Chapter 4:

Contesting Legitimacy in Egypt: State vs. Political Islam

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The contestation for legitimacy in Egypt peaked from the end of the 1970s to the mid-1990s. State-society interfaces during this period had started taking an exceptionally violent and confrontationist character. The economy and polity from 1988-1995 belong to the presidency of Hosni Mubarak. The hallmark of his rule has been the legitimization of the government through the process of elections, and the centralization of power and authority as a result of the electoral process.

Egypt has the freest press and the most successful experiment in civil society in the region. The political system, however, has been marked with an efficient system of manipulations that eliminates all opposition. The Islamic movements were the only opposition who could question the legitimacy of the regime. They were able to effectively represent a dissenting voice, a voice of disagreement and had the strength to question the credentials of the government.

The changes in Egypt from 1988-1995 affected different levels of the society, economy and polity. From the grassroots to the urban centres, from the domestic to the international level every aspect of the polity had undergone a change. The reaction to the government policies came from a very large section of the population. The interaction between the state and the larger global players in the fields of economy and polity also affected the state-society interfaces. It was during this period that the Western powers were not only affecting the economies and polities of each country, but were the largest players in the regional politics of the region. The changes in Egypt will have to be seen in the context of larger socio-economic-political changes in the region and within the country. The changes that affected the state-society interfaces in the country were both internal and external. The impact of the changes was felt at different levels, and the reaction to the changes varied due to the differences in impacts and the differences in the levels of society.

From the end of the 1980s Egypt experienced a substantial degree of political de-liberalization. The repressive amendments in the penal codes and legislation about governing the professional syndicates and trade unions, as well as unprecedented electoral fraud are only some of the indicators of the change in the political scenario in the country. The erosion of political participation and political liberties, and the lack of a political vent, was mostly the result of the conflict between the regime and the Islamist
groups. The conflict and the state-society interface, however, also reflect the other ongoing changes on the socio-economic-political front in the country.

The important state-society interfaces in the period include the changes in the methods adopted by the government to deal with the challenge of political Islam and other opposition, economic liberalization and the social and economic changes under the structural adjustment programmes. The important change in the period from 1988-95118 has been the changes in the equations between the different Islamic organizations among themselves, with the state and vis-à-vis the larger religio-political movements in the region.

The factors that were responsible for the changes in Egypt from the end of the 1980s were: the 1987 elections, the 1988 food riots, the 1991 gulf war, the structural adjustments and the changing political scenario of the region. Politically Hosni Mubarak continued with the policy of repression and co-option, with a greater emphasis on repression than on co-option. On the economic front, however, he continued the policy of liberalization and open market of his predecessor. The alternatives, had had were very few, and he was forced, directly and indirectly to follow the dictates of the IMF and WB in implementing the structural reforms and opening the economy to further integrate it into the global economy.

The case of Egypt is also important to understand the impact of social movement in the running of the state. The strength of the social movements and the manner in which they impact and affect the functioning of the government, show the ability of the social actors to control the state. States vary in their effectiveness based on their ties to society, both quantitatively and qualitatively. As states are not the sole central actors in society, and are rarely free from the social forces, the latter can curb their powers. Even the most authoritarian regimes can face a check by social forces. The political action and influence of a social group are not wholly predictable from the relative position of that group within the social structure. No class has a historically pre-designed social role. Class compositions and their political powers can fluctuate with time.

This thesis is working on the hypothesis that the fluctuations in the economic and political situations led to a confrontation for control of power in the years between 1988-1995. What emerged in the maze of political, economic and social turbulence was an extremely strong state that was managed through the coercive strength of the government machinery. Though the state gained in strength to intervene in nearly every aspect of the social and political life of the masses, the social movements emerged as the most powerful forces to challenge the power and authority of the
government. Its strength could be seen in its ability to not only influence the political character of the state, but also run parallel courts and economic networks. Though the government and coercive machinery it controlled allowed the regime in power to retain their hold on the state apparatus and the curb the social movements, the confrontation between the two forces led to a questioning of the legitimacy of the entire administrative and political apparatus of the country. It also led to the increase in the coercive powers of the government, and a parallel increase in the political influence of the social movements.

The other hypothesis being worked upon in this thesis is the mutual relation between the state and the social movements. States and other social forces may be mutually empowering. Interactions between the state and social forces can be either mutually beneficial, or may favour one party over the other, or they may cut into each others powers and spheres of influence. In some cases, the state actors may ally with select social groups and try to play off one against the other. The real world situations do not conform to a set or specific pattern. The complexities of each state will vary and so will the state-society equations.

The relations between the Mubarak government and the Muslim Brotherhood and al-Azhar display a kind of alliance between the politico-religious forces and the government. Though both the forces used every method possible to discredit the other and curb the others' powers, in the face of larger problems they worked in tandem with each other. As will be shown later, the manner in which the Muslim Brotherhood and al-Azhar reacted to the various political developments, it showed that they were ready to work with the government they loved to hate, rather than violently oppose it or overthrow it. The government used the weaknesses of the Islamist movements, particularly the activities and stands of the radical Islamists to put the moderate movements like Muslim Brotherhood and the al-Azhar on the defensive. The two organizations on their part, worked at strategies to retain their distinct identity particularly as organizations capable of running the government if given a chance. On the other hand, as they were opposed to a violent opposition to the government, they adopted the policies of either peacefully boycotting the elections or contesting through political alliances. The attempts of both the government and the political Islamists was to gain a political legitimacy by either formulating new policies to counter each other, or finding reasons to discredit the other's claim to legitimacy.
The significance of the years 1988-1995 lies in the use of external powers and support systems by the government to retain their hold over the state system. This would include support in both covert and overt forms. The support to the government came in various forms from assistance in defence deals, intelligence sharing and most importantly in recognizing the democracy prevalent in the country. The external approval of the political processes and system allowed the government to increase its strength and control over the governing apparatus of the country. Though the political Islamists did not have a control over the economic and administrative powers, they worked at gaining a recognition, as the only truly representative social and political force in the country.

Moreover, after the signing of the Camp David Accord the US put the country in a list that declared Egypt to be a friendly country. It was entitled to economic, political and military support from the US and its allies. The political support the government received in its fight against the menace of Islamic terrorism and the recognition it got due to its role as a negotiator for peace in the region gave Egypt a lot of political and economic mileage in the long run. It also gave the government a political leverage over its rivals within the country.

After Camp David the next most important political event in the region, the Iraq-Kuwait conflict of 1991, also gave Egypt a distinct advantage in the political and economic fields. In this context it is important to note the domestic political influences of the larger political changes, particularly in the West Asian and North African region. As the country had been a debtor country for a long time, the political turbulence in the region gave Egypt the bargaining power even in the economic field. Most importantly, as one of the pre-conditions of the IMF loans is a democratic political setup, the 1991 Gulf crisis and the role of Egypt gave it an indirect legitimacy in the political setup. As the United States and its allies recognised the democratic process of the country, it automatically translated itself as a recognition of the process within the country as well. Even if the nature of the political system, or the manner in which democracy was achieved was questioned, the external recognition of the result of the elections allowed the political system to declare itself into a legitimate democracy.

The important points to be kept in mind are: 1) the composition of the leadership and the rank and file of the political Islamists; 2) the control of the government over the religious institutions and the parallel influences of the socio-political movements in the functioning of the government; 3) the role of international politics in affecting the
nature of the development in the domestic politics; and 4) the resultant equations between the state and the socio-political movements within it.

I. Political Developments:
The significance of the political developments in the period lie in two very different spheres: the first being the changing state-society relations due to the changes in the economic, social and political developments within the country; and the second in the manner in which the international political developments affected the socio-economic developments within the country.

The state-society relations within the country were very strongly affected by the changing economic patterns of the domestic economy. The economic changes in Egypt typify the problems of the changes faced by the changing economic patterns of the rest of the Third World, where the government in power defined the economic character of the state. The transition of the economy gave the government more powers rather than limit it. The government variously became the largest capitalist investor in the economy, or the only authority with powers to control the fate of the economic resources of the country. The government had the unquestioned power to decide how the economy should earn an income, how the income should be utilized and how the economy should be moulded in the larger global economic structures.

In the case of Egypt, what is important in the context of the government playing the biggest and the sole arbitrator of economic affairs, is the manner in which it managed its defence budgets. The defence requirements of the country had increased after the Camp David Accord. This was not because of the threat from Israel, but due to the border conflicts with the immediate neighbours. Also, the increased use of the armed forces in the daily administration of the country was responsible for the increase in the defence requirements of the country. With the changes in the global political developments, the government's need to combat Islamic terrorism at the domestic and the larger global level also increased its need to arm itself. What is important about the defence budget of Egypt, is that from the time of President Mubarak, it was not counted as part of the national budget of the country. The defence expenditure and budgets were a separate economy on their own. Their expenditure, income and resource management did not form part of the national economy. Also, the conditions for obtaining economic loans to run the economy differed from the manner in which the loans for defence deals were obtained.119
The importance of the political developments in the country from the period 1988-1995 lies in the manner in which the interface between the state and social movements changed. The elections were marked by a rigging in favour of the NDP in an unprecedented manner. It questioned the very process of democracy as a feasible political system in the country. The governance, due to lack of political legitimacy, was marked with a violence and a clash in practically every aspect of the state-society interface. Whether it was the question of political participation in the trade unions, or the question of political participation in the elections to the national assembly, or the curbing of associations with the Muslim Brotherhood, or the manner in which the social welfare activities were to be conducted, or the question of Islamic economics, the confrontation between the government and the Islamists on every issue marked the changes in the political character of the country.

The second aspect of domestic politics was the relation of the state and the political Islamic parties vis-à-vis the international developments, particularly the developments in the region. The developments in the region affected the political, economic and social movements of the region. The 1988 bread riots were a reflection of the crisis caused by the integration of the domestic economy into the larger global capitalist economic structure; the Iraq-Kuwait crisis on the other hand raised the question of oil politics and the military hegemonization of the region by the Western military forces; the question of the unresolved Israel-Palestinian conflict or the floating of the theory of the clash of civilizations, all contributed to the changes in the socio-political movements of the region.

What is important about the larger political, economic and social developments, is the manner in which they affected the Islamists movement and changed the relations between the government and the socio-political movements. For example, the need for relatively free and fair elections was mandatory to raise resources for an economy ravaged by the three Arab-Israeli wars and the failed socialist experiments. It forces the government tolerate the opposition parties and allowed them a limited opportunity to contest the elections. Parties like the Muslim Brotherhood were either banned from contesting elections, or were permitted to contest indirectly through alliances with other parties. The elections, whatever the voter turnout, or the human rights violation, or the manner of rigging that always allowed the NDP to emerge the winner, the results and the process were given an approval and a recognition by the Western governments and the IMF and WB. Consequently, the government got its recognition and a claim to legitimacy indirectly through international powers.
The political developments allowed the government to strengthen its coercive powers, yet at the same time it was forced to strike a balance with the social movements by accepting the changes suggested by the political Islamists. After the international pressure of Islamic terrorism gained momentum, the government was free to use its coercive powers to suppress and control any individual or party or organization that opposed it, yet at the same time, it was forced to accept changes advocated by the Islamists to retain their hold on the socio-political movements. The increase in funding and autonomy of the al-Azhar in exchange for the socio-political stability was an important development in the state-society interface.

