Chapter 2

**Colonial Legacies And Nation Building Exercises**

Mahfoud Bennoune quotes Albion Small to make a point that, 'conditions are what they are, events occur as they do, because, a long chain of antecedent conditions and occurrences has set the stage and furnished the motives'. He also quotes Karl Marx to say that 'men make their own history, but they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past'.

The modern history of the Third World has been dictated by the colonial legacy they inherited from the European colonizers. The European colonial policies integrated the colony into the larger global economic, political and social system. The motives behind colonial expansion were, firstly, to establish new supplies of natural resources to fuel their developing industries. In return, they expected the colony to provide an additional export market for their manufactured goods. Secondly, colonial holdings symbolized international power and provided military outposts to help the European empires maintain their positions in the world order. Thirdly, many people in Europe believed it was their obligation to spread Western civilization around the world. They wanted to establish their racial superiority by going on a mission to civilize the natives.

Colonial legacies refer to the impact or the aftermath of the economic, political, social and legal structures and management techniques the countries inherited at the time of their independence. It refers to the legacies of modernization, economic integration into the global economic setups and the evolution of political-administrative structures, which facilitated the transition of the society, economy and polity towards a modern European society. Colonization or the domination and control of one country over another, is marked by an increased interference by the state in every aspect on an individual’s life. It is an indicator of the increase in centralization of control by the state, an attempt to make the colony dependent on the parent country for guidance in every aspect of its life.

I. Colonization:

The European colonies in West Asia and North Africa were built on their ability to exercise informal control of trade and economy in the region. On the basis of improved technology in agriculture and industry, the Europeans were able to build up enough military capability, along with economic strength, to challenge the Ottomans in the eighteenth century. By 1800, France, England, Holland, Spain and Austria, all had managed to wring benefits and privileges through treaties with the Ottomans. The
The ascendancy of European economic penetration leading to later political interference was the crucial factor that altered the relations between the Ottomans and its provinces in the region. North Africa was of particular interest to the Europeans, mainly due to its proximity to Europe and then because of its immense economic potential. The land provided employment to thousands of Europeans, gave raw materials to the industries along with cheap labour, and provided for a ready market for the finished products. Moreover, Egypt along with the Suez Canal route provided a strategic link between Europe and the long distance Asian trade routes. A control of the region was important not only for economic but strategic reasons as well.

Colonization affected different levels of society and economy. It changed the essential character of the economy and redefined the roles of the various social classes. It also created its own class of administrators, and urban and rural sections which would assist it in enforcing the colonial legacies.

Colonial rule gave the region artificial boundaries, and made them into nation states, each with a national identity of its own. In many cases, the borders of the colonies had been set by colonial powers with little regard for ethnicity and history. The borders were drawn by politicians in Europe aiming to secure access to the continent’s interior, cutting existing ethnic resources, while uniting ethnic peoples who had little in common.

The infrastructure established by the colonial administration served mainly its own interests. Most railway lines and other transportation facilities were built to tap the economic resources of the interiors with the trade ports and other economic centres. Schools and hospitals were established with the European population in mind, access to natives given only reluctantly. Manual labour and small jobs were reserved for the natives, who were usually given only basic education. However, a few natives were able to acquire western style higher education who were later inducted to facilitate the smooth functioning of the colonial administration and provide the connecting class between the colonizers and the native population.

"Invariably, the colonial mechanism was a centralized bureaucracy in alliance with wealthy merchants, large land owners and tribal sheikhs (chiefs), and linked the economies of the occupied countries to their own. To realize the linkage, the European powers monopolized foreign trade as well as the supply and management of public utilities. They also tied the local currencies and foreign trade earnings to their central banking system." 28

The social reaction and the role of the social forces, under the colonial regimes, represented the reaction to the exploitative nature of the colonial policies. As the
economy got more integrated into the larger global economy, it created an economic, political and social structures which were urban and Westernized. However, it also created a social and economic imbalance between the urban and the rural, the modern and the traditional, and the Westernized and the oriental and backward. The social forces reacting to the rural-urban, and the rich and poor divide were very different in nature, with only anti-imperialism being the common goal.

The colony-colonized equation has always been one of collision. The attempt of the colonizers to dominate the colony in every aspect, be it economic, social, political, administrative, judicial, etc.; and to overwhelm the local culture with their own has always provided ground for resentment in the colony. The state-society interface in the colonial period reflects the exploitative, discriminatory, coercive and non-representational character of the colonial machinery.

The social reaction to the colonial state depended on the nature of the colonial policies of the colonizers. Since Egypt was not a direct colony and the emphasis was always on establishing a dialogue between the state and the masses, the demand for independence was a negotiated treaty. Algeria on the other hand was a direct colony, which had faced an extremely violent colonization, therefore its independence movement too involved a bloody war.

**Features of colonization:**

The colonization of West Asia and North Africa took place at a time when Europe was undergoing the process of modernization. The process involved collecting money and capital from the colonies and investing it in the new industrial advancements in Europe. It was the phase in European history when it needed an external source to provide it capital, labour and raw materials for its industries, and later provide a market for the finished goods.

The colonial state, with its coercive apparatus and an organized administrative machinery, proved that the most important force in play was the state. The new state decided the new socio-economic-political structure of the colony and re-structured the growth and development process of the colony. It managed to penetrate and extend its administrative machinery into remote hinterlands, which had traditionally been independent or autonomous under the Ottomans. The Europeans re-organized the entire socio-economic-political-legal and administrative setup of the colonies.

The modernization process of the non-Western countries was neither independent nor indigenous. It led to a social crisis of identity, as it made the difference between the
cultures, economic and military setups more prominent than ever before. The
differences in cultures, economies and social systems took a reactive turn when the
Europeans tried to mould the local cultures and make them similar to their own. They
imposed their own laws, economic re-organization programmes and their political
ideologies, which they tried to prove were superior to the ones practiced by the
indigenous people. Their new systems displaced and marginalized large sections of the
local population.

The reactive contact between the two worlds of Europe and West Asia and North Africa,
has been traced right back to the first French invasion of Egypt (1789-1801). As the
Egyptians had been the leaders in the socio-cultural and political fields in the region, a
change and development there affected the developments in the entire region. The
experience of colonization had a varied impact on the region’s development. From
giving it an identity of being different nation-states to giving it polities and economies
that were extremely new to the region, it affected every aspect of the lives of the
people.

Some of the main features of the colonization in West Asia and North Africa were the
redrawing of their political geography, centralization of powers, modernization of the
economy and polity and a policy of discrimination in every field. European colonization
in North Africa meant that the state-society interaction took place at a new level. The
interface was one of confrontation. Entire state-society relations were re-framed
according to the different levels of contact between the two forces. In the economic
field, the breaking up of the agricultural setup, the re-location of control of economic
resources and the installation of new administrative setups to monitor the new socio-
economic setups, brought the state in direct conflict with the society it was governing.
However, more than the economic re-organization it was the attempt to tamper with
the socio-legal and religious setups that brought about a confrontation between the two
actors. The attempt of the colonial state to take over the educational, religious, legal
systems and run them according to their own dictates, brought about a feeling of
insecurity and resentment in the society. The impact of colonization on state-society
relations was most prominent in the fields elaborated below.

1) Re-organization of the map: An important feature of the colonization of Africa
was the re-drawing of the political map of the continent. The region had traditionally
been divided on tribal lines. Tribal loyalties, cultures and economy constituted the
history of the region. Colonialism resulted in a lasting change of borders.
West Asia and North Africa was a part of the Ottoman Empire for more than four centuries. The Ottomans were succeeded by the French and the British colonial powers, under whose hegemony the geo-political borders of most of the countries were redrawn. The origins of the subsequent border conflicts in the region are to be found in this history.

European colonization divided the region into specific geographic, administrative and political lines. In the scramble for colonies, specially in Africa, the continent had been divided into clearly demarcated territories. The demarcation, however, in many cases divided the tribes and traditional economic and cultural boundaries into geographical and military ones. The colonizers spent huge amounts of money in maintaining the borders and boundaries they had created. The strengthening of the armed forces was primarily meant to guard the new borders, and then to assist the colonial government in maintaining the colonial state.

