor had more powers compared to the city and village councils. Members of the local council were directly elected, but the election process and the control of the governor and executive council made these bodies less relevant in representing the people (Democracy Reporting International, 2007). Thus, it can be said that, by virtue of this administrative centralization, the president could directly control the administration. Presidential control was legally exercised through emergency laws.

The Political System and Civil Society

Another tool was the personalization of the political system. The constitution of 1971 provides the presidential system with a multiparty system. According to the constitution, the president enjoys vast powers in the executive, legislative, and even judicial realms. The slogan of political liberalization was a moralistic tactic used by the regime for legal justification of their repressive actions. Besides presidential control over the executive, there are certain features of the constitution that helped the presidential control over the political system of the country. Of these, the method of election and terms of the presidency, the laws that regulate the legal basis of political parties, the monopoly of the ruling party in the national legislature called People Assembly (PA), and the laws that kept at bay the civil society from the political affairs of the country, are significant. For the election of the presidency, three strategies were applied; the introduction of a single candidacy system based on unlimited terms, the exclusion of the opposition parties, and the suppression of the opposition.

Section 77 of the constitution established that the term of office of the president is six years who could run for unlimited successive terms. According to section 76, the parliament (Maglis al-Sha'b, the People's Assembly) has the authority to elect the president by a two-third majority. It was followed by a referendum in which the citizenry had to vote in favor of or against the single candidate. Moreover, section 76 endowed the People's Assembly with authority to elect the president with two-third majorities, after which the people would participate in the referendum to either support or oppose the single candidate (Meital, 2006). After the elections, the next task for Mubarak was the survival of and perpetuation of his regime. For this purpose, he started the exclusion of the political society by implementing the political parties' laws, proportional representation system, the administrative division of the country, and the press laws. The application of these laws; reduced the political system to one party' one-man rule, denied any space for the rule of the majority.

Mubarak continued the legacy of political control envisaged by Sadat's regime. The multi-partisan political system established under Law no 40 Of 1977, prevailed in theory, but the laws and tactics used by the former reduced the system to one-party rule. During Mubarak rule, it was binding under law for any political party to get the approval of the Political Parties Committee (PPC), which consisted of the speaker of the Shura Council, the minister of justice, the state minister of affairs of the People's Assembly, the minister of the interior, and three representatives of judicial bodies selected directly by the president. The approval was associated with activities of the political party mentioned in its manifesto; it was mandatory that the party's activities should be in harmony with the constitution and distinct from the existing political parties. The constitutional basis of the party was thus decided by the PPC. However, appeal against the PPC decisions could be made in administrative courts, but it became irrelevant by the 1981 amendment. According to it, these appeals could be heard by an exceptional body, selected by the minister of justice if the Supreme Council of Judicial Bodies had approved it (Moustafa, 2007). By framing such laws, the regime manipulated the legal system to restrict the entry of other political actors (Human Rights Watch, 2007).

The law barred the political parties from political participation as, till 2000, the PPC had approved only one application; the application of the Socialist Labor Party (SLP). Some of the applications were rejected on the pretext that the successes of the president in foreign relations are substantial that were more than the program of the party in question could achieve. The law declared that the principles, objectives, and programs of the parties should not conflict with national unity, social order, and the socialist system and its gains. The law empowered the PPC to temporarily suspend the parties' activities and ban their newspapers (Moustafa, 2007). This system established the fear of political victimization among the opposition, which deterred them from challenging the regime.

Furthermore, peaceful demonstrations were prohibited under law 2 of 1977, which defined severe punishment for the organizers of the demonstrations. Under the emergency law, the state authorities possessed unfettered powers of arrest, trial and detention. Consequently, the system remained selective in allowing political parties to operate. This method was also used to form a friendly opposition based on the permanent occupation of leadership. Those who would challenge those party leaders who had pro-regime proclivities, the PPC punished them (Ibid.) Thus, political society remained neutralized and responsible to the regime. This shows that the exercise of power was highly personalized.

The system of proportional representation based proportional representation list system was another tool of exclusion. According to the system, candidates only from the official parties could run for the elections on the party list. It provided an opportunity to the leaders of the parties to nominate friendly regime candidates. This method was also applied by the opposition parties, who cleansed themselves from the anti-regime members. The electoral system envisaged that votes secured by any party short of eight percent of votes were transferred to the party winning the majority seats. Under the system, the Wafd Party, in informal alliances with the then banned Muslim Brotherhood (MB) secured fifty-eight seats in the 1984 elections (Ibid.,97).