Also the changes in the ideological stands of both the government and the social movements reflect the changing political-economic scenario of the time. The government's ideology had shifted from socialist to capitalist could be seen in the manner in which the economic priorities had changed. With the shift in ideology, the changes were visible not only in the economic but also in the sector of social welfare. By the ideology of a socialist state, it is the incumbent duty of the state to provide for social welfare and a social security cover to all its citizens, despite their ages or productive capabilities. The government, while implementing the structural adjustment programmes not only withdrew the social safety net it was providing, but allowed the non-governmental agencies like the Muslim Brotherhood to take over the social welfare function of the state. Similarly in the field of personal law, it allowed the interpretation of the sharia laws by the al-Azhar to take over the state civil laws.

On its part, the socio-political movements, or the Islamist movements changed their interpretation of history, politics and economics to survive and sustain their momentum. The political tactics involved the careful usage of the political space allowed by the government, electoral alliances with other opposition parties and a careful usage of religion as a paradigm to interpret the political developments. The Muslim Brotherhood was extremely careful in opposing the government during the 1991 gulf war. It changed its stand from opposing the occupation of Kuwait by Iraq to opposing the US intervention in the issue. It supported the government in its efforts to seek an Arab solution to the problem, but opposed the government's non-opposition to the US moves. Both the Muslim Brotherhood and the al-Azhar avoided an open confrontation with the government, as they were aware of the coercive powers of the latter.

The system is one of checks and balances. If the politicisation of Islam by the state was to give the ruling party the informal mandate and legitimacy to implement its own
ideology, the politicisation of Islam by the society is to ensure that the is accountable to it. If the state opposes the existence of Israel, and accepts the demands of the implementation of *sharia* laws in domestic courts, it also holds the authority to crackdown on any form of violent opposition to its authority. Political Islam from society, on its part, enforces its own code of conduct, not conflicting with the state authority and working towards a non-violent transfer of power.

Also the developments, particularly the role of Western powers in the region, highlights the fact the both the state powers and the social movements are contingent to the external developments and changing factors. The developments that left the most profound impact and provided a catalyst for change in the social, political and economic history of the country were the external factors. It shaped the way in which the government and the socio-political movements moulded their ideologies.

A case in example is the Palestine issue. Though Egypt had led the three Arab-Israeli, the fallout on the domestic economy as a result forced the government to sign a truce with Israel. Thus though the government was committed to the cause of the Palestinians, it changed its tactics from leading the Arabs in a war against Israel to a leading them in peace negotiations. Similarly, the political Islamists changed their stand from pan-Arabism to pan-Islamism and later prioritizing the needs of their own country.

The important point about the relation between the state and the social movements was its ability to adapt to the changing developments and working in a manner that gave both of them strength the survive. The methods adopted by both varied according to the situation, but both the state and the movements ensured that they retained a balance in their relations. States and other social forces have been mutually empowering. The interactions between the state and the most influential political lobbies, particularly the Muslim Brotherhood, the al-Azhar and the left parties, worked in a manner as not to throw the country into a civil strife or a political turmoil. The situations can be described as one that was mutually beneficial, or favoured one party over the other, or they may cut into each other's powers and spheres of influence. In some cases, the state actors allied with select social groups and try to play off one against the other. The real world situations do not conform to a set or specific pattern. The complexities of each state will vary and so will the state-society equations.
1) Contesting legitimacy: questioning of the democratic process and the concept of democracy.

The question of democracy raises the question of legitimacy of the existing regime to stay in power. The rigging of elections been very effectively used by the ruling NDP in the national and presidential level. The history of the democratic process is full of the amendments made at the level of local elections, trade union elections and at various levels to ensure the exclusion of the Muslim Brotherhood or any other party that could pose a threat to the existing regime.

The elections at various levels and the electoral conflicts reflect the conflict between the various sections of society that were trying to stake a claim or attempt to control the various state resources for their own benefit. Whether it was the urban middle class, or the peasantry or the military regimes or the landed elite, the attempt to transfer power to their own section has dominated the democratic process in the country. This is particularly true in Egypt where the disparities in incomes has been very stark.

The socioeconomic context for this conflict is that Egypt has poor resources and a huge population. The tiny ruling strata holds tightly to these limited resources. Meanwhile, the Islamist crowds are beating at the door demanding their share. The international context further exacerbates the divide. Because Egypt is not a marginal Arab state but a key ally for the United States and European powers, these powers lend their weight to make sure the ruling group stays in control. All these factors further polarizes the conflict over who is to be included or excluded in the political process in Egypt. These factors shape the politics of democratization in Egypt.122

In 1984 when Mubarak’s candidature was ratified and approved for being president, the legacy of centralization of power ensured that was no opposition candidate. The referendum later, confirmed his tenure in office as president. Once confirmed, he embarked on the process of co-option and repression of opposition. The constant state of emergency and its renewal helped Mubarak strengthen his power base. He co-opted the more moderate of the Islamists and repressed the more radical of them. The pretext of curbing those who were responsible for the assassination of the former president went a long way in justifying the repression for a very long time.

The state of emergency has not been withdrawn since the time of the country’s independence. The law allocates the powers to the country’s executive authorities to confront national emergencies through the establishment of special security courts that operate outside the typical civil protections that the Egyptian judiciary affords its citizens. For several decades, the rationale for this authority was the state of war with Israel, but when emergency law was lifted in 1980 following the Camp David accords, it was quickly reinstated with the 1981 assassination of President Anwar Sadat. According
to one author, "The Egyptian state, in sum, has normalized the 'emergency' while criminalizing collective life in the country".\textsuperscript{123} 

The electoral history of Egypt from 1988-1995 has to be broken into three separate elections and developments for a comprehensive analysis. The first is the election of 1987 that marked the consolidation of the presidency of Hosni Mubarak and the firm establishment of the NDP in running the state administration. It marked the sanction of the Western powers to sanction further economic loans to Egypt, and the commitment of Egypt to continue with the policies of economic and political liberalization as part of the aid requirements. 

1988 marked the regional economic turmoil with most of the countries in the region facing a food riot as a result of the IMF policy to withdraw agricultural subsidies. The food shortage, particularly in the urban centres was a symptom of the failure of the new economic policies that had been adopted in lieu of the failed socialist experiment. The significance of the food riots in Egypt lie in the ability of the government to curb the intensity of the opposition. The riots of 1988 were not the first that the government had faced. Egypt had seen an earlier riot in 1977 when the government was planning to cut subsidies on bread and agriculture products. Large scale urban riots have the potential of destabilizing the administration and changing the political ideology of the government. The potential of these movements to totally transform the political character of the state cannot be underestimated. By 1988 the government was aware of the potential of these movements and took steps to ensure that the movement did not reach large scale proportions. It used both its coercive powers and its negotiating powers to retain the subsidies that quelled the riots. 

The next most important landmark in the development of the political history of Egypt was the gulf crisis of 1991. The international global events affected every aspect of the countries in the region. It unleashed the biggest political, diplomatic, military and economic crisis the region had seen after the creation of Israel. Egypt had to be extremely careful in the position it took and the manner in which it dealt with the resultant domestic crisis. It had to negotiate truce with the political Islamists to prevent a domestic political backlash. On the other hand, by the end of the year, the extremely successful experiment of the Algerian Islamists, forced the government to use its coercive powers to prevent a similar development in Egypt. 

The political developments till 1993 and the elections of 1995 are significant in this regard as they establish the fact in the conflict between the state and the social movements, the government was able to use coercive powers, foreign support and
political diplomacy to retain its political character and identity. It showed the ability of the regime in power to survive against domestic and international odds. Also in the state-society interface it showed that though the social movements were unable to dislodge the government from power, it was able to force the government to change and compromise on its policies and practices. If the political Islamists supported the government on its non-interventionist stand during the crisis, the government too agreed with the Islamist viewpoint of the need to let the Arabs solve their own problems and not condemn the foreign militarization of the region. If the government was increasing its political strength through its administrative and legislative powers, the Islamists were increasing their strength as a socio-political lobby and influencing the government.

2) 1987-1991
Since the inclusion of opposition parties in the 1984 elections for the first time in thirty years, the demand for more political freedom gained strength. The 1987 elections to the People’s Assembly came after a series of demonstrations. The most important was the demonstrations staged by the Islamists to protest against Asyut University’s ban against women who wanted to cover their faces.\(^{124}\) The strength of the Islamists was felt even in the army ranks and the elections was an attempt to divert the possibility of a military coup by officers with sympathy for the Islamists. In December 1986 it was revealed that three or four months earlier, four reserve army officers and 29 civilians, allegedly linked with the Islamic Jihad had been arrested in Cairo and accused of plotting to overthrow the government. Apart from the military-Islamist coup, the govt had also stopped a Communist inspired coup from taking place in December.\(^{125}\) Apart from the political turbulence and the pressure to acquire a legitimacy, Mubarak wanted to secure a second term as a president by proving himself to being a real democrat.\(^{126}\) The need to prove the control’s democratic credentials were strong, as the need to take further loans from the IMF and the need to get the support in the economic and political arena grew.

A referendum was held in 1987, February, to decide whether the Majlis ash Sha’ab (People’s Assembly) prior to holding elections under a new electoral law providing for a total of 48 seats for independent candidates in the 458 seat assembly. The law was a pre-emptive move to counter the Supreme Constitutional Court ruling that declared the 1984 elections as unconstitutional due to the absence of independent candidates from
the fray. The new law required the political parties to win at least 8% of the total votes in the referendum to qualify for the Assembly elections. As a result a group of parties with different ideologies came together to contest in the 1987 elections. The Muslim Brotherhood, which was legally barred from forming its own political party) formed an alliance with the socialist parties like the Liberal Socialist Party. The influence of the Islamist agenda was very strong, with the common manifesto emphasising on the basic demands of the Islamists. The election had resulted in a large, though significantly reduced majority for the ruling NDP.

One of the parties that had not been allowed to contest in the 1984 elections and which did not have Islamic credentials was the New Wafd. Politically its emergence was one of the most significant developments of the Mubarak rule. It had the potential to emerge as a political force with the same strength as it did under the British. It was the most important political force that led the movement against the imperialists. The 1984 ruling of the court gave the New Wafd a legitimacy that it lacked. The New Wafd after regrouping, under the new liberal circumstances, became a more heterogeneous group comprising of Copts, Nasserites, Muslim fundamentalists, former army officers, socialists and businessmen. In the 1984 elections they had emerged as the only opposition party with 58 seats. In the 1987 elections, however, with the Islamic organizations forming their own alliances their strength had come down to only 35 seats.