Within these new boundaries, the colonizers introduced their own economic, political, legal and administrative systems. The policy of fragmenting tribes, dividing societies and governing with coercive machinery was one of the legacies of the colonizers. The colonial systems were so deeply entrenched within the boundaries that the political populism and local social and political idealism of the independence movements could not reverse them.

After independence, despite affinities of language, culture, race and religion, the countries have been waging fierce battles over the maintenance of these boundaries. The newly independent states have been defined as nation-states, as they represent an artificially created nation made out of heterogenous cultures, tribes, geographical and political systems rather than states which evolved out of indigenous systems.

The modern African states that were created by the colonial powers left a legacy of centralization within the borders. Even in areas with strong traditional affinities, colonialism resulted in border disputes. In Africa itself, the Moroccan-Algerian and Somali-Ethiopian border disputes are colonial legacy. The infrastructure established by the colonial administration was too involved in its own well being to be sensitive to the needs and welfare of colonized people.

Within these new borders, a new class of educated elites was created to facilitate the percolation of European ideas into the new society. In the 19th century with the help of the new elites, who were products of the new systems of education the Europeans, were able to institute major socio-economic changes which affected the traditional socio-economic structures. This new class was the immediate successor of to the
colonizers. Like their predecessors, the new leadership looked to centralization of their power as a means to protect their positions. Their dependence on the military grew in times of crisis, and with advancements in military technology only the state could afford to access the new technologies.\textsuperscript{29}

2) Centralization: An important legacy of colonization is of centralization of power and authority in the administrative apparatus of the state. The role of the state in the society increased manifold. The state was no longer limited to taxing, maintenance of law and order and civil and military governance. Its jurisdiction had increased to cover international trade regulation, re-organization of the economic setup and even deciding the political and economic ideology the country was supposed to adhere to. The strength of the state also increased with the changing times. The new bureaucracy which was created, represented more than just the coercive powers of the state. It was through this institution that the colonial policies of economic and social re-structuring were implemented.

The example of Egypt shows that the state preceding the direct European rule had started the process of centralization and strengthening the military and administrative powers of the state, due to its contacts with the latter. However, it was only with the takeover by the British that the process was accelerated and completed with perfection.

The process of centralization involved state interference in every aspect of the colonies’ life from economic to cultural, from political to foreign relations, every aspect of governance was covered. The economic and military strength of the colonizers allowed them to formulate policies and design changes in the fields of justice, education, health systems, etc. Re-organization of the economy in Algeria and Egypt meant forcing the peasants and the agrarian setup to give up their lands and then forcing them to grow crops needed by the parent country. It also meant a new tax system, and new setups that were more exploitative rather than welfare.

Centralization of power also meant the complete control over the key social institutions. For this the weapon the colonizers used was again economic. The colonizers confiscated lands and sources of income of the religious \textit{qadis}. They displayed an absolute disregard for the local religious courts and established their own courts for their settlers and their own disputes. From the late 1860s, both France and Britain were on a civilizing mission in Algeria and Egypt, respectively. By the end of the 1880s, when they had completely colonized the two countries, they had taken over not just the economic and political-administrative system, but had started to change the religio-judicial system.
as well. Under the garb of modernization, the colonizers were forcing the society to accept and adapt to the Western value systems.

In Algeria colonization meant a complete administrative takeover of every aspect of the socio-economic-political life of its people by the colonial state. Since the French had no representative institution which would diffuse its hegemonic belief system, its legitimization of authority came through the gun. At the turn of the century the administrative intervention increased from simple military-administrative apparatus to a complex institution of social control and economic arrangement. By 1900, the colony had its own budget, and the colons had devised their own system of political representation.

"..........., the shaping of a powerful bureaucratic state apparatus meant the development of colonial accumulation. Once the state apparatus was rigorously established, large scale agrarian and mining enterprises were set up in Algeria with the assistance of the metropolitan bourgeoisie."30

The centralization of authority resulted in the ability of the administration to redistribute natural resources, re-locate the national budgets and re-structure the socio-economic fabric of the country. It re-organized the agrarian structure to allow the French settler population to own and manage over two-thirds of the fertile land area. In the urban centres too, the capital investment and ownership of the different industries was concentrated in the hands of the French population.

Moreover, as the colony was established for the welfare and settlement of the excess French population, the administration developed the educational and health care infrastructures in places where the settler population was concentrated. The ability to earn extra revenues, re-arrange national priorities of expenditure and income, lay in the hands of the centralized bureaucracy of the colonial state.31

Centralization in Egypt, even before the takeover by the Europeans meant collection of vast amounts of personal and professional data about the population, which could then be used to asses the future policies of the government. It would also allow for the central governing authority to intervene in the lives of the people on a large scale. Ali Mubarak (1824-94), a state bureaucrat and historian compiled encyclopedic information, mostly in the form of official documents. Such examples indicate that the modernization of the national administration and the growing concern for statistics were not suddenly generated by the Western presence but arose from the maturation of the Egyptian state and, within the Egyptian bureaucracy, from administrative necessity. However, this process assumed a more drastic form in 1876 when the state went bankrupt and was
placed under international supervision. Those events represented the imperialist interference of the European powers in Egyptian affairs. They also brought the rationalization of national finances, which had not previously differentiated between resources of the Royal family and those of the state.\textsuperscript{32}

The main aim of the centralization of the economy and administration was to concentrate the economic wealth and control of natural resources in the hands of the colonizers and use it to integrate the domestic economy with the parent economy, and with the larger global economy. A direct control over administration ensured that the interests of the colonizing control were safeguarded within the colony. It protected the colonizing economy from facing any international competition within the colonized territory, whether it was for economic development, production or even marketing their finished goods. It was upto the colonizers to decide the nature and extent of modernization in the colony.

3) Modernization: Modernization refers to the change of the socio-economic system from feudal to capitalist or socialist. It is associated with the Western concepts of secularism, urbanization, technological advancements, development of a scientific temper, capitalism, international integration of economy and progress in all fields. In the economic field, modernization is associated with the integration of global capital and markets, accompanied with competition for the sale and purchase of technology. Modernization under colonization meant an integration of the local economy into the international capitalist economy and a Westernization of polity and culture. Colonization had integrated the local domestic societies into the global community on all fronts, economic, political, social, cultural and even judicial. The concepts of free trade, social liberty and political pluralism of capitalism were the dominant ideologies of Europe. The colonizers worked hard to make the colonized world accept their systems and values as they were supposed to be superior to those of the indigenous people. Moreover the dominant philosophy in Europe, which justified the colonization, was that it was a mission to educate and civilize the backward colonies. This civilizing was achieved by integrating the economic, social and administrative setups of the colony with those of the parent country.

The development and the modernization of Europe, was an indigenous phenomenon. In the colonized world the economy was never allowed to develop without any external constraints. Even after the colonizers gave the colonies their independence, the new economies were unable to detach themselves from the parent economy.
On the social front, the colonized world was introduced to the Western concepts of liberty of cultural and political practices, secularism and human rights. The concept that every individual should be free to choose and practice his own socio-economic and political option, was emphasized. As a post-colonial legacy, the Third World still is pressurized into adhering to the norms of the Western world. The modernist reaction to religious fundamentalism in the Third World is that it would give legitimacy to barbaric and inhuman social and civil norms, which have become redundant in the civilized world of today.

Most importantly modernization meant the introduction of the Western concept of secularism. Political Islam is seen mostly as a reaction to the concepts of Westernization and secularism imposed on the people by the Western colonizers. It is seen as a quest by the local masses for an identity. It is seen as a reaction to the constrained process of modernization in the region.33

Colonization of Algeria totally re-structured the economic and political fabric of country, by tearing apart any of the older economic structures and institutions. Thus even if there were attempts to modernize in pre-colonial Algeria, they were made void with the coming of the French.