Later, the PR list system was challenged in the Supreme Constitutional Council (SCC), which decided that the system was unconstitutional and ordered the dissolution of the PA. Opposition issued a communique asking for the dissolution of the People's Assembly and electoral reforms. Consequently, the assembly was dissolved, and fresh elections were held

in 1987 under the new electoral law. The new law divided the country into twenty four multi-member districts to have proportional representation among party lists. To comply with the SCC decision, the seats for independence were reserved in each district, while the threshold of a minimum of eight percent was retained. The boundaries of districts were skewed dexterously at the disadvantage of the opposition. In the 1987 elections, the system ensured NDP with 348 out of 448; the remaining 100 were won by the opposition. The victory of the NDP was followed by the nomination of Mubarak by the People's Assembly for the presidency. He was elected in the referendum by ninety-seven percent people for the next six years (Ibid.,98).

Once again, the elections were challenged in the SCC, which decided in favor of the opposition. The parliament was dissolved, and the party-list system was abandoned. On the other hand, the opposition parties demanded more reforms which included the lifting up of emergency rule and comprehensive judicial supervision of election, the government made new electoral law called the law 206/1990 wherein the district system was again carved out for the advantage of the ruling NDP. As a reaction, the opposition parties, the Wafd Party, the Labor Party and the Liberal Party, boycotted the elections. The elections were conducted in which, along with Tagammu' Party, two new political parties, the Green Party and the Young Party, participated after they had been given legal status from the Administrative Courts. The election results showed the victory of the ruling NDP. The government's manipulation of the electoral process continued in the People's Assembly election of 1995, the presidential elections 1999, and the 2000 people's elections (Ibid., 99-100).

Three important changes took place between 2000 and 2005, the external pressure for reforms, the constitutional changes regarding presidential candidacy, and the emergence of civil society. The Bush administration pressurized Mubarak for democratic reforms in the country. The later kept the reforms at bay by highlighting the Islamist threat to US and Western interests and by a pragmatic approach to reforms. To secure the aforementioned objectives, the NDP issued a policy paper "the Rights of Citizenship and Democracy" in 2003, which acknowledged the need for political reforms. In the same year Mubarak abolished the state security courts and established the National Council on Human Rights (NCHR). In September 2004, the government announced two documents, "Rights of the Egyptian Citizen" and "The Rights of Citizenship and Democracy" both of which contained nothing new. The opposition denounced it by saying that these were merely slogans to appease the Egyptians. The opposition parties rather formed Alliance of National Forces for Reforms. The alliance attempted to mobilize people for reforms but proved futile because it had excluded Muslim Brotherhood which had larger public support than other political parties. In 2005, NDP held a meeting with the opposition parties to discuss the future reforms program. After the meeting, it was jointly stated the reforms will not be introduced under the dictates of foreign intervention; these will be initiated from within. By this tactic, the regime tried to neutralize the internal and external pressure for reforms. The external pressure was the policy of the Bush administration that asked the Mubarak regime to introduce political reforms. Mubarak used the anti-Americanism by stating that the reforms should be initiated in Egypt from within. These should not be based on the dictates of the foreign powers. (Arafat, 2009, 87-103).

The other significant change that took place in Egypt after 2000 was the emergence of civil society in Egypt. The civil society remained in different social, political and developmental activities. The number of registered association according to different

sources is between 17000 and 30000. There are other associations which are not registered but remain active in various activities. There are one hundred and fifteen trade and industry chambers, twenty for professional syndicates and twenty two workers unions working under a common federation (Kausch, 2009). These organizations actively participated in protests, demonstrations and mass mobilization against the policies of Mubarak. However, the important role played by organizing civil society were Judges Club, Journalists Association, and Lawyers Association, Kifaya Movement, the April 6 Movement and the National Association for Change and Cairo Institute of Human Rights Studies. The judges club was concerned with the independence of the judiciary. In 2005/6 judge club went on strike demanding the right of supervision of elections for the judiciary. The forum issued political statements at times which opened a forum for reformist agenda. The Lawyers Association dominated by lawyers of Muslim Brotherhood supported the cause of Independence of judiciary from the executive control. The Journalists Association focused on political issues and organized demonstration. The Kafaya was a civic movement which wanted to put an end to the political stagnation of the society. Lastly, the April 6 movement, another civil society movement, was stronger than the Kafaya. It organized protests in all the governorates and became active in both rural and urban centers. The Cairo Institute of Human Rights Studies facilitated debates and research on legal and political issues (El Medni, 2013, 21-22).