A significant feature of the elections of 1987 was the violence preceding the event. The campaign period saw a lot of clashes between Muslims and Christians and between the government and the opposition parties. The contesting parties accused the ruling party of rigging the elections and other forms of corruption. The government arrested hundreds of opposition party workers who clashed with them. Most of them were supporters of the Muslim Brotherhood, who were campaigning illegally. The clandestine activities and the mass support to the Islamists has been the biggest threat to the Mubarak government. It was after the elections that the suppression of opposition and the violations of human rights started taking place on an unprecedented scale. (For results, see appendix 1)

In July 1987, the Assembly nominated Mubarak for a second six-year term as president (by a two-thirds majority). The only candidate, he was duly confirmed in office by a national referendum on 5th of October, polling 91.7% of the votes cast. His principal opponents remained the Islamic parties and the radical Islamists. The elections gave the other political parties a chance to oppose the Mubarak regime and offer alternatives to the regime. However the results demonstrated the failure of the government to allow
satisfactory liberalization in the political arena or even a peaceful transfer of power. The political discontent remained, and with the implementation of the economic changes and the structural adjustments the increasing economic discontent fomented the political discontent.

The results gave the government the legitimacy to carry on with the economic reforms policy that it had started. The increasing debts, the Iran-Iraq war, the Kurdish crisis and the instability caused by the Israeli-Palestinian conflict contributed to the political instability in the country. The political unreists in the country increased and led to an increase in clashes between the government and the opposition.

After the 1987 elections, the elections of 1990 became the next benchmark for assessing political developments in the country. The Supreme Court gave historical rulings exposing the corruption and the illegality of the elections held in 1987. The supreme constitutional court ruled that the elections to the People’s Assembly had been unconstitutional because the electoral law promulgated in 1986 unfairly discriminated against independent candidates. It led to a constitutional crisis as the elections were declared unconstitutional, and the court declared that laws after 2 June 1990 was not to come into force.

The blatant government fraud in the 1989 Shura Council elections and the government’s refusal to guarantee judicial supervision of the 1990 elections marked the outer boundaries of the regime’s political reform and liberalization. The regime has attempted to retract the margin of political freedom. The closing of the door of meaningful political participation against the moderate Islamists, the most viable opposition, has added to the regime’s record of corruption and failure.127

In response to the court verdict, elections to the People’s Assembly were re-held. The controversial election requirement of political parties to win 8% of the total votes in order to gain representation in the Assembly was abolished, and restrictions on independent candidates were removed.

However, Government refused to concede to the opposition demand that the elections be removed from the supervision of the Ministry of Interior, and that the emergency regulations (in force since 1981) be repealed. The elections resulted in a clear victory for the NDP; of the 444 elective seats in the new Assembly, the NDP won 348 (compared with the 346 at the 1987 general election) the NPUP won 6 and independent candidates (of which 56 were affiliated to the NDP, 14 to the New Wafd Party, 8 to the SLP and one to the LSP) won 83 voting in the remaining seven seats was suspended. President Mubarak exercised his right to appoint 10 additional deputies, including 5 Copts.128

The polls were characterized by a record low voter turnout, and the absence of the main opposition groups. The total turnover of electorate was estimated at being not
more than 30%. The New Wafd Party, the SLP, the LSP and the Muslim Brotherhood boycotted the elections.

The elections were held against the tense background of the Gulf crisis and the domestic political confusion compounded by the assassinations of public leaders and the arrest of hundreds of Islamist workers. The Ministry of Interior that was supervising the elections was accused of rigging the elections, using violence to intimidate the candidates and suppressing any form of opposition. For the December 1990 elections the former condition of 8% votes for representation was removed, and the state of emergency was removed. (Egypt had been under a state of emergency from 1967, except once when Sadat was assassinated, i.e., between 15 May 1980 and 1 October 1981).129

3) The 1991 Gulf War:

All domestic political developments receded in the background with the invasion of Kuwait by Iraq and the later intervention by the Western allied forces in the conflict. The 1991 Gulf Crisis and the war between Iraq and Kuwait was the next landmark in the history of the region. This was the first time that the United States and the Western allies had directly intervened and were physically present in all their military strength to support Kuwait and resolve a regional border dispute. The presence of American bases in Saudi Arabia and the Gulf was a major source of discontent in the region. It evoked the reaction of hatred against the Western imperialist, Israel supporting forces in the region. The Islamists and the population at large were angry at the presence of infidels and foreigners on the holy land. It was the most important development in the region after the creation of Israel and the Iranian revolution.

The political crisis in the region again brought Egypt to the forefront as the key mediator and political heavyweight. Egypt mediated between Iraq, Kuwait, the Arab League countries and the UN multi-national task force. Politically some important decisions that Egypt took included sending troops in support of the UN task force to Kuwait and sending troops in support of the US to Saudi Arabia as a deterrent force against Iraqi invasion of Saudi Arabia. Egypt emerged from the Gulf crisis as a 'moderate country' that was not a religion based fundamentalist country with an anti-Western and anti-modern outlook. Its role as mediator enhanced its international image as being a pragmatic and dependable country. This positive image of Egypt helped it in its political as well as in economic terms.
On the domestic front, during the Crisis the Egyptian government was able to get the support of the Muslim Brotherhood. The Brotherhood was against the Iraqi invasion of Kuwait and supported its government on the issue. However, they were opposed to the support given by their government to the US troops in Saudi Arabia. The Gulf Crisis showed the wide differences in the worldviews or the political stands of the different Islamic movements. The difference between radical Islamic movements and the moderate ones became sharp. The manner in which the problem was analysed and the solutions offered varied considerably. In the earlier case of Iraq invading Kuwait Iraq was seen as the main wrong doer. However with the international intervention and the presence of the US troops in the region, the sympathies with Saddam were on the rise. Saddam being the new champion of the Muslim cause, however, did not let the mean that the leadership of the other organizations would blindly of his policies. The call by Saddam to the Egyptians to overthrow their government went unheeded.

Two factors that favoured the government position in the state-social movement interface in the gulf war were the firstly the economic factors, and secondly the political fluidity resulting from the economic and political changes in the region. The war gave the Egyptian government an unprecedented economic respite. It eased the loan pressures and gave the country more economic aid to overcome its economic difficulties, particularly those compounded by the war.

Also the issue of expatriate workers worked in favour of the government. Since Egypt is not a rentier economy and does not have oil, gas or other resources to encash on, its major income comes from the being the largest labour supplier in the region. Most Egyptians are employed in the different oil-producing countries as skilled and unskilled labour. The political situation did not allow the Islamic movements to take an extremely radical stand, as it would have resulted in the expulsion of a large numbers of Egyptian workers in the other countries. The political unrest at home as a result of the returning labour to a stagnant and declining economy, who would have faced the problem of unemployment or underemployment again in their country would have led to a politically volatile situation. At the time of the outbreak of hostilities between the UN and the Iraq, the number of returning workers to Egypt had crossed the 600,000 mark.130

The problem was not just of unemployment, but also an increasing urbanism. The floating population adjusting to the bad living conditions and worse working conditions were fertile ground for recruiting rebels by the Islamists. The new people were
educated, skilled and had the zeal to fight the system which was corrupt, mismanaged, insensitive to the needs of the common man, unjust and supporter of the cause of Israel. The only respite for the government was the temporary bailouts given by the IMF and the US government. The government used the opportunity to buy temporary economic peace and crackdown on the Islamists. The war gave the government a reason and an excuse to intervene in the social movements. It gave them the power to use their coercive strength and the power of the state apparatus to relegate the political Islamic movements to a secondary status.

As a result of the Gulf War and the presence of the US and Western troops in the region, particularly in Saudi Arabia created a furore in the political Islamic movements. The Western presence was seen as defiling the sanctity of the sacred land. Moreover, the presence of the US troops in support of Israel was seen as the next imperialist move. Both the al-Azhar and the Brotherhood were supportive of the war for Kuwait, but took extremely strong political stands on the issues of support to the Western military presence in the region and the issues of Islamic terrorism. The war helped them formulate a clear policy towards the various government and international political situations of terrorism, Western troops in the region, the issue of Israel and the foreign and domestic policies of the government.

On the domestic front the resentment against the government that supported and was supported by the Western allies came in the form of violence by the more radical groups and the strengthening of a parallel economy by the moderate groups. The Islamists had targeted the most influential and one of the largest profit earning sectors of the economy: the tourism industry. The xenophobic attacks cost the economy millions of dollars in terms of losses in revenue and earnings. The suppression of the Islamic movement had led to the strengthening of the moral policing and the public assertion of religiosity. It had also led to the increase in the support and sympathy for the political violence that was targeted at the foreigners. The radical Islamic groups that had been advocating the use of violence to counter the government finally came into being identities and groups in their own right.

From 1991-92 the opposition of the Islamist movements have been characterized by unprecedented terrorist activities and police violence. The questioning of the legitimacy of the regime in power and the failure of the governing system to address the needs of the masses was highlighted along with the continuing violence in the political arena. The Islamists by using violence as a tool were trying to raise the point that the
government was not popular enough and needed to be overthrown. The government on its part, by suppression the radical Islamic movements was highlighting the fact that it was trying to protect the economy, polity and the secular value systems that the country stood for. Throughout the early part of the 1990s the mode of action of the Islamists was attacks on the foreign tourists, police and security forces, government buildings symbols of Western culture like cinemas, video shops and Coptic churches. The government brutality in suppressing the Islamist activities was documented by the report of the Human Rights Commission of Egypt, released in 1993. The government repression and brutality far exceeded the terror activities of the Islamists. They were more organized, with more ammunition and resources at their disposal than the Islamists could ever have. Moreover, after the International Trade Centre bombings in 1993, the FBI investigations led to the dismantling of some of the major sources of funding for the Islamists in Egypt.

4) 1992:
However, it was the earthquake of 1992 that reasserted the strength of the Islamic organizations vis-à-vis the government. The manner of working of the Muslim Brotherhood of working at the grass roots proved to be a major success during the Cairo earthquake. The efficiency and effectiveness of this form of mass appeal was most effective particularly as the state reached much later and with more substandard relief than the Islamists. It highlighted the failure of governance, the failure of the socialist ideology and questioned the illegitimacy of the ruling party. It took the government of Mubarak an unprecedented amount of violence, the aid of the Western military intelligence and finance and a lot of political manipulation to retain its hold on the state system.

To counter the political strength of the Muslim Brotherhood in this new situation, the government resorted to a violent crackdown on the leadership of the Brotherhood. The second step was to strike at the funding sources and expenditures of the organization. With the ability of the state to legislate and formulate new laws, policies, taxes and other forms of control the government was able to curb the strength of the activities of the Brotherhood. The government legislated, regulated and took charge of all the funds that were at the disposal of the Brotherhood. The government also decided the manner of its utility and set regulations on the nature of the organizations run by the Brotherhood.
Significantly, due to the violence and the counter violence, the role of the other opposition parties and their stand came to the fore. They were instrumental in pointing out that if the NDP did not have the popular mandate, the Islamic organizations too were not the only opposition. Earlier in the year (1993) the leftist National Progressive Unionist Party (Tagammu), the only opposition party represented in the People's Assembly accused the government of allowing the message of Islamic intolerance to be widely disseminated in the media. The government moved to take some action in these areas. Already in February 1993 a trade union election law had been passed requiring the participation of at least 50% of the members for an election to be valid. Earlier the Muslim Brotherhood had gained control over the lawyers', engineers' and doctors' association. Press censorship was increased and a number of high profile corruption cases were prosecuted. In order to demonstrate the Government's determination to press ahead with the social spending programmes in low income areas, President Mubarak announced in December that governors would now be made accountable for progress in slum improvements in their governorates.  