Egypt on the other hand is an example of a country trying to modernize and failing to do so under the international pressures. Before the British colonization, Egypt made two attempts to modernize within a short span of seventy years. The first attempt was made under the rule of Muhammad Ali (1805-48). He instituted an economic policy which was externally protectionist and internally monopolistic. The state expropriated the profits from the agricultural sector for itself to establish modern military and state-run industrial sectors. The expansion of Egyptian state power was remarkable, and its military strength surpassed even that of the Ottoman Empire.

However, the international politics of the early 19th century would not permit a new power to emerge. The European powers exerted pressure, including armed force, upon Egypt to force it to accede to the London Treaty of 1840. The treaty recognized the family of Muhammad Ali as hereditary viceroys of Egypt -- a position which the family retained until the 1952 revolution -- in exchange for relinquishing all conquered territories other than Sudan. It also opened the Egyptian economy to free trade. Having little choice but to accept these terms, Egypt, from that time on, was confined to the territory of the Nile valley.
A second attempt at modernization was made with the backing of the agricultural wealth of the region and the focus this time was on free trade. The attempt was led by Muhammad Ali’s successors, Said (reigned 1854-63) and, especially, Ismail (1863-79). By the time of Said, the importance of Egypt being a strategically located on trade routes was recognized, and its potential tapped by the two khedives. Steamship routes between Alexandria and Marseille and between Suez and Bombay had already been opened in the 1830s. In 1855 a railroad was built from Alexandria to Cairo, and a second linked Cairo and Suez in 1858. With these Egypt became the nexus linking the land and sea routes from the Mediterranean to the Red Sea and the Indian Ocean. The infrastructure was created to build up transportation links with Europe, particularly so that cotton could be sent to Britain’s textile manufacturers.

It was with the goal of making Egypt an important trading country, which had the strategic links and was also capable of producing the raw material required for the that the Suez Canal was opened in 1869 with a lot of festivities and fanfare to mark the occasion. Unfortunately, the bill for the festivities was immense. During the reign of Muhammad Ali, the nation incurred no foreign debts. In 1862, Egypt borrowed from abroad for the first time. The debt quickly accumulated and in 1876, only 14 years after the first loan, Egypt found itself bankrupt. The country was placed under international supervision by the Western powers.

Whether it was the opening of the Suez Canal, or later its nationalization, the costs incurred in the process were very heavy. Development and modernization for Egypt came at a very heavy price. Not only did the French and British not help the khedives in their plans to build the Suez, they were ready to stop the process through military intervention, when Nasser wanted to nationalize it later.

In Algeria, on the other hand, despite the French proclamation that it was a part of France, it was not ready to allow any industry to develop indigenously in the country. Before they left the colonos, the French burnt and destroyed all the industries and developmental projects they felt would make the Algerians independent and economically self-sufficient. The European nations had done little to prepare their colonies for independence. Thus, the new nations lacked enough experienced leaders during the critical early years.

4) Apartheid: The expression "apartheid" denotes a system of institutionalized racial segregation and discrimination with the purpose of establishing and maintaining the
domination of a racial group of people on another racial group of people and to press it systematically, as South Africa practices.\textsuperscript{34}

Apartheid was a colonial policy of rigid separation of races introduced in South Africa in 1948 classifying residents into two separate and distinct classes: white and non-white. The policy resulted in racial segregation and restrictions on marriages, residences, and education.

Though the discrimination between the colonizers and colonized in North Africa was not on the basis of colour, a very strong discrimination was practised between the two communities on other cultural grounds. Colonization, in part, was seen as a white man's burden to educate and civilize the natives. Once in charge the Europeans lost no time in arguing that the culture they had colonized needed to be civilized. The civilizing mission resulted in disparaging the local cultures, customs, beliefs and value systems and replace it with the superior Western value systems.

The British and the French practiced their own kind of discrimination against the populations they dealt with. The French in Algeria, for example, refused to recognize any of the local identities, and passed laws to the effect that non-Christians would not be recognized as citizens of the French Algeria. They took away the basic identity of the people born of a different culture in their own land.\textsuperscript{35}

The British practise of discrimination used the indigenously managed administrative machinery to frame or implement reactive social policies. The most educated and qualified of Egyptians were made to work as subordinates to lesser qualified British administrators. When in charge, the British simply re-directed the funds and state support mechanisms away from the traditional systems to the Western systems. They curbed state patronage to the Muslim clergy and the mosques, stopped or limited the supply of funds to the traditional systems of education in \textit{madrassas} and worked towards establishing more schools of Western learning.\textsuperscript{36}

Under the European colonizers there was a conscious policy of discrimination against the traditional value and belief systems in their policies, practices and state patronages. The policy involved a withdrawal of funding from the traditional systems of medicine, education, arts, town planning, etc and replaced it with the Western alternative systems.

The indigenous civil, economic and legal systems had evolved over a period of time and in response to the local problems. The Europeans however found the solutions primitive, barbaric and uncivilized in comparison to their own. They instituted their own
legal codes, and an educational system, which produced clerks and administrators, required by them to administer the empires. Schools and hospitals were established with the European population in mind, access to natives given only reluctantly. Colonial society foresaw strict segregation between the Europeans and the native population. The European ruling class lived a lavish lifestyle (often far beyond the one they could afford at home), while manual labour was reserved for the natives, who were usually given only basic education. However, a few natives were able to acquire western style higher education, and later led the anti-imperialist movements in their country.

The state policies resulted in antagonizing the population, particularly those whose aspirations and hopes were not fulfilled in the new systems. The colonial state policies aimed at change, however it took no responsibility for those who could not be imbibed into the new system. As the state was unable to provide welfare or even cover a major part of the population with its modernization, civilizing and development missions, it faced major hostility from those left out of the process.

II. Society under the colonial rule in Algeria and Egypt

Under the colonial regimes Egypt and Algeria saw the forces of religion play the role of mobilizers of mass support for the nationalist movements. The initial phase of colonization saw the society resisting the colonizers though not in an organized manner. As the colonial governments continued to govern and re-organize the socio-economic and political setups, the society reacted accordingly.

Colonization halted the process of an indigenous development of society. It forced the society to adopt economic, legal, educational and welfare systems that were alien and unsuited to the local environment. Imposing these changes divided the society into two, one consisting of the Western educated, urban, modern and wanting to blend the best of the West with the traditional cultures; the other was the marginalized population that had only tradition and history to fall back on. As the colonial policy was one of discrimination against the existing system, both the sections of society strove for independence from the colonial rulers. Their means and methods however were very different from each other’s.

Religion provided the most important and influential pivotal point around which the disgruntled masses could be mobilized. It provided an easy platform for political leaders, and it also provided the leadership for the resistance movements. The lay clergy in Algeria, and the educated leadership in Egypt worked towards formulating an
ideological alternative and finding solutions in the tradition and history of their cultures. They provided the masses with a framework within which to comprehend and analyze the colonial policies, strategies and practices.

The state was suppressive and hostile to the religion and its adherents. In response to the European onslaught on the traditions and culture, the mosques and religious institutions had become the focus of religio-social reaction of the masses. The reaction of the Islamists was to either look inwards and reform their religion and practices or to vehemently oppose everything Western and demand the establishment of an Islamic state after the ouster of the colonizers.

The nature of the colonial regime decided the kind of socio-political reaction it faced. The French were direct in their hostility to Islam and their rule was marked by violence as they forced the Algerians to accept the policies they wanted to implement. As their colonization was violent, the societal reaction to their rule too was violent. The Algerian war of independence has been one of the longest and the bloodiest wars in history.