The mounting pressure from the civil society, political parties and the United States changed the behavior of the regime. Consequently, the multicandidate race was introduced in the electoral process. For the first time, the opposition parties were allowed to nominate their presidential candidate on an independent basis for the presidential elections. Although, the election result proved in favor of Mubarak, the amendment paved the way for more political participation. In the parliamentary elections of 2005 Muslim Brotherhood secured eighty eight [as independent candidates] seats in the parliament. To curtail the role of the opposition, the regime applied the old tactics of repression against the Muslim Brotherhood and the rival presidential candidate Ayman Nour. The state security arrested and convicted Ayman Nour for four years term of imprisonment charging him with forgery. This implied that Mubarak, considered the MB as a potential rival and the arrest of its presidential nominee was a signal for the opposition that in future they would face further political exclusion (Mumtaz, 2011,7-9).

To delay further the reforms, Mubarak again invoked the old tactics, reform and survive. In December 26, he announced to amend thirty four articles of the constitution. The constitutional commission after discussions, submitted the draft to both the houses of the parliament which was adopted and forwarded to referendum for final approval as required by the constitution. The amendments were criticized by the opposition parties, media and civil society. The Judges Club maintained that the proposals of other parties have not been taken into consideration. They made an appeal to the people to boycott the referendum. The opposition parties, in a joint press conference, announced the boycott of the referendum (Mougrin, 2008, 399).

By virtue of this amendment the president could replace emergency law with anti-terror law, the election process would be dominated by the ruling party, and the president could dissolve the parliament, the rules for registration of political parties and the formation of the Presidential Election Commission dominated by the president, were the laws that increased the powers of the president (Assessment of the Electoral Framework of Egypt, 3-6).

The regime came under further criticism when rumors about the succession of Gamal Mubarak, Mubarak's son and the deputy leader of the NDP spread in the country. Gamal Mubarak has gained influence in the party who used to preside over the meetings of the policies secretariat of the party. When parliamentary elections in 2010 were alleged with rigging and preparations for the presidential elections 2011 were well underway, the issue of succession came under a critical debate. The ruling party had a majority in the parliament, the NDP nomination would have made him successor of Mubarak. Subsequently, protests were held in Cairo which was quelled by the security forces. Under public pressure in October 2010, the NDP announced that Mubarak himself would run for the elections (Aftadilian, 2011, 7-10).

The Economic Policies of Mubarak

Besides his policies of consolidation of political power, Mubarak's economic policies lacked popular support. During first speech he mentioned to continue the "*Infitah* (the opening up of economy)" policy of economic liberalization started by Sadat, with changes. He mentioned that the subsidies on essential items would continue and imports on luxury goods would be restricted (Hopwood, 1993).

When he came to power, the economy was based on tourism, agriculture and foreign remittances. Tourism yet to be developed was boosted in the 1980s and 1990s. The existing structure of agriculture was based on feudalism and uneven distribution of land (Mitchel, 2002). Besides cultivable land, the residential areas were limited which forced the rest of the population to live in rented houses. To control the rate of rents, there was rent control system under the rent control laws, which fixed the rates and terms of the contracts. According to the laws, the contracts were transferable to three generations even on the death of the tenants (Moustafa 2007, 120-123). Another feature of the economy was the state control, inherited from the Sadat regime who, in turn, had inherited it from Nasser. Under the government control, the public sector was strong compared to the private sector. The economy sustained itself against the pace of burgeoning population growth through 'foreign remittances as people temporarily migrated to Gulf Countries where the infrastructural development increased the labor demand' (Zohry, 2007, 6-8).

During the 1980s, Mubarak delayed the economic reforms due to fears that changes might bring sudden disruptions and instability (Ateş, Duman, and Bayraktar, 2006). On the other hand, the country could no longer afford the economic stagnation and Mubarak was forced to initiate reforms engineered by the World Bank and U.S. AID (United States Agency for International Development) and International Monetary Fund (IMF). The intervening variables that affected the economy were terrorist threats, the military business interests and the elite interests.