The government had taken steps to not only curb the activities of the Islamic organizations, but by measures like these they had hijacked the agenda of the opposition and limited their strength. The suppression of the Islamists, with the help of the emergency laws made the human rights violation record of the government one of the worst in many decades. There has been a routine use of torture and violence against moderate Islamic supporters even in various professional syndicates.  

In addition to emergency laws, the government has relied on two additional measures. First, the parliament passed an anti-terrorist law in July 1992 which makes membership in any organization defined as terrorist a crime punishable by death and further empowered the security forces to detain suspects without notifying the prosecutor's office. Second, after the trial of twenty-seven suspects for killing the former speaker of parliament in 1990, in which the civilian court found all of them not guilty, the government has been using military courts to ensure the speedy trials and conviction of militant Islamists. Since 1992, sixty Islamists have been sentenced to death. In the few years since 1990, there have been more political executions in Egypt than under any other Egyptian regime in this century.  

The emergency laws played one of the most important roles in the process of suppression. The 1992 Anti-Terror Laws were enacted despite the ongoing emergency. The moves of the government, particularly the 1992 laws have been targeted primarily at the base of support of the Muslim Brotherhood. A lot of arrests were made under the act, of civilians purely on the basis of their affiliation to the Brotherhood. The law has been accused of criminalizing the non-violent political opposition, and making the
moderate opposition movement into a radical violent one. It was with the help of these laws and coercive legislation that the Egyptian state sustained its ability to control civil society, the media, associational life, public discourses, political parties and intellectuals.  

5) The Presidential Election of 1993:
After the Gulf Crisis, President Mubarak was nominated for a third consecutive term as president in July 1993. He got 439 votes of the 448 votes cast in the People's Assembly. According to the official figures, he won 96.3% of the votes cast in an 84% turnout. However, the observers reported of apathy and a low voter turnout in the elections. None of the opposition parties, nor the banned but officially tolerated Muslim Brotherhood endorsed his candidature. The demand was for an election and not just a ratification of the candidate selected by the parliament. The decision of the parliament was carried out despite the opposition, and in October Mubarak's candidature was approved in a nation wide referendum. The 1993 uncontested election of the President is important to understand the continuing and complete centralization of power by the NDP and the President. Also, his appointing Atef Sidki, the same Prime Minister he has had since 1986, to form the government, shattered any hopes of the economy seeing any new or progressive changes. The appointment demonstrated the failure of elections as an effective tool of democracy in the country. The question of who would decide on the economic and political policies of the country was in the hands of the president, and it was to him that the new head of government was accountable. Also despite the domestic opposition, once the electoral process had been completed, the rest of the world recognized the government and the president as the legitimately elected one. It gave the government the credibility needed by the multi-lateral funding agencies to approve of the country as fit for further loans. Thirdly, the abstentions of voters and the low voter turnout represented the political statement of disapproval of the existing political system by the voting population. Though it did not mean an approval of the political Islamic alternative, it expressed a disapproval of the existing system of governing and the existing political setup. The population did not rise up in revolt or put up a large-scale protest against the system, they just boycotted it.

An important aspect of the 1993 re-election of President Mubarak, was the involvement of the armed forces in the democratic processes. As soon as he was elected, Mubarak promoted the Minister of Defence, Gen. Muhammad Hussain Tantawi, to the rank of
Field Marshal, and other senior defense officers were also promoted. Some observers saw this as a move to placate the army, the ultimate power behind the regime, after Mubarak's refusal to appoint a Vice-President, a post the military had traditionally regarded as its own. Others argued that Mubarak had drawn closer to the armed forces as the security situation had deteriorated as a result of the Islamist violence. The episode marked the political activism of the armed forces. The Field Marshall, had said in an interview, that the armed forces was the last line of defence against the Islamist attempt to change the government and if needed, the army would not hesitate to step in to maintain internal security. The army had decided to help the Ministry of Interior in combating the Islamist threat.

The newly elected President, once assured of his position, announced that the national priorities under his third term would be security and stability, economic reform, social justice, combating unemployment, overpopulation, reforms in education and improving administrative services. Political reforms however, were not on the agenda. What was important was the focus of the threat of the radical Islamists to the national economy, prestige and social-economic-political structures. The war against the Islamists was carried out in the media and in the administrative terms of repression. The government was able to portray the political Islamic organizations as aberrations in normal socio-political developments.

The developments however, highlighted the need for a political dialogue. The confrontation between the government and the opposition was unwelcome both to the masses and to the rest of the world. The internal and external pressure to negotiate between the two warring parties was very strong. As a result by the end of September, Mubarak had called for a national dialogue with all national parties who were against the Islamist terrorism agenda, to discuss ways and means to incorporate changes in the running of the country. The Muslim Brotherhood however was excluded, along with a range of political parties which had been declared illegal earlier. The aim of the National Dialogue Conference was to forge a united front against terrorism, and make the opposition feel it was a part of the system of government and that its views would be taken into account.

The Conference's political, economic, social and cultural committees completed their deliberations on 7 July and recommended only limited changes, reflecting the government's success in controlling the agenda. The recommendations of the political committee closely followed the NDP policy in proposing that no amendments to the Constitution be should be made at this time and that the advisory upper house of the People's Assembly should play a more important role.
in revising raft laws and the state budget. ....... The economic committee, while favouring the move to a market economy, recommended that the state should retain control over certain key sectors of the economy such as infrastructure and monetary and credit policies and that it should ensure social justice through the distribution of wealth. The social and cultural committee recommended the extension of compulsory education to include preparatory and secondary stages and emphasized the importance of eradicating illiteracy.\textsuperscript{139}

The recommendations, however, were seen as an eyewash. They were given to the president, who was under no compulsion or obligation to implement them. The exercise was only to divert the populism of the Islamists and once the Ministry of Interior had declared in 1994 that the Islamist threat was under control, there was no need for the suggestions and the recommendations to be implemented. Most importantly, the non-participation of the major political parties, the Muslim Brotherhood and others meant that the government was concerned about a genuine dialogue, but only a show of political liberalization. The government had total control and command over all the changes that were to be made. They decided the content of the agenda and backed it with the powers of the state machinery to execute it in the manner it deemed correct. The national dialogue is a prominent example of the manner in which the state can intervene in social developments and decide the character of the equations between the state and the social movements within it.

The significance of the 1993 elections lies in the linkage to the political developments in Algeria. This was first electoral movement in the region coming just after the developments in Algeria. The possibility of the Algerian example, where the political Islamists had nearly elected themselves to power was a development that had rattled most of the Western world and Israel. The possibility of an Islamic state forming itself through a recognized political process had shaken the Western world. As a reaction the Western governments had openly started funding and aiding regimes that were opposed by the political Islamists. In this scenario it was easy for Mubarak to not just rig the elections in his favour, but get the approval of the Western world and get an international legitimacy.

The second aspect of the 1993 election was a corollary of the second point made above. It brought the debate about the feasibility of an Islamic state, the question about the compatibility between Islam and democracy and the various aspects of Islamic governance, to the forefront. The views of the Islamists vis-à-vis democracy, polity, economy and foreign policy were all debated in the world. It was also the time, when the threat of the "green peril" was felt very strongly by the US foreign policy
makers. The theory of clash of civilizations was brought to the fore and the questions of the threats posed by Islamic fundamentalism, terrorism and anti-US and anti-Israeli positions were emphasized on. It made the US and its allies fund the existing governments and allow them to retain their power despite the costs. In the elections of 1993 for the first time international intervention in domestic politics was most clearly visible.

It was with the approval of the larger global polity that the Egyptian state was able to rig the elections and change the socio-political equations within the country. The NDP and the government of Hosni Mubarak were chosen by the international powers to govern the country and approved of as the best option to the Islamic alternative. The manner in which the regime projected itself as a secular, competent and the most viable alternative to the Islamic opposition was an extremely successful exercise to garner support and assistance in the economic, political and military fields.

The Western policy makers find Islamic upsurges a challenge to their global capitalist market oriented policies as in many countries Islamic upsurges have been witnessed mainly due to the crisis caused by this policy. As a result the West has developed a suitable equation. Emerging political upsurges (Islam)=Fundamentalism=Terrorism and extremism= threat to global order and stability.140

6) The elections of 1995:

The most important development after the national dialogue was the announcement of general elections by the NDP. The opposition announced that unlike the previous election they would not boycott this election despite the fact that they were disunited and could not reach a common agenda to contest the elections. The buildup to the elections saw the rise and the emergence of the other minorities, like the Jews, the Copts and the tribal populations, also demanding free and fair representation in the political system.

In these elections the regular repression and strong media campaign launched against the Muslim Brotherhood and the Islamists, the cases of corruption, rigging, violence against the opposition and the process of stifling of democracy were systematically documented by the ICER (Independent Commission for Electoral Review).141

In 1995 too, the exertion of central power and its arbitrariness, came in the form of the legislation to get control over the various professional organizations. In February 1995 the People’s Assembly passed an amendment to legislation governing professional organization, giving the judiciary wide powers to intervene in the union elections and to prevent the Muslim Brotherhood from contesting.
Election results produced the result that the regime had in mind. The government "won", but the real looser was democracy. According to the independent Egyptian Human Rights Organization, which monitored the voting process, this was the worst election in Egypt's recent election history. The Organization titled its December 28 report "The Elections Nobody Won". The report had nine main observations about the elections, including widespread violence in which at least forty were killed and hundreds injured in clashes between rival candidates; intimidation, harassment, and arrest of oppositional party candidates, and their expulsion from opposition stations; the stuffing of fake votes in ballot boxes; and the refusal of the government to carry out court injunctions in case of violations reported by candidates. The number of Ikhwan members arrested reached over one thousand.142

(For results, see appendix 2)

II. Economic Developments:

The economic features/changes that need to be borne in mind while analyzing the changes in Egypt are: 1) the fluctuating GDP; 2) the external factors that impacted and affected the economic development in the country; 3) the co-relation between structural adjustments and new-economic policies and the economic disparities in the country; 4) the co-relation between economic and socio-political changes.

In Egypt like any other Third World country the state has been the largest player in the arena, and the governing ideology of the government decides the economic character of the country. It has access to the national economic resources, and as the largest economic player allows it to have the biggest say in the socio-economic-political developments in the country. Since the foundational ideology of the post-independence states was that of socialism, where the state was in-charge of the welfare, employment and economic status of the entire population, any change in the economic ideology affected the masses and the socio-political developments.

The case of Egypt is reflective of the fact that the changes in the fortunes of a non-rentier economy affect the socio-political developments within a very short span of time. Egypt is a case study of the economy facing a declining income, a rising military expenditure and an inverse co-relation between the government income and socio-political discontent. In Egypt, the years of political changes, and changing state-society equations, are marked by the rise in government income (Gross Domestic Product). However, the developmental rise in the income is not marked by a parallel improvement in the socio-economic welfare of the masses. Thus the increase in the Gross National Income and the GDP also see a simultaneous fall in the human development index.