Egypt on the other hand was an indirect colony, less gruesome in its administration, thus the societal response to colonialism was also not very volatile. Though they suffered a similar exploitation as the Algerians, the difference lay in the British policy that gave the Egyptians scope to participate at some level in governance, and in the end allow for a transfer of power through constitutional means. The Egyptian socio-political response was allowed to develop in a school of thought, and given the political space to articulate their opposition to the policies and practices of the colonizers. The Al-Azhar and the Muslim Brotherhood grew to be two of the largest and most influential leaders of the political Islamists from the colonial times to date. These two combined to give a comprehensive worldview of history, an alternative to the polity of the West and an ideology to compete with the Western ideologies. Prior to independence, the focus of the political Islamists was the capitalist economy and the exploitation of the mercantilist economy. However, by the 1970s, the alternative of Islamic economics and banking was also developed and executed to compete with the West and yet retain its Islamic character.

III. State–society interface under the colonial rule:
The state society interface during the colonial rule, in Egypt and Algeria was reactive, as both the state and society were hostile to each other. Egypt under colonial rule had to face a lot of social neglect. The British government was ready to use the Egyptian money to finance its campaigns against the Mahdists in Sudan, but was not ready to
invest in the domestic health care and educational infrastructures. Moreover, the Egyptians were not given an equal say in the later Anglo-Egyptian condominium on Sudan.

The state in the colonial era, was making the choices of the course of action and policies the society should follow. It was framing civil and criminal laws, re-organizing society and the economy. Its attempt to re-make the society consisted of discarding all civil and criminal laws practiced and replace them with the Western laws and values. According to Mahfoud Bennoune the economic development and prosperity of the colonizer came at the expense of the under development and pauperisation of the colony.

"......, capital accumulation under colonial conditions stimulated growth of the latter and the decay and disintegration of the former. .... The logic and exigencies of the colonial system were thus bound to generate a severe socio-economic crisis which accentuated the antagonism between the colonised and the coloniser. ........, the nature and degree of French colonisation had conditioned and even moulded the form, intensity and consequences of the struggle for independence carried out by the most radical nationalist movement."  

The state-society collision took place in reaction to the attack on the traditional belief systems and the fact that the government despite its wealth was not ready to allow the masses access to any form of welfare. The two areas of state-society interface that are most significant to understand the relation between the two forces are of 1) the legal and educational system; and 2) the economic re-organization. Case studies of Egypt and Algeria, on these two interfaces, would highlight the extent of conflict between the state and society.

1) The legal and educational interface: Before the Europeans colonized the region West Asia and North Africa was part of the Ottoman empire, with countries having their own independent monarchs and administrative apparatus. Since the overwhelming majority of the region was Arab and Muslim, it was governed by the Islamic codes of conduct and governance.

Islam, Islamic codes and tenets, its preaching and practice, the precedent set by the Prophet in the fields of practice of religion and justice, along with the orderly establishment of a system of administration under the Caliphs, the sharia courts and laws and the codification of the Hadith and the Sharia all provided a basic theological framework which the later ideologues could work on. The local monarchs and their administrators used the broad framework offered by the Hadith and the Sharia, but also
used the local customs and traditions to evolve their own regional set of laws and value systems.

The colonial rule was marked by the hostility of the colonizers towards Islam and the accompanying legal and social value systems. They did not recognize the economic, criminal or civil laws of the colonies and at the very beginning worked towards acquiring an immunity from the local laws. Gradually the immunities converted themselves into privileges. It became the basis for enforcing a separate set of laws, which discriminated between the Europeans and the local populations. The Europeans considered the entire Arab-Muslim culture to be backward, regressive and inferior.

Even before they formally colonized a country, the Europeans moved to re-frame the existing trade and criminal laws which would grant them immunity and a privileged status vis-à-vis the local traders and business community. What started as privileges in trade and commerce ended in the colony granting the colonizers absolute immunity in economic, criminal and civil crimes.

**Egypt:** The British in Egypt did not accept the domestic laws in matters of trade disputes and other civil laws. The question of human rights was raised and the British did not accept the criminal sentences of the Islamic courts. The common means of suppression of the religious practices was by discriminatory courts, confiscation of lands grants to religious authorities by the state, withdrawal of grants to the educational institutions attached to the mosques.

What is important about the British attitude towards the religion and its practice is the space they gave to the Egyptians to develop their political activism and theology. They gave it a channel by establishing the Al-Azhar, allowing for an intelligentsia to grow. For the British, Egypt was just a colony. They did not want to be too deeply entrenched in the indigenous polity, society and culture. It was more important for them to create a class of Western educated intellectuals and middle class, which would facilitate their governing. Later in their rule, when they wanted to channelize political opposition, and did not want a direct confrontation with the local intelligentsia, they allowed for a limited development of the local centres of learning, which would provide the country with leaders and a peaceful method of dealing with the opposition they would face from the local populations.

The antagonism to the religious practices was evident when the British withdrew the lands of the religious *imams* and *qadis*. The powers and privileges of these two classes were curbed and their economic status lowered. The biggest blow to the religious
system came, when restrictions were imposed on the means of spread of the religion, i.e., through the madrasa, or the school system run by the local mosques and clergy. Traditional Islamic education system was given a secondary status. The traditional Arabic and religious education was given the least amount of attention, patronage or even space to expand or improve. New schools were established to impart Western education, but the purpose of these institutions was to create a class of bureaucracy that would assist and help the British retain their colony.

The British policies of education resulted in the rich Egyptians sending their children either to France or other countries to receive education or to institutions of private education. The poorer sections of society however were limited to going to the kuttab schools and other centres of traditional learning. As the employment opportunities from these institutions was limited (they did not offer technical or vocational education), the scope of progress for the students was limited. With the liberalization of the press and the spread of the Salafiyya school of thought, the support base from the traditional school products increased manifold.

On the legal front, the contact with the Europeans had started accelerating the breakup of the Egypt from the Ottoman Empire. The field of justice, where the contact between the polity and society was the strongest, the impact of the Western contact was most strongly reflected. The first move of the Europeans was to establish separate courts to deal with the problems facing their merchants and traders. Mixed and National Courts were established to deal with the commercial and civil litigations. Its influence had spread to the civil and criminal judicial system of the rest of the country as well. The sharia and the hadith, which had formed the basis for the system of justice in the Ottoman Empire was facing a stiff competition from the human and civil rights movements of the Europeans.

".... from 1875 the situation in Egypt radically changed, for in the National as well as the Mixed Courts the administration of justice was based on a whole series of codes some of which owed little, and some nothing, to the shari'a and these codes were applied by a class of lawyers trained in European tradition."

The importance of the class of lawyers created by the British came to be seen in the nationalist movements of the country. The lawyers petitioned for independence, fought a legal battle for their rights and achieved their goal through the legal system. In both Egypt and Algeria it was this middle class, created from the Western educated urban sections of society, that received independence from the colonizers. Parallel to the class of the Western educated intelligentsia was the class of home grown intellectuals. Educated in both Western systems, but receiving their primary education
in madrasas, this class was responsible for producing thinkers who provided a partly religious and partly political leadership to the population. The most notable among these, Jamal Afghani, Muhammad Abduh and Rashid Rida, tried to blend the Orient with the Western civilizations. For them, the problems of the Islamic world lay in their ignorance of the technology, scientific temper and advancements in the field of science. They wanted their societies to imbibe the best of the West in science and technology. They wanted to strike a balance between the more militarily and monetarily superior west and their own cultures.

Their role however, was not limited to just reforming their society. They were also critical of the concept of colonialism, capitalism and the resultant subjugation of the non-Western world. They criticized the British policies and governance, and when they realized that the colonial policies would not change, sought independence from the colonial subjugation. The justification for the need to change society, education culture and systems of beliefs came from within the religion itself. The stereotype of Islam and Islamic society being backward, ignorant and resisting development or change was fought with a vengeance.

Rida, the more prominent of the Salafiyya proponents used the medium of the newspapers and the press to disseminate the views of the Muslim modernists. The modernists were significant in upholding the Islamic and Arabic heritage of Egypt. The movement advocated the adoption of modern European technology and ideas but within the Islamic framework. It started as a cultural and educational movement rather than as a political movement. It was responsible for establishing schools and educational institutions through Muslim benevolent societies and trusts for poor and needy Egyptians.