During the 1980s the Tourism was promoted on the behest of the World Bank in Luxor and Gunra. Under the directions from World Bank, public funds were directed towards tourism. In the 1990s, on the demand of the former, the Mubarak regime allowed the private investors to tourism sector. For the justification of this policy, a public campaign in the name of securing the national heritage of Egypt was launched. When the time of the implementation of the policy came, it caused mass dislocation of the local population in Gunra. Besides dislocation, the infrastructure was modernized, which the local people could not afford to develop. As a result, the consumption of heritage based economy remained limited to the capitalists. The victims protested but were suppressed by the state security apparatus (Mitchell, 179-205). Another intervening variable was the emergence

of terrorist threat which affected the tourism in the 1990s and especially after the terrorist attacks since 2000 (Basu and Marg, 2002).

Most of the population settlement in Egypt; farming peasants, people involved in commercial activities in the urban areas and the residential apartments, were regulated by the Rental Control System (RCS). The government started to make adjustments in the system, compelled by the stagnation factor and the private investment. The rates of the rents being fixed and the terms transferable to three generations were disadvantageous for the owners, constituted very few of the elite. The People's Assembly enacted a law in 1992 giving rights to the owners to evict the peasants. The Supreme Court in a series of decisions validated the law to the detriment of the peasants (Moustafa, 2007). It had three types of impacts, the eviction of the renters, rise in the rate of rents and price of the land.

The law affected 1.3 million agricultural leases which sustained about six million peasants, and the loss of 700 thousand jobs. Liberalization of tenancy caused the dispossession of peasants and strengthened the holdings of the landowners. The sudden introduction of private rights increased prices which were unsustainable for the farmers who forced the government to intervene to control the impacts. This law was opposed by the leftist and peasants who resorted to violent protests. In 1997 three thousand peasants blocked the Upper Egypt road which was quelled by the security forces. In 1999, the security forces killed 82 peasants, injured 44 and arrested 402 in tenancy cases (Ibid). In order to cope with untoward disruption, the government initiated the Land Reclamation Program (LRP) based on desert reclamation, under which parts of the desert were given to the settlers who were assured with the prospects of agricultural improvement and employment (Adriansen, 2009, 665).

The introduction of liberalization was claimed in the initial stage to have better results in terms of high crops yield. But according to Bush, the high production was not necessarily caused by reforms as it could not sustain its pace in the subsequent years. Moreover, the exports of the country increased but it was far less than the imports of agricultural products which had negative impacts on the balance of trade (Roccu, 2012, 119-120).

After 2000, the encouragement of privatization caused de-industrialization in Egypt. The cost of production and lack of competitiveness made the smaller companies vulnerable to market pressure. Another negative outcome of the liberalization process was the introduction of new tax laws in 2005. Under the law ten years tax exemption was given to companies in the new industrial zones established to encourage industrialization. The companies dissolved themselves at the end of the five years and registered with the new names. By this method of tax evasion, the indirect taxation increased which was burdensome on the workers and peasants (Ibid.,122).

On the other hand, the economic policies of Mubarak benefited the military-industrial complex of Egypt. The defense ministry had created the National Services Product Organization (NSPO) which produced the goods for the consumption of lower and middle class. Mubarak formed two other military manufacturing bodies for the production of non-military goods. It included the Ministry of Military Production (MOMP) and the Arab Organization for Industrialization (AOI). The MOMP has eight manufacturing plants. Forty percent of their production is based on civilian goods. The AOI has eleven factories and companies. Seventy percent of production of these companies is consumed by the civilian market. The goods these bodies include are, steel, cement, chemical, luxury jeeps, butane gas cylinders, kitchen stoves, home appliances, gas pipelines, infant incubators, mineral water, pasta, olive oil and other foodstuffs. The Armed forces own gas stations,

malls, hotels, wedding halls, super markets, parking lots, domestic cleaning offices, transportation and shipping companies. Beside this, a number of retired army officers were appointed to administrative and managerial posts. In 2011, of the twenty seven governorates, eighteen were retired army officers. Directors of councils and local administrations were retired army officers. Moreover, the natural gas and oil companies are headed by retired generals (Abdul Magd, 2013).

This liberalized private enterprise; created by selling public sectors which created the employment insecurity. Consequently, the dispossession of land, the increase in indirect taxation and the fear of mass fire from services made the workers to resort to mass protests. The protests gained momentum in 2007 primarily triggered by the privatization of the textile industry. In 2008, the trend spread to other sectors, which included public services, transport, civil services and professionals. In 2008, eight thousand workers gathered in protest for an increase in wages. The workers protests became popular in the country which was joined by many unions supported by different political parties and civil society that led to the overthrow of Hosni Mubarak in February 2011 and the Supreme Council of the Armed Forces (SCAF) took control of the country, dissolved the parliament and suspended the constitution (Beinin, 2012).