The GDP in Egypt during the period 1988-1996 went from a decline to a recovery and rise in the next phase. The changes in the economic development were caused by the
implementation of the policy of structural adjustment and the liberalization of the economy. The economy had started changing from a socialist one to a capitalist one. The political centralization and the concentration of economic and political power by the government was meant to partly facilitate the changes in the economy.

The economic changes of the 1980s had a precedent in the policies of *infitah* of the mid-1970s. Both President Sadat and Hosni Mubarak had realized the importance of the need to integrate in to the global economic system and the global economic order. The socialist economic model was unable to deliver the profits or solve the economic problems in the country over a long term. Apart from the inability of the economy to provide social welfare to the majority of the population, the need be a part of the changing global economy made the shift in the economic policies, imperative.

President Mubarak however was more systematic and kept the flaws of the Sadat's methods in mind before embarking on the privatization programme and allowing for the neo-liberal practices to take shape. He used the method of trying to combine the best of the socialist methods of systematically planning the economy and used the plan system to structure changes in the economic policies and practices. (See appendix 3, for the plans till 1997). The shift from a centrally controlled to an open economy with a focus on private enterprise and foreign investment caused considerable strain on the economy. The strain was felt whether the changes implemented were in a phased manner or in a radical change of the economic management. The strain was felt more acutely in the 1980s after the Arab world stopped aid and credit funds in retaliation to Egypt's signing of the peace treaty with Israel. Since then, the reliance on the US and the multi-lateral funding agencies to bail out the country from economic hardships increased.

The privatization of the economy came in an extremely phased manner under the five-year plan models of the socialist type. The first plan started from 1982 and aimed to reduce the proportion of private consumption and imports in total expenditure so as to mobilize domestic resources for investment and to reduce the growing trade deficit. The failure of the plan lay in the fact that the deficit balance of payments did not allow for the economy to complete the ambitious objective. Most of the plan could not be implemented due to a shortage of funds.143

The second five-year plan (1987-1992) was designed to encourage the public sector production, increase the manufacturing of commodities to raise the level of exports, increase the amount of investment in private sector and agriculture, become self-sufficient in food and targeted at the overall development of the economy.
Two factors affected the working of the plan. The first was the serious shortage of funds that was required to finance the development process, and the second was the Gulf Crisis. The government was forced to ask the National Investment Bank to halt financing the Plan in 1988 itself, due to the acute shortage of foreign reserves. The cash crunch was also responsible for the government canceling the import of food items in 1988.144

In the mid-1980s the IMF had proposed a series of economic reforms in return for a stand-by credit arrangement. The reforms included adoption of a unified exchange rate, progressive elimination of state subsidies, increases in real interest rates, tax reforms and increases in customs duties to reduce the level of imports. By 1987, the government had finally started succumbing to the pressures of the demands. As a result prices of a lot of commodities like energy etc., went up.

Once the IMF credit started getting released, and the economic reforms started coming into force, the other creditors, like the Paris Club, started re-scheduling the loans given to Egypt. The process of giving credit to the military budgets of Egypt also started coming into effect. Individual countries had started re-scheduling the military debts to Egypt. Military debt alone had totaled an estimated $13,500 million in Feb. 1988, including $4,500 million owed to the US.

By mid-1988, the government was wary of the pace of the economic reforms, as it feared a repetition of the 1977 food riots. The political situation remained tense as the population reacted strongly to the withdrawal of subsidies and the inflation in prices of essential commodities. As a result the government and the IMF negotiators came into a direct conflict. According to the IMF officials the solution lay in more liberalization of the economy, further devaluation of the currency and a vigorous implementation of the structural adjustment programme. The government, on its part, reacting to the socio-political turbulence wanted to either stop or slow down the pace of implementation of the programmes. Though the government implemented the programmes at a more moderate pace than that suggested by the IMF, the increase in the GDP was more as a result as the cut down in subsidies and cutback in government expenditure.

The economic reforms programme however, was disrupted due to the Gulf Crisis of 1990-91. The war stopped the income from tourism and blocked the income from remittances of workers working in other countries. Losses were estimated to be around $1,5000 million in the two years from 1990-1991. The oil-bust, the return of the workers in the oil industry, the loss of tourism and the other economic losses all added to an increase in the budget deficit to 17% of GDP in 1990/91.145
The Gulf Crisis however, was responsible for a large amount of aid being given to Egypt. Also, it gave Egypt the chance to re-schedule its loans re-payment and get a waiver for certain debts. The US and the Gulf Financial Crisis Co-ordination Group had written off debts and outstanding dues for developmental loans and military purchases. As a result the debt amount of Egypt’s economy had come down from $50,000 million to $36,000 million by the beginning of 1991.146

By 1993, when the political situation in the region had started limping back to normal, the IMF started negotiating terms for further loan agreements, that were to follow the 1991 stand-by agreements. The aim of the new agreements was to eventually privatize public sector assets with an estimated market value, and the target was placed at privatizing about 25% of the public sector in three years. The government and the IMF also aimed at reducing import tariffs by 80%. This in effect was aimed at increasing the role of foreign capital in the domestic economy. The aim of foreign direct investment has been to allow the global capital to directly fund and run the domestic industry and economic sectors that need investment. As most of the sectors in Egypt were suffering from stagnation or needed an increased investment to compete with the global economies, the foreign investment has been a relief to the government. The adoption of the structural adjustment policies and the re-structuring of the economy gave to government a boost in terms of income and revenues.

The capital inflow into the country increased during the 1991-92 Gulf crisis period. It gave Egypt a credibility as a safe country to invest in, a factor that attracted foreign investment into the country. The second result of Egypt’s political role in the crisis was the direct intervention of the international banks and the US in the economic developments in the country. US and Europe directly intervened on behalf of Egypt to negotiate loans, get the country stand-by credit and later waiver for the loans in 1993. Impressive gains by the Egyptian economy contributed to a sense of optimism. The country’s foreign debt had fallen from $50 bn in the early 1990s to around $34 bn in 1995. Trade reforms removed import restrictions; banks were free to set interest rates, which remained above inflation between 1992 to 1996. Foreign currency reserves in 1995 totalled $16 bn, giving the government a one to two year cushion of foreign exchange to meet import needs. Inflation rates were brought down from 20% in 1989 to 8.4% in 1995. The budget deficit was also reduced in the same period from 18% of the total GDP under 3%.147

On the other hand however, the increasing foreign investment in the economy was a sign of the coming of neo-liberal policies into the country and the re-structuring of the
economy to blend into the larger global capitalist system. It also demonstrated the shift of national priorities to suit those of the global players. The government was forced to concede demands for currency devaluation, privatise its industries, raw material resources and allow free trade in the country. The re-structuring of the economy affected it in a lopsided manner, on the one hand it gave the government more funds and extra financial resources on the other most of the resources came at the expense of the social functions of the government. The increase in funds came after the government withdrew subsidies in different sectors like social welfare, health care, education and social safety nets.

Changing conditions in the industrial world and notably the reduction in the interest rates between 1990 and 1992 played a contributing role in inducing mobile capital to seek more profitable investment outlets, particularly in emerging markets. The political disruptions in the Middle East in 1990-91 further bolstered the perception of Egypt as a safe heaven for regional investors. Apart from external influences, the fiscal adjustments introduced in 1991-92 and the changes in the domestic economy affected the capital inflow into the country. These included an improvement in the performance of the public sector that led to a lowering of inflation and a stable exchange rate. The differences in the economic disparities between the rich and poor had become prominent. The rural and urban divide had also increased manifold. The disparities were accompanied with the clashes between the various sections of society that had also come to the fore. Studies by Fawaz Gerges, etc., have shown that the socio-economic strata from which the support bases of the political Islamic organizations was sought grew in strength during the mid 1980s to the middle of the 1990s. The crackdown on the organizations, the circumventing of the political processes all contributed to the rise in violence in the society. It was during this period that the support, sympathy and the ranks of the political Islamists grew significantly.

Despite these economic indicators, the Egyptian regime's appeal to lower class Egyptians, who have supplied al-Jama'a and Jihad with their foot soldiers, appears to be limited. The lower class strata, given its wretched social and economic situation, feels alienated and powerless from the dominant political culture. In the early 1990s, the Egyptian regime's crackdown on al-Jama'a played into the hands of the mainstream Islamist opposition, particularly the Muslim Brotherhood, which capitalized on the precarious security situation by pressing Mubarak to liberalize and Islamize the political system further. While the regime battled al-Jama'a and other fringe groups in the early 1990s, the Brotherhood positioned itself as an alternative political force. As the disparities between the rich and poor grew, the political equations between the social classes also changed. The focus of the left groups and the Islamic organizations was on the social indicators, which showed that though the government had managed
to achieve a comfortable credit ranking in the capital market, the human development index had suffered a major decline. The argument that if the poor are getting poorer, the capital wealth of the country was inconsequential, was gaining weight. It was against this background that the work of the alternative social welfare organizations, particularly those run by the Islamic organizations gained importance.

The political importance of the human development index lay in the rise of the radical opponents to the government in power. The rise of the militant organizations, particularly those that were religion based, like the al-Jamma and al-Jihad, was significant. They had splintered from the Muslim Brotherhood, and were ready to take on the ruling regime's coercive apparatus. They represented the disgruntled element of the Brotherhood, that was disillusioned by the failure of the Brotherhood to be able to successfully transfer power through democratic means. Moreover, close rapport that the government was enjoying with both the Western powers and Israel did not augur well with the extremists in the organization.

On the other hand, the rising income and fluctuations in the economic status of Egypt, did not automatically translate into better living conditions for the Egypt or even an improvement in the human development index. (See appendix 4, table of Richard Adams). As the table shows, the fluctuations in incomes of the state, meant only a marginal change in the wages and the subsequent economic statuses of the masses. There has been a steady decline in the per capita incomes and expenditures. These were most acute in the periods between 1988-1995 as the rate of GDP also fluctuated in very large measures.

Till 1994 Egypt had been classified, by the World Bank, as a low-income economy. (See appendix 5). According to the IMF report, nearly 12% of Egypt's population lived on less than $1 a day.

Using poverty lines based on a minimum standard diet, about 44 percent of the population does not spend enough to obtain the nutritional minimum. Certain groups are particularly disadvantaged. Women head about a third of urban low-income households and are twice as likely to be unemployed. .... The highest rates of poverty are in the rural areas of upper and lower Egypt. The average rural Egyptian is a third poorer, twice as likely to be ultra poor and illiterate as the average urban inhabitant. ....

There is a close link between the high prevalence of absolute poverty and rates of unemployment: estimates of unemployment range from 10 percent to 22 percent of the labor force.151 (See Appendix 5)

On the human development index, the performance of Egypt has left a lot to be desired. As the rate of economic growth declined, so did the level of real wages. (See appendix 4, Richard Adams). The decline in wages was one of the factors for the rise in
urban and rural poverty. The oil boom and bust, the gulf wars and the lopsided priorities of the government all contributed to the rise in urbanism and the rise in poverty.

