

The roots of Egypt's uprising

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Lee Sustar looks at the class conflicts and political struggles that gave rise to the popular rebellion in Egypt—and how these dynamics will continue to play out.

Contents

- [The Egyptian ruling class \(...\)](#)
- [The role of the Egyptian \(...\)](#)
- [The opposition and the working](#)

A CLASSIC revolutionary situation unfolded in Egypt in the last days of January, with masses of people taking to the streets and confronting military units deployed throughout the capital city of Cairo.

The scene recalled the great revolutionary moments of the 20th century, from the February 1917 revolution that toppled the Tsarist monarchy in Russia to the wave of popular uprisings that toppled the Stalinist police states of Eastern Europe in 1989.

Now those revolutionary dynamics—and the counterrevolutionary pressure from the Mubarak regime—are playing out in the biggest country in the Arab world. With a population of 80 million, Egypt is the most economically and militarily important Arab country. As a crucial pillar of U.S. foreign policy—the Egyptian regime is a de facto ally of Israel in containing the Palestinian movement and preventing democracy in the Middle East—the revolutionary crisis threatens to upend American imperialist strategy in the region.

To better understand how Egypt arrived at this revolutionary crossroads, it's useful to step back and look at Egyptian history, society and politics.

The Egyptian ruling class and its economic program

The Egyptian ruling class rests on a military and security apparatus that first took shape during the military officers' coup led by Gamal Abdel Nasser that overthrew the British-backed monarchy in 1952. For the next two decades, Nasser and Egypt were at the center of a heroic era of Arab nationalism, when Egypt clashed with Israel militarily—successfully in 1956 and disastrously in 1967.

After Nasser's death in 1970, and another losing war with Israel in 1973, the Egyptian ruling class, under President Anwar Sadat, turned toward a peace deal with Israel and embraced its role as a U.S. enforcer in the region. Mubarak took over following Sadat's assassination in 1981, and further integrated the Egyptian state into the U.S. military and foreign policy establishments.

The alliance with Washington pushed Mubarak into a halting embrace of economic “reforms” pushed by the U.S., involving privatization of many state-owned companies and greater openness to international financial markets. But the changes have accelerated since 2004, when a “reform” cabinet pressed ahead with economic policies long demanded by the U.S. and its economic enforcer, the International Monetary Fund (IMF).

As far as the IMF is concerned, the reforms have delivered. In last year’s report on the country, the IMF noted that Egypt’s gross domestic product (GDP) averaged 7 percent growth per year between 2005 and 2008. The country also rebounded quickly from the world economic crisis, with growth falling only to 4.7 percent in fiscal year 2008-09—the worst phase of the downturn when much of the world economy actually shrank.

All this enthused the editors of The Economist magazine, who published a report on Egypt’s economy in July 2010:

"The economy as a whole is performing better than ever, largely because the government has at last abandoned its old habits of central planning, state-managed capital allocation, high taxes and price controls.

Egypt’s share of world trade, which had been falling continuously for 40 years, started expanding as exports tripled in value. Foreign investment gushed in at record levels, notching up a cumulative total of \$46 billion between 2004 and 2009, says the dynamic young investment minister, Mahmoud Mohieddin."

This economic growth, claims The Economist, has benefited the mass of Egyptians. Their evidence: 99 percent of Egyptians have electricity, 97 percent have piped water, 87 percent own a refrigerator, and the population owns 57 million mobile phones.

But a closer look shows that the economic advances have actually increased the stark class polarization in Egyptian society. The official government statistics show that poverty increased in 2008-09 from 20 percent to 23.4 percent. But the poverty line is absurdly low: some 40 percent of Egyptians live on less than \$2 per day. A third of the population is illiterate.

With millions living so close to the edge, the government has maintained a tradition, established in the Nasser era, of subsidizing staple foods for the poor. The last popular upsurge against the regime in fact came in 1977, when, under pressure from the IMF, the Sadat government reduced subsidies on several goods. In the riots that followed, people attacked government buildings in Cairo and other cities.

"The infamous 1977 riots deeply unnerved Egyptian policymakers and left a legacy of government caution not only toward food policy reform, but economic reform more broadly," wrote Tamar Gutner in a study of the politics of Egyptian food subsidies.

After taking over in 1981, Mubarak set about slowly reducing the number of those eligible for subsidies, based on their income, and reducing the number of food items covered. By the late 1990s, government spending on food subsidies had been cut in half, from 14 percent of total government expenditures to just 5 percent. By 2002, only four basic food items were subsidized: the baladi flat bread, baladi flour, cooking oil and sugar.

Anyone can buy the bread and flour, while the majority of the population are eligible to hold ration cards that allow them to purchase cooking oil and sugar at reduced prices.

Today, the Egyptian government subsidizes 270 million loaves of baladi bread at 19 piasters each—a

fraction of a U.S. penny. Even so, some 29 percent of Egyptian children are malnourished, according to Hania Sholkamy, an economist for the Social Research Center at the American University in Cairo. "This survey shows that these huge chunks of cash in the form of subsidies are not having an impact on poverty rates," she told the Egyptian newspaper Al Masry-Al Youm.

The global food price spike of 2008 hit Egypt hard, sparking riots that foreshadowed today's crisis. Then, a 100 kilogram sack of subsidized flour cost around \$3.14, but sold for about \$377 on the black market.

Now, world food prices are spiking once again as a result of the global economic recovery and the "quantitative easing" by the U.S. Federal Reserve that has flooded the world with dollars and fueled inflation in commodities like food. As the world's largest importer of wheat, Egypt is especially vulnerable to such price hikes, which again began hitting staple goods recent month.