From the above discussion, it is concluded that that President Mubarak agreed that his domestic policies, regarding politics, economy, and security, and foreign policy would serve the ruled. He mentioned that Egypt will be Egypt of all, which means the incorporation of whole society in the policy inputs and equal share in the payoffs of these policies. He himself denied this claim by denying three things. Firstly, he denied open the political space, democratization and enhancement of civil liberties. Secondly, in the economic realm, he was required to distribute equitably the resources of the country. Finally, the foreign policy which will be discussed in the preceding chapters needed to represent the aspirations of the people. On the contrary, Mubarak and his regime espoused personalized approach which excepted the ruled from the policymaking. Firstly, the political powers were concentrated in the presidency and the political system only fortified the regime at the expense of the disenfranchisement of the general will of the Egyptians. Secondly, he suppressed political opposition and allowed only those parties to operate that bolstered his political control.

Another conclusion derived from the above discussion is that to justify his rule, he used a three-pronged strategy. Firstly, he used to give moral justification of his policies. Secondly, when he acted, his actions contradicted his claim, i.e. his acted to strengthen his powers. Thirdly, he applied coercive measures to quell the opposition. His justification of the emergency rule, the policy of political liberalization and economic liberalization were merely moralistic rhetoric. In this regard, three areas are important to be considered, the emergency powers, the political system and the economic reforms during the Mubarak regime.

The rise of Morsi and the Muslim Brotherhood: Revolution and Counter-Revolution

After assuming power, the SCAF made amendments to the constitution of 1971 regarding the parliamentary and presidential elections, which was approved by referendum. Under the amended electoral framework, elections were held for both the houses of the parliament and the presidency. In the parliamentary elections, the Freedom and Justice Party (a

political extension of Muslim Brotherhood) won forty seven percent of votes while the Salafist Al-Nour Party won twenty five percent of the seats. The secular parties, al-Wafd Free Egyptians and Social Democratic Party together with others got the remaining eighteen percent seats (Barak, 2013). In the Shura Council (the upper house of the parliament) both parties managed to win eighty percent seats. In the Presidential elections, the Freedom and Justice Party's candidate Mohamed Morsi won by a margin of fifty one percent (Elections in Egypt, 2012). Thus both the legislature and the executive were dominated by the two Islamist parties led by Morsi. The next task for Morsi was the restructuring of the political and economic system and the formulation of foreign policy, discussed in the preceding chapter.

As discussed that Mubarak's regime was based on personalization, the foremost task entrusted by the nation to Morsi was the introduction of institutionalization. For this purpose, he had to introduce reforms which could represent the needs and aspirations of the people. President Morsi had not yet defined the structure of the state but an assessment of his actions provides an insight of his future vision. His steps regarding the formulation of the constitution in 2012, the restructuring of civil-military relations, coalition partner, al-Nour party and the opposition parties are important in this regard.

The new constitution had controversial clauses which establish personalized structure of social contract. For example according to the new constitution the president could appoint the prime minister and dissolve the parliament. He could appoint the members of the Supreme Constitutional Court (SCC) and implement the general policies of the government. The constitution delegate legislative powers to the Shura Council, a quarter of its member are selected by the president. The draft constitution also limits the electoral roll of the judiciary (Elections in Egypt, 2013, 9-13).

The other step he took was a shift in the civil-military relationship. He reduced the power of the armed forces to declare war which was given to the parliament. He removed a number of Army officers from different posts which created a shift in the civil-military relationship. National Defense Council and Parliamentary Committee of Defense would oversee the financial and procurement matters of the armed forces. This was anticipated as a shift in the civil-military balance in favor of the civil government (El Fegier, 2012)

Morsi's Relations with the coalition partner withered over the removal of ministers and the introduction of Sharai law. The al-Nour Party was opposed to Morsi's efforts to enhance relations with Iran and ministerial positions. The leader of the al-Nour party Younis Makhyouun accused that Morsi had a scheme to install thousands of Brotherhood members on key posts across Egypt that includes three governors also (Joudeh, 2013).

Thus his worsening relationship with the political parties and formation of constitutional framework was the source of his failure. His isolation on the political front provided a pretext to the armed forces to stage demonstrations and protests with the help of the opposition parties, henceforth, a justification for the military coup. The main issue which brought him to power was the revision of the structure of the social contract. The military coup proved counter-revolutionary, which is resisted by the members of the Muslim Brotherhood.

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