By 1995 the gap between the rich and poor had widened to reflect a deterioration of the living standards of the common people. Poverty increased significantly between the fiscal years 1981-82 and 1990-91. In rural Egypt, the percentage of poor rose from 16.1 to 28.6 percent of the total population over that period of time, while in urban areas it rose from 18.2 to 20.3 percent. Applying a higher poverty line, including those deemed moderately poor, the percentage rose from 26.9 in 1981-82 to 39.2 percent in rural areas and from 33.5 to 39 percent in urban ones. In terms of expenditure deciles, the bottom 80 percent of Egyptian society fared worse than previously, and only the top 20 percent fared better.¹⁵²

The economic patterns of the country are important to understand the social class that forms the rank and file and the leadership of the Islamist movements. Most scholars, while trying to explain the support-base of the political Islamists, point out that the reason for the rise in the support to these groups lies in more than a religious affinity. It is more an identification of these groups with the failed economic and political aspirations of the masses that the groups are able to gain their popularity. The political Islamists in Egypt have a well-defined system by which they provide services to the masses and their system works in a manner that voices the economic and political demands of the masses. Whether it is the opposition to the existence of the Western military bases in the region, or the cause of the Palestinians, or the need for government subsidies in agriculture, health care and education, the political Islamists ensured that they represented the grievances of the masses.

The focus of the political Islamists has been on highlighting the masses and then on the larger political issues. For example the running of social service networks by the Muslim Brotherhood and particularly the aid and relief supplied during the earthquake and natural calamities all point to the absence of commitment by the government to the cause of social welfare. Similarly, by focusing on the idea of Islamic banking, the Muslim Brotherhood and other Islamists were trying to bring the cause of the small investor and the safeguarding of the interests of the middle-class working class. The move highlighted the need to save money within the economy and to work in a manner that would allow the common man to participate in the local developmental process.
The constant taking of loans by the government to grant subsidies, the establishment of the social safety net by the government and other such measures were desperate steps by the government to ensure that the Islamists did not get to strengthen their economic hold on the population. When the government could not come with alternate policies, it used its powers to legislate and coerce to curb the powers of the Muslim Brotherhood. The poor human development index, the disparities between the rich and poor, were enough reasons for the masses to be disenchanted by the government. It showed that if the government had failed in its role as a socialist government, it had also failed in the field of capitalism and global capitalist economy. The skewed and twisted economic priorities of the government and its inability of the economy to address the issues of poverty, unemployment, deteriorating human development index and illiteracy, despite the large loans and new economic policies that allowed for direct foreign investment in different sectors of the economy, made the transition from socialism to capitalism an extremely unpopular move.

Dennis Sullivan notes two kinds of activities the Islamic organizations indulged in to garner support for their causes. The first was the floating of investment institutions, like banks and other ventures where a lot of the middle class people invested their money, as the bureaucracy administering it was supposed to be more honest, more religious people, who were adhering to the principles of the religion. The diversification was not only in the field of banking, but also in other industries like agriculture, trade, real estate, etc. The other activity through which the Islamists were able to spread their network and influence was through the efficiently managed and vividly diversified apparatus of social services, like schools, trade-skill centres, day care and health care centres. The role of these agencies in recruiting educated, dedicated and efficient workers has been very well documented in the speed and efficiently managed relief operation during the 1988 earthquake which had devastated Cairo.

Bureaucracy in Egypt has become very defensive and non-activist, as the government struggles with economic crisis. Instead of being able to work to promote development, the government is by necessity, more involved in crisis management, in averting financial collapse. It has little energy and even less resources to work on such 'luxuries' as development! It is, of course, devoting time and money to its development priorities. It is able to do so, to a large extent, with the assistance of foreign donors, principally the United States. Yet, even if such assistance continues for the indefinite future, the
government continues to be unable to solve or even deal effectively with a host of basic problems – education, health care, job training, housing to name a few.\textsuperscript{155}

In his article, Egypt: An emerging “Market” of Double Repression, by Fareed Ezz-Eidine\textsuperscript{156}, points out how the state, unwilling to fight corruption or implement democratization will resort to repression and coercion to get its way. The changes in the political setup have been cosmetic. People like the transport minister have been holding the same post for 20 years.

In addition to the military establishment and the business elite, other legal political forces in Egypt are largely formal and devoid of any influence. Even the so-called majority party, the National Democratic Party (NDP), does not really represent any discernible socio-economic group in Egypt. Most of the new ministers are technocrats who hold no partisan background. The majority of ministers in 10 cabinets formed by Mubarak since 1981 were not initially NDP members. They joined later. The ministers of defence and interior are traditionally non-politicians; the first comes from the army and the second from the police force. Economists usually take the economics and trade portfolios; a physician, the Ministry of health; a former judge, the Ministry of justice; and a woman is usually given the portfolio of social affairs.\textsuperscript{157}

Timothy Mitchell explains the phenomena of corruption, nepotism, mismanagement and bad governance as part of the concept of neoliberalism. He points out that the mechanism of neo-liberalism ensures a free play for the more dominant market forces. It encourages open competition, ownership of wealth as a personal profit, and the growth of individual wealth as a dream which can be achieved. On more practical terms, it talks of budget deficits getting reduced and the economic activity bringing in more money to the economy, which would mean more resources for the state to use for the welfare of its people. The reality is very different. In the article, he talks about the impact of the unlimited and uncontrolled urban boom, which is extremely beneficial to a few but to the vast masses would appear to be an extravagant display of wealth which could have been put to better use.\textsuperscript{158}

The emphasis of the government has been to speculate in the neo-liberal economy. To this end the government has taken to investing its capital and resources on the financers, speculators and other short schemes which would get immediate returns on the investment. So in the agricultural sector the investment is on the cash crops, and farming by small landowners who would give larger yields on larger lands. Or the over spending in the defence sector prioritizing and budgeting it over and above the social welfare sector. The other priority (of neoliberalism) is political reform.
Neoliberalism in Egypt, as elsewhere, has been facilitated by a harsh restriction of political rights. Its results include a parliament more than 100 of whose members the court declared are fraudulently elected, but which announced itself above the law in such matters; and in which the handful of opposition deputies are increasingly deprived of opportunities to question the government. Neoliberalism has consolidated a regime that denies Egyptians the right to organize political opposition or hold political meetings, while forbidding the few legal opposition parties to hold public activities. Neoliberalism has meant a steady remilitarization of power, especially as control shifts away from ministries, many of which are now run by technocrats, to provincial governors, most of whom are still appointed from the upper echelons of the military. And it includes the repeated intimidation of human rights workers and opposition journalists by closures, court cases and imprisonment.159

III. Social Indicators
The social repercussions of the difficult economic situations cannot be underestimated. A large section of researchers have pointed to the difficult living and economic conditions for the rise of social unrest in the region. The problem of late marriages, due to the fact that they could not be afforded, the rise in urbanism, and urban poverty; the corruption and the unequal distribution of wealth and the difficult living conditions, have all contributed to the rise in the segment of population that forms the ranks of the supporters of the Islamist organizations. After the mid-1980s, the economy has been consistently moving towards globalization and integration into the global markets. Egypt was moving towards second tier emerging markets: the state was gradually withdrawing from the economic sphere and curtailing social services usually provided to the growing underclass, while a thin upper class, a large part of which is engaged in compradore activities, increasingly takes control of national wealth and political decision-making. The growing gap between the haves and have-nots will force the state wary of democraticization and unwilling to fight corruption) to resort to more repressive measures. On the other hand business pressures, local and global, for greater integration in the global economy pushed the state towards more market-friendly policies, often leading to more impoverishment and social unrest.160 From the end of 1988 the government had started to crackdown on the Islamists, who they feared might lead the protest movement against the move to implement IMF plan of cutting down of subsidies on food.
In June 1988, in order to comply with a congressional mandate which required the suspension of aid to countries failing to meet terms imposed by the IMF as conditions for a debt-rescheduling agreement, the USA halted the disbursement of $230m of financial aid allocated to Egypt in 1988/89. Egypt's total debt to the USA was by then estimated at $10,000m., of which $4,500m was military debt. In April 1989, following the Government's decision to raise energy prices to industry by 30%-40%, the US Administration agreed to release the $230m and several other categories of aid. The expenditures targeted to be cut down by the IMF have been subsidies and the social safety nets. The IMF report on Egypt clearly acknowledges the poor human development record in Egypt, the under development of the economy and the importance of the social safety net to bring succour to the population, they feel it is too much of a drain on the economy. The suggestion for privatization of the social sector, for effective disbursement of aid and empowerment to raise local resources is very prominent.

Not surprisingly, neither does the IMF nor the government statistics target the military expenditure, which, is the biggest drain on the economy. (IMF estimates $35 bn). The Egyptian military economy moreover is not included in the regular budget as defence expenditure. The military expenditure is important as most of the strength of the ruling party comes from the military support it gets. The largest use of the coercive force has been in dealing with the domestic crises. The constant state of emergency and the enforcement of the specific political laws relating to Islamic terrorism can be enforced due to the backing the government gets from the armed forces. For all the support it renders to the government, the military remains one of the most important forces in the country. They are one of the largest political players in the arena. It is because of their strength that both the ruling regime and the political Islamists try to influence it and gain its loyalty.

**IV. The State-Society interface:**
The important feature about the state-society interface in the early 1990s in Egypt was the question of violation of human rights and the issue of the legitimacy of interpretation of the religious texts. The conflict arose as a result of the clash between the government forces and the two most important political Islamic organizations, the Muslim Brotherhood and the al-Azhar. The al-Azhar had been used and misused so often that it has suffered a loss of credibility as an interpreter of religious texts and as an authentic body that could guide an Islamic government. The gulf war however gave
the al-Azhar the opportunity to recover its lost glory. With the war, it got a chance to air independent views on the political situation and developments in the country. It was an occasion to show the country and the rest of the world that the organization was not a completely government spokesman, but had an identity and an authority of its own.

The hostility between the Egyptian presidents and the Brotherhood continued. Hosni Mubarak had used every possible political and legislative manipulation to keep the Muslim Brotherhood out of the political arena. They were not allowed to contest elections, and the level of their political marginalization remained very high. However with the war, and the political stance of the government, the Brotherhood too got a chance to rise on its own and assert its identity and popularity. By the time of the 1992 earthquake it was able to assert its' popularity and its ability to form an alternative government. It was able to demonstrate its popularity, strength and importance as a political force despite the opposition from the government.

The fallout of the political developments till the 1993 elections amounted firstly, to the weakening of the Brotherhood from the political process. The legislations and policies curbing the influence of the Brotherhood in the professional syndicates, struck at the heart of the mission to acquire a base by the political Islamists. Alongside came the curbing of the social service networks of the Brotherhood. The legislation controlling the funding and the works of the social welfare activities were an important part of the government's efforts to curb the political Islamic opposition.