A major contribution of these thinkers and statesmen was the founding of and running of local schools, which worked towards translating the Western texts of literature, science and ideologies into Arabic and increased there outreach to the masses. The purpose of this system was twofold. Firstly to provide education to vast mass of children who had been left out of the state system of education, and secondly, it was an attempt to blend the best of the West with their local system.

A product of this new school, Hassan al-Banna, in 1928, founded the Muslim Brotherhood movement, a political movement which opposed the colonial policies and practices of the British. In post-colonial Egypt the Muslim Brotherhood are still opposed to the corruption and lack of development. The movement was an offshoot from the Muslim Benevolent Society of Abduh. The society had started a series of schools for
primary education in the small towns and villages. They aimed at education and ideological dispersion at the same time. It was the first move to establish welfare as a means of garnering and cultivating a support base.

The Muslim Brotherhood, which followed the Muslim Benevolent Society, grew as a comprehensive movement demanding independence from colonization and the establishment of an Islamic state. It gave the political Islam of Egypt a framework for formulating an ideology, and a political guidance, which made it into a force to be reckoned after independence. In post-colonial Egypt, when the experiment of socialism failed and the leadership was unable to stop a neo-colonization of the country, it was the Muslim Brotherhood, which offered to form the alternative government. The Muslim Brotherhood, the Al-Azhar and the Muslim Benevolent Society are hallmarks of political development of religion in the country. Between them, they have covered perspectives of society, economy, foreign policies and an ideal state.

**Algeria:** In Algeria, Islam and religious mobilization played a far greater role than in Egypt. Here the French did not give the Islamists the space to formulate a political movement and grow. They were blatantly hostile to the religion, culture and customs of the colonies. Their policy and attitude towards Islam, its institutions of learning and practices was one that aimed at wiping away the religion, its practice and following altogether.

The French gave the Algerians no space to develop their own schools of thought or develop a programme for welfare support systems. Suppression of followers, economic, political and administrative pressure, all played a role in the French approach to dealing with Islam in Algeria. They restricted the Algerians from entering the European schools and limited the amount and scope of education imparted by the traditional schools.

One of the first steps, of the French, was to confiscate the lands of the religious functionaries and strip them of any economic and administrative power they had. The French settlers, colonizers, administrators and metropolitan politicians all viewed Islam as danger to their authority in Algeria. They sought to control and direct the religious life of the Muslims along lines that would ensure their subjugation and submission to the colonial rule. This meant that the French, consciously or not tried to keep the religious life of the Muslims in its traditional, specifically traditional form, under leaders whom they could influence and control.

"In order to reduce the exposure of the Algerian Muslims to undesirable ideas from outside the country, various administrative obstacles were placed in the way of pilgrimage to Mecca, which were removed under pressure from liberal
circles in France only in 1914. The Sanusiyya tariqa, which had few followers in Algeria, was hunted down, partly because of its revivalist teachings, and also because it opposed French colonial expansion in the Sahara. In Algeria itself, loyalist 'ulama, chosen and paid salaries by the administration, were appointed as imams of mosques and to other officially recognized religious offices.

In the colons the administration, economic control, social, civil and criminal laws were French. Algerian laws, customs religion, and practices were not recognized. The colons were instrumental in not just assisting in the integrating the Algerian economy with that of France, but also in establishing the French control over the socio-legal setup in the country.

Once the French military and coercive apparatus was established after 1871, the new government enacted a series of laws and a judicial system that replaced the traditional tribal system of justice. The new system was repressive, penalizing harshly for minor offences, arbitrary and aimed at empowering the colonizers. The Algerian people were subject to exceptional penalties. These were essentially administrative confinement, arbitrary sequestration, collective forfeiture, and the requiring of a permit to travel, even from one district or from one village to another.

The impact of the judicial changes was felt fiscally as much as socially. The new judicial system was expensive, arbitrary, bureaucratic and time consuming. The head on collision between the French and Islam came when the former formulated laws by which all Algerians could claim French citizenship, provided they gave up their religion. With the increase in the size and powers of the bureaucracy, the French were able to dominate Algeria economically, socially, culturally and militarily.

Though the French talked of Algeria being a part of France, they refused to culturally absorb the Algerians. They treated the religious leaders as subservient to the colonial administration. The Islamic movement that arose as a reaction to this discriminatory policy generated a virulent religio-nationalist sentiment directed against colonial rule. The vehemence of state hostility against the Algerian Muslims was matched by an equally forceful reaction.

The French attitude and policies in the field of education and law were some of the most discriminatory policies. After 1871, they spoke of the need to civilize the Algerians, and give them modern education so that they could fight the fanaticism and dogmatism of their religion. However, in reality, the new school system of the French was geared to meet the needs of the settlers and only secondarily of the Algerian Muslims. Furthermore, even amongst the schooling system a policy of discrimination was practiced favouring the Kabylia Berbers over the others. This was in accordance of the
French policy of Frenchifying the Berbers and detaching them from the Arabized Muslims of the towns. Schools for the Algerians were set up mostly on paper, and there was a lack of effort in promoting education among the general population, specially the girl child. Even if the number of Muslim children enrolled in schooling was larger than that of the settler population, in school records, the state allocation of funding for their education was minimal compared to that for the settler schools. 44

2) Economic interface: One of the main economic aspects of a colonial economy was the linking of the local currencies to that of the parent country, an equation that always worked in favour of the parent. A linking of the various sectors of economy ensured that the colony always produced goods for the parent country to either use in their domestic industry or profit by selling the raw material. The dependence remained for a long time, and it was felt that by opting for a different economic model the newly independent country would be able to break the shackles of dependence.

Since most of the economies were agriculture based economies, the land redistribution systems, and the change from food to cash cropping not just affected the earnings of the peasants, but the economy as a whole shifted from self-sufficient food economies to importers of food. The Europeans redistributed the land holdings to adjust their settler populations or just appropriated the lands to grow cash crops like grapes in Algeria and cotton in Egypt.

The industries too were appendages to the parent industries. Whether it was the winemaking industry of France, or the textile industry of Egypt, the colonizers used the cheap or forced labour, to make semi-finished goods. The main mechanized industries were always in Europe. The colonies were used for the raw material, cheap labour and most importantly as markets for the finished good.

Egypt: The primary interest in Egypt for the British was, of protecting its large distance trade to South Asia. Apart from that, Egypt provided the ideal conditions for growing cotton for the British textile industry.

Although Egypt was only formally established as a protectorate after World War I, in the length of the British informal rule of the country from 1882, the economy had become a typical colonial economy. Before World War I, agriculture employed nearly 70% of the population, gave about 2/3rd of the Gross National Product, 1/3rd of all government revenue through land tax and nearly all exportable commodities. 45
The realization that cotton could be produced easily, cheaply and in large quantities to be used in the British factories, made them invest in the expansion of dams, barrages and canals, after they took over in 1882. The production of cotton doubled, but the artificial system of agriculture, with badly developed drainage system took a toll on the soil conditions. There was increased water logging and soil salinity. Apart from the irrigation system, it was the land distribution system that hit the peasants the hardest. Some 150,000 people held 3/4th of the land, and the rest of the land was held by over 1.4 million small peasant holders.

The British in Egypt ran a colonial economy by enforcing low external tariffs and a heavy emphasis on the export of cotton. Like a typical colonial economy, the Egyptian economy was also an open economy, which exported a large range of agricultural or mineral products, was dominated by the interests of the colonizers, minimal restrictions on trade, and an unwillingness to do more than the basic minimal welfare for the colony. The emphasis was always on balancing the budget.

The employment of a large number of foreigners to run the administration at Egyptian expense, and the Capitulation treaties, drained the exchequer heavily. The largest loss suffered was due to the linking of the local currency to the British currency. This meant that not only was the Egyptian economy going to suffer in case of a crisis of a slump in the British economy, but also that the British banks and loan givers would get a large share of the profits incurred by the interest payments of these loans. Also, the colonizer got the advantage of getting a priority in the foreign direct investment in the economy, which became extremely important as the local economy had been integrated in to the global one.46

Algeria: Algeria was converted into a colony to cater to the wine industries of France. This meant the agricultural sector was converted from food cropping sector to a cash-cropping sector, forcing the peasants to grow grapes rather than food. Related to the agriculture there was a massive rise in the establishment of breweries, funded and run by the French.