But speculation in world food prices isn't the only problem for Egypt. Under the tutelage of the U.S. and the IMF, Egypt rolled back land reform in 1992, stripping small farmers of their tenure rights on the land and enabling big landowners to charge market rents. These changes, aimed at boosting agricultural exports, both increased rural poverty and heightened Egypt's reliance on food imports.

This combination of factors—economic growth, increased inequality and rising class tensions—set the stage for the revolutionary crisis of 2011.

The role of the Egyptian military

The protesters on the streets of Cairo's Tahrir Square initially greeted the military as brothers—and the armed forces issued a statement January 31 that they would not shoot at demonstrators.

But the army's refusal to protect anti-government demonstrators when pro-Mubarak forces attacked them February 1 highlighted the fact that the armed forces remains a central institution of the Egyptian ruling class.

In Nasser's day, the Egyptian armed forces played an important role in the country's politics, and won popular patriotic support for confronting Western imperialism and Israel.

But under Mubarak, the military shifted its focus to building economic clout—partly thanks to enormous amounts of aid from the U.S., and increasingly through the Egyptian armed forces' own businesses. Companies owned by the military are players in several industries, including cement, construction, gasoline, olive oil, water and hotels—the armed forces are a large landowner as well. As the *New York Times* noted last year:

"The beneficiary of nearly \$40 billion in American aid over the last 30 years, the Egyptian military has turned into a behemoth that controls not only security and a burgeoning defense industry, but has also branched into civilian businesses like road and housing construction, consumer goods and resort management..."

When riots broke out during bread shortages in March 2008, the army stepped in and distributed bread from its own bakeries, burnishing its reputation as Egypt's least corrupt and most efficient state institution.

The top military brass, however, hasn't cashed in on Egypt's economic growth to the same extent as private businesses. Indeed, military officials see the privatization of state-owned enterprises as a

threat to their economic standing and political clout. It is an open secret in Egyptian politics that the military has resisted Mubarak's attempts to install his son, Gamal, as his successor as president.

And if the Egyptian military's top brass isn't happy, mid- and lower-ranking officers have far more complaints. According to GlobalSecurity.org, "By 2008, military salaries had fallen far below what is available in the private sector, and a military career is no longer an attractive option for ambitious young people who aspire to join the new business elite instead."

Thus, when Mubarak was forced to rely on the Egyptian military after protesters initially defeated the police and internal security forces, he couldn't be sure it would carry out repression on a scale needed to crush the resistance. On one hand, there were growing links between soldiers and protesters in the streets. On the other, Mubarak acknowledged the military's key political role when he named an ex-military man and spy chief, Omar Suleiman, as vice president, a post that had been vacant for 30 years.

Having refused—so far—to carry out counterrevolutionary repression directly, the military is maneuvering to maintain its role in a post-Mubarak Egypt. And by allowing the pro-Mubarak street thugs—in reality, police and paid henchmen of the government—to carry out brutal attacks on anti-government protesters, the army could be setting the stage for a crackdown that they would justify in the name of "national unity."

The opposition and the working class

Egypt's opposition movement has four elements—Islamist, liberal, leftist and labor.

The largest organized group by far is the Muslim Brotherhood, which has an estimated 500,000 members and has been organizing since the 1930s. Formally banned as an organization, it is nevertheless entrenched in Egyptian society through its control of middle-class professional associations, as well as a network of religious charities that have become prominent since the 1980s as the Egyptian state cut back on its controlled safety net.

While often portrayed in the U.S. media as a kind of al-Qaeda in respectable clothing, the Muslim Brotherhood is a conservative organization that has avoided confrontation with the state and abstained from the recent protest movement until it was compelled to join. Its perspective isn't for the violent overthrow of the state, but a parliamentary approach akin to the ruling Islamist party in Turkey.

The last decade has also seen the emergence of a secular liberal opposition to Mubarak. This current reflects the politics of the educated middle class, and the elite that is turned off by the Muslim Brotherhood's conservative version of Islam and disgusted with the corruption that surrounds the Mubarak regime and big business. These elements organized the Kifaya (Enough) organization and the Egyptian Movement for Change.

Now, Mohamed ElBaradei, the former head of the UN nuclear inspection agency, has emerged as the most prominent figure among these elements.

The left, while small, has played an important role in the revival of democratic activism in recent years. Comprised of left-wing Arab nationalists and socialists that include both Trotskyists and former Stalinists, the left has collaborated with the pro-democracy movement to mount protests and activists campaigns, ranging from opposition to the 2003 U.S. invasion of Iraq to protests against police brutality.

While most of these protests were relatively small—ranging from a few hundred to perhaps 2,000—they established important networks that were able to seize the moment when the rebellion in Tunisia electrified Egyptian society. It was these activists who put out the call for what became the mass protest of January 25.

The left has also forged crucial ties to Egypt's revived working-class movement. Over the past several years, strikes have become commonplace in a country where the official unions act as an arm of the state.

The center of the struggle is the textile town of Mahalla, which saw a lengthy strike and mass protests by workers in 2007. Between 2004 and 2008, some 1.7 million workers took part in 1,900 strikes and other types of protests. The tax collectors were able to form an independent union, the first such organization in decades.

Until the great demonstrations of January 25, the working-class movement was linked to the pro-democracy movement mainly through the efforts of the socialist left. However, the call for a general strike for February 1 looked to labor as the key social power to try and chase Mubarak from power.

And with the working class taking the stage, a new era in Egyptian politics has begun.

Lee Sustar

P.S.

* February 3, 2011, Socialistworker.org:

<http://socialistworker.org/2011/02/03/roots-of-egypts-uprising>