The government's moves are an important example of the state trying to assert itself as the most important player in society. It is an example of the state-in-society interface where the state uses its entire apparatus to decide the nature of the social movement. It used its government machinery to gain a political and economic legitimacy, and then intervening in the functioning of the social movements by deciding the limits of their powers and functions. By framing laws for elections in syndicates, checking the functioning of the social service organizations and curbing the political outreach of the Islamic organizations the government had intervened in areas that had not seen any official action earlier.

A significant feature of the state-society interface in Egypt during the eighties and nineties was the freedom of press. One of the impacts of the external influence on Egypt had been the freedom of press. The political parties were allowed to debate on issues and release their own newspapers and political magazines. (See appendix 7, for political organizations and their newspapers).
Even if the Muslim Brotherhood remained a banned party, or a non-recognized party, it was allowed to express its views and opinions through its newspapers and journals. The important point about the newspapers and political mouth organs is the manner in which they acted as a political tool reflecting the power of the socio-political movement. It was through the opinions and debates in the political newspapers that the social opinions were able to get a political voice.

The usage of the modern advocacy tools also reflects the flexibility of the otherwise conservative belief system. It shows the ability of the Islamists to adjust to the technological advances of the day. The Islamists have used the new age technology of the internet and the new systems of communication to canvass support for their cause to not only the upper echelons of their own society, but also from the rest of the world. The successful usage of the new age technology dispels the beliefs that the Islamists are a retrogressive force that would take the country and its social culture to a primitive era. On the other hand, the turf for warfare between the government and the Islamists has increased to a very large extent. If the government curbs the freedom of the press within the country, the organization can not only continue to function, but also discredit the moves of the government from other parts of the world.

Islamist Reaction to Political Changes:

The most important aspect of the state-society interface was the manner in which the peak political organizations interacted with the state. It has been a relation of complementing and supplementing the state. The Muslim Brotherhood and the al-Azhar used the state to increase their political strength and their support bases. On the part of the government, they alternately gave concessions and supported the movements to counter political threats from the other political ideological parties, and alternately suppressed them to ensure that they do not gain enough strength to overthrow the regime in power. The political and economic developments in the years from 1988 led to a strengthening of powers of both the political Islamists and the ruling party vis-à-vis each other and vis-à-vis other political forces.

The changing patterns of the politics of the Muslim Brotherhood reflected the reaction to the changing political situation the country had been facing. Its politics has had a long history of surviving in the blatantly hostile opposition it got from the president and the NDP. From the mid-1980s, the tactics of a banned Muslim Brotherhood consisted of not only retaining its hold on the social service networks but also of leading the associations of different labour unions. The doctors unions, trade unions, lawyers
unions, etc., were all dominated by the Brotherhood. The growing influence of the Brotherhood in the politics of associational life reflected its accommodation with the state. This accommodation found its driving force in the state’s need to create a popular base against the radical fundamentalists at a time of growing fiscal crisis and its consequent determination to fulfill is welfare functions, particularly with regard to the professionals of the middle classes. The price paid by the state was to allow an ideological hostile force to penetrate publicly the institutions of the professional middle class. The price paid by the Brotherhood was to respect the state’s need for political and social stability. This new social contract became the hallmark of Mubarak’s style of democratization. Briefly, this meant that the Brotherhood, aware for the need to change the economic and political patterns, particularly after the three Arab-Israeli wars and the failure of the socialist experiment, allowed for the liberalization to take place.

In effect they would not criticize or politicize the socio-economic hardships that accompanied the economic reform, but would channel the quest for political reform and liberalization of the political system through the state political institutions (to be defined to include political parties, professional associations and Parliament) and not through demonstrations, violence or strikes. It agreed, moreover, that its control of substantial influence in state political institutions would not lead it to try and transform these institutions into a power base hostile to the government, and that it would never seek political gains as a result of its control or influence over social resources.

The Brotherhood started to emphasize more on the changes that were required to mould and individual rather than to re-formulate larger economic or political policies. Their emphasis was on supporting the madarsa system of education, imparting of religious education and concepts rather than Western systems of education as the support base and the mass base of their organization came from this section of society. The emphasis of both the Muslim Brotherhood and the al-Azhar was the need to establish an Islamic state, but through legitimate and peaceful means. They distanced themselves from the extremists and the other political ideologists. The effort of the political Islamists was to ensure that their interpretation of religion and Islamic state stood to be the most effective alternative to the ideologies of the left and the capitalists. Islam was a perfect religion and a correct following of it would lead to an end of all the political, economic and social problems that the need to be violent of stage a revolution to establish the state was not necessary. If the existing state could work on the principles of Islam and honestly govern according to the Quran, sharia and the hadiths, it could not only beat the Western imperialists and the Israelis militarily, but also economically and politically.
It was for this reason that the Islamists shifted the focus from the Western systems to the more indigenous solutions. They focused on Islamic system of justice, personal laws, economics and social equality as opposed to the Western capitalist and socialist systems. The Islamic way was the best way. It was in using these arguments that the legitimacy of the government was questioned. The government was discredited on moral grounds and on the failure to be a proper Islamic state governed by Islamic principles. The al-Azhar stood to gain by the fact that it was the most competent interpreter of the religious texts and tenets. If the principles of Islamic governance were to be followed, the most important guider to the system would be the al-Azhar. The Brotherhood on the other hand, would by living the examples of the social service networks and theological leadership provide the system with a practical framework of how the system should function.

It is against this background of adjustment with the government that the functioning and role of the social service networks of the Muslim Brotherhood should be understood. The networks are known for providing relief to the masses, particularly in times of crisis and otherwise providing services and relief to the populations bearing the brunt of the economic failures of the government. They provide subsidized schools, vocational training centres and health care facilities to the masses. In brief they run a parallel government to manage the welfare of the masses. The networks are used as grounds for advocating the ideology of the Brotherhood and recruiting supporters and sympathizers.166

The system however blunts the reaction of the masses to a harsh economic decision of the government. If the masses did not have a buffer leadership that would not allow it to react very strongly, or allow for a civil unrest, the legitimacy of the regime would not only have been questioned but also the possibility of an overthrow of the government was very strong. The Muslim Brotherhood, by acting as buffer negotiators between the government and the masses was able to circumvent difficult situations. The government, till the earthquake of 1992, did not stop the welfare activity of the Brotherhood. Till then it was filling up the lacunae of the economic deficiencies of the government. At the time of the earthquake, however, the government realized that the efficiency of the parallel welfare system was likely to question their credibility and legitimacy, and hence they ensured that in another natural disaster, the relief would be supplied only through the government machinery, and spruced up the machinery to ensure that it was more efficient then earlier.
The government too, aware of the buffer role of both the al-Azhar and the Muslim Brotherhood, allowed them to lead protest marches, or issue statements condemning either a larger political event or the government policy, and allowed them a limited amount of freedom of expression. A limited vent to the political and economic disaffection prevented larger socio-political upheavals. This was particularly true in the case of the elections of 1987 and the Shura council elections of 1989. By allowing the Muslim Brotherhood to either contest in alliances or boycott the elections altogether, and by allowing the other political parties to question the electoral process in court, the government was allowing for a partial vent to the political discontent. As a result of the court rulings and the legal system pointing to the flaws in the elections, the government got the chance to re-think its policies and devise ways to counter the question of their legitimacy, by either holding the elections all over again or by organizing committees to look into the economic, political and social grievances of the country.

The accommodations between the Brotherhood and the government however had its limitations. The state bureaucracy has been apprehensive of allowing the Ikhwan an access to the population and gaining a credibility of sorts. The need for a moderate Brotherhood, particularly after the rise in radical Islamism and the left alternative in the form of the New Wafd was essential for the government. They needed a force to counter the other opposition forces threatening their legitimacy. However, by giving it too much of credit would mean that the Ministry of Religious Endowments and the al-Azhar were not popular enough or credible enough. The Ministry of Interior worked towards curbing the popularity of the Brotherhood. Whether it was by declaring them to be terrorists, or being and organization that were covert partners with the radicals, or corrupt Islamists and bad Muslims, the ministry did not miss a chance to discredit the Brotherhood. Furthermore, it made great effort to restrict the public access of the Brothers’ by confiscating their materials or banning their public meetings. The government also used the al-Azhar and the Ministry of Religious Endowments to declare the state as a legitimate state and counter the influence of the Brotherhood.\footnote{167}

From the mid-1980s to the early 1990s, the Brotherhood found itself in a difficult situation vis-à-vis both the state and the other opposition parties. From the time of the independence they had worked towards striking a balance between the government and the opposition, and come under a flak from both.

From 1987, however, the strategy of delicate balance began to produce liabilities for the Brotherhood. It was increasingly squeezed between the state and the opposition forces as a result of the latter’s growing hostility over the slow speed of the democratization process and the state’s strategy for economic reform.
Moreover, the Brotherhood came under attack from radical Islamists because of its perceived passivity towards their torture in prisons and for bestowing a degree of legitimacy upon the state through participating in the parliamentary elections, despite the fact that the state does not apply the Shari'a or genuinely pursue the democratization process. (1990 elections) With the general stand of the opposition against electoral participation binding the Brotherhood, it thus lost an important and legitimate platform. Because the state continued to prohibit the Brotherhood from forming a political party of its own, it became more vulnerable to its partner in the Islamic alliance, the Islamic Action Party, which was becoming increasingly radical. In effect, the Brotherhood had opted for a central place in the Egyptian political arena but found itself marginalized and limited in impact by the early 1990s.168

The 1991 Gulf war gave the government a chance to neutralize the impact of the Brotherhood even further. The moderate stand of the Brotherhood was based on the premise that the need of the country was for a strong Islamic system on which the rest of the government could be built. It had always worked on the conception that the ruling elite was modernist and secular, with a disregard for religion and the Islamic state. For the government, the need to exclude radicals was imperative as was the need to cut the influence of the Brotherhood. With the war the government started exploiting Ikhwan's strategy and coloured itself Islamic. The state party or the NDP and the Parliament emphasized their commitment to Islamic and the Islamic state, in their official discourses. In 1992, the speaker of the Parliament stressed that Egypt is a religious state. The sixth general assembly of the NDP, held in July 1992, produced a new document for political action, emphasizing that Egypt was an Islamic state. The political elite and the public figures asserted their religious credentials by giving religious justifications to the government laws and policies, visiting religious places ad addressing religious gatherings. The taking up of issues that the Islamists wanted, like banning liquor, taking the male teachers out of girls schools, etc., brought the government closer to the fundamentalists and the need to negotiate via the Brotherhood was eliminated.169

The Gulf crisis gave the government a chance to reformulate its governing ideology by identifying with the cause of the beaten Muslims in the region. They used the opportunity to influence the politics of the political Islamists, particularly by trying to influence their interpretation of the religious texts and codes of conduct. Though the attempts to neutralize the Brotherhood were strong, and the state made brave attempts at attempting to influence the radical and alternate Islamic organizations, its efforts failed on many counts. The need to project a secular face in the international arena forced the government to crackdown on the Islamists with unprecedented violence. Also on the question of having to share power, the government was skeptical. The attempt
to divide the Islamic movements also failed, as the organizations were wary of the motives and politics of the government.