This economy, like all other colonial economies, depended on the unequal distribution of land, capital, labour and arbitrary taxation. By the beginning of the First World War, majority of the Algerian peasants had become share-croppers, or agricultural labourers, working for the Europeans for a fifth of the produce. The native population owned only about 37% of the country’s wealth, even though their population was eight times more than that of the Europeans. For the non-agricultural population too, there was no
employment in the cities. Urban Algerians were only 6.9% of the population in 1886, and they rose to only 7.6% by 1906. The world wars increased the urban population, but as there was no large-scale urbanization, there was a rise in urbanism.  

A large part of the incomes received from the Algerians, whether as special taxes or from revenue, went to maintain councils and bodies of governance in which they had no representation. The welfare of the colonizers and the administrative apparatus was more important to the colonizers than the welfare of the majority of the population. Lesser schools catering to a large population with technical and specialized education being given only to the Europeans, were a distinct feature of the Algerian socio-education system. On the labour front, there were discriminatory pay scales between the Algerian and European bureaucrats and workers. The Algerians were employed only in the clerical posts. As a result, when the French left Algeria, in 1962, there was a lack of skilled manpower to manage the country.

IV. Colonial legacy:
When conceding independence to its colonies Britain established the Commonwealth of Nations as an organization for political and economic cooperation and France established the Communaute Francaise. In case of domestic troubles (coup d'etats, civil wars etc.), the French LEGION ETRANGERE intervened, to restore order. The former colonial powers strove to protect national economic interest, i.e. mining rights etc, and to this end they established strong with the regimes they handed over power to.

On the eve of their independence, both Egypt and Algeria had major economic crises to deal with. Colonization had drained the countries of their capital wealth and left behind an uneducated impoverished population with no means and resources to overcome their losses. The new governments, on independence had tried different solutions to provide their ailing economies with a quick respite. They sought a solution in the model of the Soviets, who had achieved a level of economic self-sufficiency, military, political and social progress that had made them into a world leader. The 'socialist experiments' involved large-scale investment in heavy industries, and the prioritization of industrial/technological development over agricultural (subsistence) economy.

The new governments were however, never able to dissociate from the previous economic, political or administrative setups. With time the re-dependence on the previous colonizers grew rather than weaken and fade away. The onus of development and providing for the needs of the masses fell totally on the new government, which had no initial capital or technical or even financial expertise to guide it. The international
situation too was not extremely favourable. The defeat in the three Arab-Israeli wars served a severe economic and political blow to the countries involved in particular and the region in general. The social dissatisfaction with the new government grew with time.

In Algeria, the population had been reduced from relative prosperity to economic, social and cultural subordination under the French. Over three million people had died (in the years 1871-1962), due to poverty or resistance to suppression; tribes had been disbanded and the traditional economy had been altered during the prolonged 'civilizing' campaigns of France. In particular, the production of wine for export had replaced the growing of cereals for domestic consumption. In 1962, the list of problems far exceeded the resources and expertise needed to provide the solutions. The economy was in a shambles, with a vast mass of population with no employment and no resources to become independent. In 1962, the list of problems far exceeded the resources and expertise to provide the solutions. There was a ravaged economy, unemployment, urbanism, illiteracy, and most importantly – absence of a framework within which to find answers to the economic-political problems.

In Egypt, by the time the Suez Canal was built and opened, the country was already in debt of $100 million. The British takeover of administration did not provide any relief to the crumbling economy. Between 1922-1952, when the British were in charge, the debts had increased, poverty, inflation, unemployment, urbanism, overpopulation and the replacement of subsistence agriculture with cash cropping had been added to the list of problems to be solved by the Egyptians. The legacy of debt is one the Third World has not been able to overcome.

Post colonial state-society interface:

1) Economic: Both Egypt and Algeria opted for the socialist model of development. Since this model was a model of a centralized state structure along with no political opposition, the concepts of pluralism and democracy were never applied in the new states. On the economic front, the model of centralized planned economy was implemented.

The newly independent states were never allowed to develop on their own, as the Europeans always had a stake in the national development of a country. Modernization in the new post-colonial states came with strings attached. Whether it was the nationalization of the Suez Canal or the attempt to nationalize the hydrocarbon industry, the decision could not be unilateral or independent. It needed the larger sanction of the
more advanced Western world. Since the West had a stake in the rent accruing from the national resources, they were never ready to allow the country to own its own resources. The economies therefore could not be called rentier economies, as they did not own the rent totally.

Secondly, the new regimes and governments did not reverse or even change the old economic, legal, educational, political setups. The attempt was to run the economy in the same manner, earn the same kind of profits, but change the priorities of disbursement of profits. The retention of the old economic order made the new order more linked to the old colonial economy and more deeply entrenched in the global capitalist setup.

The non-reversal to the food-cropping system, and the retention of the concept of large land holdings managed by few resulted in the country facing food shortages and becoming dependent on the external food aid. With time the dependency increased, and the excess rural population caused a growth in unemployment and urbanism.

Most economists classify the post-World War II economies of West Asia and North Africa and other Third World countries as ISI (Import-Substituting-Industrialization) economies. They are characterized by investing capital in the industrial development projects and importing other goods, that would fill the lacunae in the other sectors like agriculture or consumer products. The industrialization experiment was also not an indigenous development. Machines, etc. were imported on a large scale to substitute for the lack of domestic production of the same. The finished product of these was then marketed as domestic produce. The main draw back with this kind of industrialization was the life of the industry itself. Since neither the technology nor the capital were indigenous, any loss suffered on them (either wear and tear or the need for investment in higher and better technology), demanded a great price and the need for further importation of technology, skills and capital. This inevitably led to a shortage of capital and a later dependence on foreign capital to bail out the domestic deficit. By the end of the 1970s the experiments in industrialization had started failing. They had started displaying the contradictions of being capitalist and welfare at the same time. Like any other industry, the state invested development too had started to display a stagnation in output, and a need for more investments to diversify. The need for more input resources and larger markets for outputs became prominent.

By the 1970s and 1980s, the independent governments had started succumbing to the pressures of integration into the global economy. Globalization or the integration of the
domestic economy into the global one was gradual, usually sector-by-sector. The first moves from the 'socialist experiments' to 'liberalization' or 'opening up of the economy' have been seen as shifts from an authoritarian, centralized policy decided on by an individual to a more democratic, liberal policy which had a larger consensus. They have been given names like 'de-Nasserization' or 'infitah' in Egypt, or 'infinitah' and 'open-door-policy' in Algeria.

The process of transition was accommodated in their traditional method of planning. The five year or four year annual economic plans were drawn. The difference in each plan was the shifts in focus from heavy industry to agriculture, to social welfare, to liberalization, to global integration of economy, to removal of subsidies and to taking loans to run the economy. These measures and policies, however, did not bring any respite to the economy, nor did it generate employment, or raise the financial resources needed by the government to further their development plans.

By the turn of the 1980s, the economies had to change their policies and become market oriented, privatized and 'capitalist' economies. To be a successful capitalist enterprise, the state had to give up its social-welfare role; and the 'opening up' of the economy represents this very change.

One of the results of the economic fall and the later liberalization polices was the strengthening of the infrastructure of the state. The bureaucracy got strengthened in the process by the focusing on the economic rather than welfare role. Privatization was a means by which the state bureaucracy diversified and dominated the various economic resources. The bureaucracy got more firmly entrenched in the profit-enterprise field of global capitalism.

"In the economic sphere, the public sector has not given way to the private sector (except in the special case of commerce and finance), but the state has merely chosen to co-operate with international capital. This has signified a transformation of the state's role from a developmental one to a production oriented one (seeking profit and cutting down on welfare activities within the joint public sector/international capital enterprises). However, the welfare functions of the state bureaucracy towards society at large (education, health, food subsidies, etc.) have not been significantly curtailed, although the state has become increasingly dependent on external sources for financing them." 49

A major problem with the Third World economies was the attempt to balance between external debts, maintenance of the administrative apparatus and be a welfare state. The resultant borrowings from the multilateral funding agencies led to a situation where the countries had to re-structure their economies in a major way. The loan agencies in effect became the vehicles by which the Western world could re-dominate the region.
The economic globalization was accompanied by an increased military presence of the their forces in the region; and the loan conditions led to major political manipulations by the governments to retain their power and at the same time allow for a plural polity.

**Egypt:** The Egyptian economy had undergone major fluctuations in the global cotton-trade boom and bust in the early part of the 20th century. Unlike in Algeria, where grape-cropping and wine breweries were given state protection by the French, the Egyptian cotton industry had to face the vagaries of global trade right from 1918. In 1939, when the Egyptian pound was tied to the sterling, the fluctuations of global recession and trade were felt even more harshly by the Egyptians. The situation deteriorated right till the 1951-52 Korean Boom, when cotton prices improved and 'soft-currency' cotton, including Egyptian cotton, enjoyed a high premia over dollar-cotton. The collapse of the boom with the easing of the world dollar-scarcity and the American subsidization of cotton exports in the mid-50s, however, marked the start in the decline of the cotton trade for Egypt.

In 1952, the new government's policies included measures for agrarian reform, land-reclamation, the Aswan High Dam Scheme, and a programme for industrialization and the nationalization of the Suez Canal Company in 1956 and the British and French property during the Suez attack.

The economic and political front remained unstable till 1960, and it was only from 1961 that the various sectors of the economy started getting governed by a series of decrees and laws. The five-year plans from 1960 onwards very ambitiously aimed at improving the performance of the existing industries and developing new ones. Paucity of funds however, curtailed the pace of execution of the plans. The 1967 war further exacerbated the financial crunch. As a result measures restricting expenditure, curbing consumer demands, taxing, forced savings, and other practices to raise money were enforced.

**Algeria:** Just after independence, Ahmed Ben Bella had tried to convert the economy from a colonial one to a socialist one. However his experiment of 'autogestion' or self-management did not last very long. His successor in 1965, Henri Boumedienne, changed the focus to complete independence from France, or any other European country. He implemented programmes aimed at rapid large-scale industrialization, land redistribution and nationalization. While the industrial production soared in Algeria, agricultural production crashed. Though Algeria had been completely self sufficient in
agriculture at the time of independence, by the beginning of the 1970s, the government had to resort to importing food.

In Algeria, the government acquired either a complete or a controlling interest in most foreign-owned companies. The strategy involved a high degree of austerity, with restrictions on imports of luxury and consumer goods. The first four-year plan (1970-73) emphasized the establishment of a capital intensive sector involving hydro-carbon, iron and steel, chemical and engineering industries. The second plan (1974-77) went on to stress developing the previously neglected sectors – agriculture, health, housing, job-creation, etc. There was a shift in the sectors under focus in development, and an attempt to develop social welfare along with industry started becoming visible.

The debt history of Algeria shows an attempt by the government to stave off a crisis of unemployment and underdevelopment. They targeted at sectors they felt would give the most and immediate returns. To this end they nationalized foreign owned mines, and acquired either a complete or a controlling interest in most foreign owned companies or took over land which had been abandoned by the European settlers and insurance companies. By 1971 they had gained control of the hydrocarbon sector.

The world witnessed an oil boom in the 70s, but it saw the reverse oil shock of the mid 80s. The reverse oil shock of 1986 caused both Algeria’s terms of trade and hydrocarbon budgetary revenues to drop out by 50 percent.

"The overall budget deficit reached a record 13.7 percent of GDP in 1988 as cuts in government expenditure failed to compensate for the revenue decline. In the absence of a financial market, fiscal deficits were monetized or financed through the buildup of external debt. The ratio of external debt to GDP rose from 30 percent in 1985 to 41 percent in 1988, while the debt service to exports ratio jumped from 35 percent to 78 percent reflecting the shortening of maturities. In the presence of extensive price controls, monetization did not result in large increase in inflation, but rather in greater rationing of in the goods markets, a further buildup of excess liquidity, and higher prices in the thriving informal economy. The ratio of broad money to GDP, which stood at 76 percent in 1985 further increased to 79 percent in 1988. In addition, negative interest rates and an overvalued currency reinforced the bias toward capital-intensive techniques and imports."

The economies of West Asia and North Africa, despite not being “rentier”, suffered the worst setback after the oil boom of the 1970s. The backlash of the Western world and America once they recovered from the reverses of the oil deficit affected the entire region, whether they were oil and natural gas economies or not.

It is against this background of oil and monetary deficits that one will have to understand the reasons of the need for the region to borrow from the multi-lateral funding agencies. It was the implementation of the polices of structural adjustment and
loan recovery system that the led to acute shortages in basic commodities as bread in the region. The food riots and the economic discontent of 1988 are symptomatic of the economic chaos in the region.

2) Administration and governance: The administrative apparatus inherited from the colonial powers was one with a centralized and deeply entrenched bureaucracy and a strong military and coercive apparatus. The coercive apparatus of the military forms the largest and most important part of the national expenditure in the Third World. The role of the military lies not only in maintaining the sovereignty of the countries, but also in ensuring that the boundaries do not change. In West Asia and North Africa, this expenditure of the governments is incurred not only in the wars it has to wage against powerful enemies like Israel, but also in the low intensity wars with neighbours. The latter expenditure and exercise of border security is responsible for the governments spending most of their incomes (approximately 30-39%) on defence. The border hostilities are also responsible for the failure of the pan-movements, like the pan-Arab and pan-Islamic movements. The government inherited complete and unquestioned control over all resources. The new states had to deal with a small and insignificant bourgeoisie and a large unskilled, illiterate, poor population. It became the state’s responsibility to invest capital and provide a welfare cover to the masses. As the state undertook major infrastructural projects, it became the main actor in nearly all the productive sectors of the economy. The state also became the largest economic actor in the scenario. The policy of centralization gave the state powers to regulate every aspect of society. It could intervene in any sector of the economy, tax it or liberalize it, allow for foreign investment or impose preventive duties. The colonial legacy of complete economic control allowed the state to arrange national priorities. Depending on the ideology and priorities of the regime in power, and according to the pressures of the global economy into which the colonizers had integrated the domestic economy, the national priorities and economic controls of the government fluctuates.

To maintain the colonial legacy of boundaries and borders, and to enforce the rule of law, the state in the post-colonial era has been retaining the priority of maintaining a strong armed-force. A large part of the economic debt and fiscal deficit of both Egypt and Algeria, like most of the other Third World countries, is spent on strengthening the military. Equipping the military with the latest in weapons systems and investing in
defence is also important against the background of the Arab-Israeli wars and the increasing Western military presence in the region.

Governance in the post-colonial Egypt and Algeria also manifests itself in the manner in which the states retained and held control over the politically active religious forces in the region. Though the state was not openly hostile to political religion, it retained a control over the role religion can play in governance, economics and politics. The state on a limited scale patronized religion, by allowing for the religious laws in certain fields. However the role of political religion as being the largest socio-political force cannot be underestimated. The government, with the backing of its coercive apparatus can only limit the scope of political activity and influence of its opponents.

To accommodate the popular political and social demands, the newly independent states of Egypt and Algeria declared the official state religion to be Islam and incorporated some of the Islamic laws and codes into its legal system. However, the legal system that was established by the colonizers was retained. Neither was the traditional educational system restored. To pressure to maintain a strong military state with the ability to retain its sovereignty and identity in the world, and development of industries, pushed social welfare to a backseat.

3) Political Islam: The interaction between the state and political Islam has had a tendency to be confrontational and violent. The reaction between the two forces of state and political Islam has changed with time. It has been in flux with both forces changing attitudes towards each other over time.