Mubarak has accepted the growing influence of the Islamic movement in the Parliament (which in fact does not have any significant power in relation to the executive) and in the informal local power structure (which does not affect at all the central power dynamics in Egypt). However, because radical Islam rejects such state-defined rules of the game and retains populist appeal, the outcome of the regime's attempt to fragment the Islamic movement and co-opt it must be seen as far from clear.  

Also what is important is the role of the al-Azhar in this period. Though it has been an officially controlled body and initially gave out statements in support of the government, it took every opportunity to assert its independence and take a stand that was not in tandem with the official stand. It also took every opportunity to increase its financial autonomy and strength. Nasser and Sadat had co-opted al-Azhar as an organ of the state. Under Mubarak, however its political role changed significantly. It was able to assert its autonomy and independence to a very large extent.  

The organization was able to blunt its own stand vis-à-vis the government stand. For example it could condemn the radical Islamic groups by declaring that violence and the killing of innocent people in the name of a religious warfare was un-Islamic. But at the same time it could point out that it was not condemning the Muslim Brotherhood as they had condemned the violence themselves. Later they had subtly started showing open sympathies for the extremists. For example, in October 1994, Shykh Jad al-Haq outlined the reasons behind the rise of the Islamist movements, explaining how they emerged in reaction to the mishandling of religious matters by the state. He subtly criticized the excessive control by groups within the state over the functioning of the al-Azhar. He argued that militants had emerged as a reaction to the attacks on religion by intellectuals and the media, and because of the social effects of changing economic conditions and the mishandling of religion by state authorities. The emphasis was on giving al-Azhar more autonomy and more say in key areas of social policy for its' word to be more effective.

A pattern emerges from this three cornered contest. First of all, Islamist groups, even though they are illegal, air criticisms of the government for its failure to uphold Islamic mores in a particular area. The government responds by defending its actions, and, to emphasize its Islamic 'correctness', transfers significant administrative powers to al-Azhar in that particular field. The third and most critical stage is that the al-Azhar uses these new powers to either press for more leverage in state affairs, or comes out with a position that is not always in accordance with that of the government. Although al-Azhar's pronouncements are invariably less strident than those of the outlawed Islamist groups, they nonetheless demonstrate a certain independence from the state. in some cases
the state obligingly complies with the al-Azhar’s pronouncements. Having vested so much of its own credibility in that institution, the government cannot then afford to oppose it. Moreover, as far as trying to establish its Islamic credentials, the government has nowhere else to turn.”

CONCLUSION:
The hypotheses on which this thesis is working emphasizes on the relations between the state and the social forces that decide the nature of the society and the state. The extent to which the states vary in their effectiveness is based on their ties to society, both quantitatively and qualitatively. As states are not the sole central actors in society, and are rarely free from the social forces, the latter can curb their powers. Even the most authoritarian regimes can face a check by social forces. To study the states in their social contexts, it is important to study not only the peak organizations of states and key social groups, often located at the centre of the polity in the capital city, but also state-society interactions at the periphery. The developments of state society relations are contingent on specific empirical conditions. The domestic or external factors that affect change in the society have the potential to change the political equation between the political parties and between the state and the social movements within it. Also, states and other social forces may be mutually empowering. Interactions between the state and social forces can be either mutually beneficial, or may favour one party over the other, or they may cut into each others powers and spheres of influence. In some cases, the state actors may ally with select social groups and try to play off one against the other. The real world situations do not conform to a set or specific pattern. The complexities of each state will vary and so will the state-society equations.

Egypt from 1988-1995, to a very large extent proves the hypotheses true. The constant tussle between the religious and the government forces is symptomatic of the struggle between the social movements and the ruling regimes trying to overpower and control each other. The relations between the government and the society were affected by the economic conditions and shifts in the economic priorities of the former. Externally they were affected by the larger economic and political changes taking place in the region. The large amount of socio-political and economic changes in the region led to a change in equations between the state forces and the social movements. The changes also affected the manner in which the socio-political movements reacted to each other and to the state.
In the case of Egypt, the uniqueness lies in the not only the domestic vibrancy and movement in the socio-political fields, but also the importance of the country in larger socio-political movements in the region. The role of the al-Azhar and the Muslim Brotherhood in influencing the Islamist movements cannot be overlooked in the same way as the role of the ruling leaders in shaping the politics cannot be overlooked. Egypt was one of the first countries to not only oppose the creation of Israel, but also to the concepts of Western capitalism as the only economic solution to the Third World problems. They were the leaders and the most important players in the Arab-Israeli wars, while both the al-Azhar and the Brotherhood provided a theological and political leadership to the Islamist movements in the region.

Egypt also suffered the worst economic consequences of the failure of the three wars, and consequently was one of the first to sign the peace accords with Israel and the Western world. Its economic transition from a socialist to the neoliberal one was a landmark in itself. Egypt was one of the first economies in the region to make political compromises for economic concessions. Also Egypt typifies the conditions that give rise to politically active religio-social movements. Poverty, unemployment, bad housing conditions, urbanism, rural unemployment, lack of social welfare and a healthcare and education system that met the needs of the growing population.

The Islamist movement of Egypt in this period underwent the transition from being an independence movement to a active political movement that was capable of adapting to the dynamism and changes of the new age. The leadership and scholarship was able to debate on a variety of issues from the clash of civilizations, to the feasibility of democracy and capitalism as systems for the country, from strategizing against the imperial designs of USA and Israel to strategizing for political activity within the country.

The Islamist movement of Egypt, particularly the al-Azhar and the Muslim Brotherhood stand out as the most organized Islamist movement in the world. The manner in which they took features from other political parties, like the concept of social welfare and social service from the socialists and the concepts of Islamic economics from the capitalists. Even though the social call for “fundamentalism” or returning to the roots, under which they justified female circumcision and automatically divorcing a woman whose husband did not follow the religion in true word and spirit, they had modernized their political and strategizing skills to meet the post-modernist challenges. The use of the internet, the press, media and other advocacy tools to garner international support for their cause even was as unique as the use of the local associational unions, political alliances and demonstrations to garner support for their causes at home.
The effectiveness of the state control over the religio-political movements depended on the impact of the socio-economic and political situations in the domestic and the larger political changes in the region. Their coercive apparatus was effective only as long as the problem of the political religionists was domestic. With the Gulf crisis and the rapidly changing political situation in the region, the government had to decide the manner in which it dealt with the situation. It had to fluctuate its positions and support the Islamist movements as much as supporting the Western position on Islamic terrorism. It had to balance its survival on both the international and the domestic fronts. For this it had to be accommodative of the Islamists to the extent of declaring the state to being an Islamic state, while at the same time they had to strike a balance with the militarily stronger allies in the region.

Similarly, the positions and the effectiveness of the Brotherhood and the al-Azhar also fluctuated with time. If they were able to sway the public opinion till the food riots, with the state repression and the Gulf war, they lost in popularity and support bases to the radicals and violent extremists. They also lost support from the radicals who felt that by being accommodationist the Brotherhood was selling out the cause of the Islamists. From being theologians who led the intellectual debates on large topics like democracy, Islamic economics and linking Islam with socialism, the Brotherhood and the al-Azhar were now judged on the stands they took vis-à-vis the torture, radicalism in the Islamic movements, jihad etc.. The empirical situation of the state taking over the idea of establishing an Islamic state had left the Islamic movements in a tight situations. Though the Brotherhood was able to overcome the temporary setbacks and regain its hold over the political scenario, the war had changed the equations between the state and the social movements. It had forced the Brotherhood to change priorities from being international leaders to focusing on the political situations at home as a result of the political developments on a larger scale.

The power to check the government no longer came from the Brotherhood which was undergoing a suppression at the time. It came from the official al-Azhar that gained in strength at the expense of the weak government position. It gained more autonomy with the growing dependence of the government on it for a legitimacy. The most effective check on the powers of the government and the nature of the religio-political movements came from the radical Islamists who rose not from the margins of society most affected by the economic and political changes that the government was implementing.
The relations between the state and the social movements though tenuous were also mutually empowering. All the forces involved realized the need to strike a balance between each and with the world at large. The Brotherhood and the al-Azhar have been aware of the kind of hostility the country might face if revolution of the Iranian variety took place in Egypt. They have also been aware of the fact that it is easier for them to influence the government rather than try and run it. A religious state in Egypt would not find it easy to survive in the hostile international environment. They have struck a balance by being the largest political, economic and social lobby in the country and by condemning the radicals, they have gained a kind of international recognition as being reformist and progressive.

The government and the ruling party, on its part has been aware of the need to strike a balance between the international secular image and the national image of being an Islamic state to acquire a semblance of political legitimacy. The rigged elections, the use of coercive arm of the state all showed the delicate situation of the ruling regime. This was particularly true in the case of the 1991 gulf crisis where if the Islamist parties or the New Wafd had managed to withdraw support to the government, the country would have had to face a civil strife. Thus the relations between the Brotherhood and the ruling party were never cordial, but they worked in a manner that ensured that the country did not have to face a civil or religious unrest and the relations between the two forces, though uneasy remained stable.


124 Ghadbian, n. 122, p. 51.


127 ibid.

128 Europa Yearbook, n. 125, p. 393


130 Europa Yearbook, n. 125, p. 393.

131 Tim Niblock and Rodney Wilson ed., The Political Economy Of The Middle East (vol. 2), (An Elgar Reference Collection, Cheltham, UK, 1994), the unemployment rate had shot up to 20% in 1991 itself, as the returning workers swelled the ranks of the educated unemployed. (check. p. 421)

132 Europa Yearbook, n. 125, p. 395.

133 Ghadbian, n. 122, p. 100.

134 See Singerman, n. 123.

135 Europa Yearbook, n. 125, p.396
Ghadbian, n. 122, p. 104
Europa Yearbook, n. 125, p. 396
ibid, p. 396 (Tantanwi quoted from the interview he gave to Al-Ahram, which was published on 11 October 1993)
ibid, p. 396
For details of their findings see, Europa Yearbook, n. 125, p. 401
Ghadbian, n. 122, p. 104
See Europa Yearbook, n. 125, p.301.
ibid., pp. 301-302
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Gerges, Fawaz A., n. 147, p.600.
IMF report, n. 148, p.42.
ibid, p. 214
ibid, p. 214
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159 ibid.

160 Ezz-Edine, Fareed, n. 156.

161 Europa Yearbook, n. 125, pp. 419

162 IMF report, n. 1201, Table on pp. 16; For debates on the impact of the withdrawal of the social safety nets, see Taher Kannan, n. 120.

163 See Roy, n. 119 for the hidden economy.

164 Auda, n. 118, pp. 387 ff

165 ibid., p. 388.

166 For the politics involved in the running of non-governmental organizations and the fallout of the NGO movements, see Abdel Rahman, Maha, "The Politics of 'unCivil' Society in Egypt" in Review of African Political Economy, no. 91, 2002.

167 Auda, n. 118, p. 391

168 ibid., p. 393

169 ibid., p. 394.

170 ibid., p. 405


172 ibid., pp. 240 ff.