The leaders of political Islam, under the colonial regimes, had been very closely associated with the independence movements. They used their religious platform to garner mass support against the European imperialists. They reacted not only to the economic-legal and social malpractices of the Europeans, but also to the need to be independent in taking decisions about the welfare and future of the country.

Some of the early opposition leaders, in the new states, were people who had dissented from the ruling party. The early Islamic Salvation Front (FIS) or the Muslim Brotherhood leaders believed that independence was an incomplete agenda as the new government had failed to deliver on its promises made during the independence movement. The failure to deliver on the promises of the nationalist movements, for a long time remained the main plank for attacking the government. It was only later that the
concept of establishing an Islamic state with its own system of governance gained ground.

The role of political Islam from the 1970s came to the forefront for providing political and economic alternatives to the existing system of capitalism and globalization. Islamists have used the failed concept of welfare state and attempted to fill in the lacunae left by the state in the field of welfare economics that has given them a mass support base, credibility and a legitimacy to become the alternative governing political body. The Muslim Brotherhood of Egypt and later the FIS of Algeria, stepped into the arena by providing people with solutions to their everyday problems by establishing schools, small-scale industries, health care services and other such services that people need daily.

The reach of the Islamists and their services goes beyond the urban centres to the rural and peripheral areas. They give attention and provide services to the marginalized and neglected sections of the population, organize relief and rehabilitation programmes for the victims of natural disasters, etc.. It is because of their work that their support infrastructure is the largest in the region.

The importance of Islamic economics lies in the management and usage of its finances. The Islamic organizations use the money to build a support base for their political activities. Since they are instrumental in filling in the lacunae left by the failure of the government to deliver in the social sector, they are able to buy themselves legitimacy and popular support for all their activities – good or bad.

The flexibility of membership of the various Islamist organizations reflects the commonness of the appeal of these groups. For most part, recruits are drawn from a remarkably similar pool of individuals: young, male, urban, modern educated, lower to middle class. Research into the radical groups in Upper Egypt, such as al-Jama'a al-Islamiyya al-Jihadiyya and al-Shawqun suggests that the poor, unemployed, and uneducated are also being attracted.53

The failure of the government to provide a comprehensive political-economic solution to the problems of the country lead them on a collision course with the rest of the opposing social forces. The repression of the opposition, the curbing of the Islamists and the military backed retention of power by the government is a legacy of the colonizers, who too were hostile to the Islamists, and followed the same means and methods to counter any opposition of their policies.
In the period under consideration, the role of the former colonizers in actively suppressing the prominent Islamist movements came to the fore. In Algeria the French have not only supported the National Liberation Front (FLN), but also actively participated in the suppression of the FIS after the 1991 elections. According to Hugh Roberts, France played a leading role in orchestrating the war against the FIS, and was almost certainly directly involved in organizing the 1992 coup that subverted the elections. Various reports have stated that Algerian Interior Minister General Larbi Belhaid visited Paris between the FIS victory in the first round of elections on 26 December 1991 and the coup on 11 January 1992, promising that on his return he would sweep the Islamist militants from the streets. Shortly after the coup France's then foreign minister, Ronald Dumas of the Socialist Party, visited Algiers to tell the Junta that its policies of restoring the authority of the states and economic reforms were courageous. France has supported the regime economically politically and militarily. France led the way in winning agreement from Algeria's creditors in the IMF, WB, EU and elsewhere for the rescheduling of debt and the advancement of fresh loans. The Western aid to the junta has amounted to well over $20 billion since the coup. The support to the governments in power has been both direct (as with the French) and indirect (as in the case of Egypt). They have been supporting the regime in power by helping them obtain arms and canvassing their cause in obtaining loans from the multi-lateral funders. Both Egypt and Algeria look to their former colonizers to stand as guarantors while they negotiate loans.

Apart from the colony-colonizer relation, a large number of external political factors too have influenced the developments in the region. The most important of these are the creation of Israel and the displacement and constant persecution of the Palestinians, the defeat of the Arabs in the three Arab-Israeli wars, the increasing Western military presence in the region, the successful Iranian revolution, the Iraq-Kuwait war and the Afghanistan issue.

On the economic front, it has been the increasing presence of multi-nationals in the region, and the takeover of the economy by the external capital. The increasing indebtedness of the region to the Western multi-lateral loan giving agencies, and the enforcement of a structural adjustment programme along with forced liberalization of trade and economy have been extremely important in shaping the socio-economic reaction of the region.
On the social plane the factor of the "immoral cultural influence of the West" and its cultural imperialism coming through their advanced means of communication is important.

Most reasons cited for the rise of a politically active religion in the region are divided into two categories of factors: internal and external. The internal factors impacting the development of both state and society are corruption, unemployment, nepotism, low and regressive economic growth that means lesser jobs in the market, illiteracy, mal-administration, lack of civic amenities and social welfare. There is a visible lack of political will to lead the country to progress, peace and prosperity for all. The external factors include the failure of the government's foreign policy to solve the Palestinian question, or stop the external military presence in the region and the increasing power of Israel. The unpopularity of the regimes in power, and their credibility as being the legitimate governments is questioned when they take assistance from the West to crush democratic movements within the country.

The government has not been able to provide for adequate and effective social cover to the population, and at the same time it borrowed large sums of money to run and expand the administration and invest in projects that either run into losses or cater more to the global players at the expense of the internal traditional industry. Apart from the losses, due to the stringent conditions imposed by the multi-lateral funding agencies, withdraw whatever social benefits exist.

Globalization is seen as an enemy, not just on the economic front (as it forces the small individual craftsmen to compete against large global giants), but also on the political front. It allows for a smaller economic world, and advocates a spread of liberal ideas, ideologies and practices throughout the world, yet it does not allow for a free and fair democracy in the region, by which the society would get a chance to experiment with their own kind of polity.

The agenda of the Islamists has been to establish an alternative government, based on the laws of the sharia and functional in a manner prevalent at the time of the prophet. However, with a passage of time, the agenda has come to focus more on countering the hegemony of the West and the regime it backs, rather than bring about a revolution from the grassroots. Thus the emphasis on traditional criminal and civil laws, on features like Islamic banking and the focus on solidarity among the followers. It is thus important to adapt the religion and the tradition to suit to the changing times.

27 ibid, p.1.


31 For details of the unequal distribution of land and economic resources by the colonial state in Algeria, see ibid, chapter 3; and Bennoune, n. 26 and Abun-Nasr, Jamil, A History of the Maghrib in the Islamic Period, (Cambridge University Press, London, 1987).


35 For details about the consciously formulated policies on education and health care in Algeria, refer to Bennoune, n. 26; Tlemcani, n. 30.


37 Bennoune, n. 26, p.4.


40 Abun-Nasr, n. 31, p. 270.

41 Tlemcani, n. 30, p.42.
42 ibid., and Abun-Nasr, n. 31, for the role of bureaucracy in establishing and maintaining the colonial rule in Algeria.


44 See Abun-Nasr, n. 31, pp 271-272.

45 Details of the economic practices of the British in Egypt can be found in Vatikotis, n. 11.

46 For the economic policies of the British in Egypt, see Vatikotis, n. 36.

47 See Abun-Nasr, n. 6, pp. 270-271.


51 According to Waterbury, n. 48, p.149, it is popularly held, that the vast military expenditure of the West Asian and North African countries is due to the presence of the Israeli threat and the history of the Arab-Israeli wars in the region. However, the increasing military expenditure by the countries is more due to intra-regional conflicts and due to the movements of suppression within the country rather than due to the larger external threat. According to Waterbury, even if the Arab-Israeli conflicts were to end somehow, the following conflicts would continue: Turkey-Greece; Yemen-Saudi Arabia; Iran-Iraq; Saudi Arabia-Iraq; Iraq-Syria; Saudi Arabia-Iran; Turkey-Syria/Iraq; Egypt-Upper Nile States; Libya-Chad; Morocco-Algeria........ the military in Turkey and elsewhere will continue to internal and external threats to national security in order to protect its entitlements.

