



THE MUSLIM BROTHERHOOD AND EGYPT'S SUCCESSION CRISIS

THE POLITICS OF LIBERALISATION AND
REFORM IN THE MIDDLE EAST

MOHAMMED ZAHID

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Abbreviations

ERSAP	Economic Reform and Structural Adjustment Programme
GCC	Gulf Co-operation Council
GDP	Gross Domestic Product
IFI's	International Financial Institutions
IMF	International Monetary Fund
JDP	Party of Justice and Development
IAF	Islamic Action Front
LFSS	Labour Force Sample Survey
MB	Muslim Brotherhood
NDP	National Democratic Party
NGOs	Non-Governmental Organisations
OECD	Organisation for Economic Co-operation and Development
PAMSCAD	Programme of Action to Mitigate the Social Consequences of Adjustment
PLO	Palestinian Liberation Organisation
SDR	Special Drawing Rights
SFD	Social Fund for Development
SOEs	State Owned Enterprises
WB	World Bank
YMMA	Young Men's Muslim Association

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Framing Economic and Political Reform in the Middle East

1.1 Introduction

A causal relationship has been hypothesised between economic and political liberalisation, with the former viewed as a key driver in the process of political change (Friedman, 1962; Hayek, 1960). Economic liberalisation is believed to roll back the state, creating a political space in which civil society can develop. As civil-society groups proliferate, the argument runs, individuals become more assertive in demanding their political rights; and once these demands reach a certain level, authoritarian leaders are forced to make meaningful political changes, or risk being swept away (Cook, 2005). The policy implication of this connective relationship between economic and political liberalisation is simple: encourage economic liberalisation to promote the growth of civil society. The relationship has been central to the work of International Financial Institutions (IFIs) and aid agencies in the Middle East. However, establishing a link between economic and political liberalisation in the region has been problematic, because of two main factors. First, the level and extent of economic liberalisation has not been consistent – indeed, in most cases it has been restrictive and minimal. Second, regional crises such as the Arab-Israeli conflict, and border

clashes such as between Saudi Arabia and Yemen or Iran and Iraq, have been continuously used by power elites to keep in place autocratic mechanisms and institutions. These two factors have made it problematic to examine the link between economic and political liberalisation in the region.

This study therefore does not aim to address the relationship, if any, between economic and political liberalisation in the Middle East, but it does seek to examine the process of economic and political change in Egypt, with particular reference to the period 1991–2009. I focus especially on the role of the Muslim Brotherhood (MB), and its role in the process of political change, by examining the changes it has itself undergone in its shape and character, which have allowed it to become a key political actor in Egypt. I also look at the way in which the Egyptian state has sought to manage and usher forward the politics of succession, by considering the actors and forces driving the succession process in Egypt. The Egyptian case is located in the broader context of the Middle East.

In considering these issues, four important questions emerge. To what extent has there been a process of economic and political reform in Egypt? To what extent has this process of change allowed for the emergence of a functioning civil society? To what extent has this allowed political actors such as the MB to challenge state power? Finally, to what extent is the role of the MB symptomatic of challenges to the legitimacy of the existing state dispensation? To address these questions, this study will first examine the process of economic and political reform in the wider Middle East; this is located in the context of regional and global developments such as US foreign policy post-9/11 and the subsequent 'war on terror'.

The case of Egypt and the MB is detailed in Chapters 3–8, where the economic and political changes in Egypt are set out. In particular they provide an understanding of the process of political change by examining the details of the MB's transformation from a religious movement into a central political actor in Egyptian politics. I examine how it emerged as a strong political force and how internal

reforms of its organisation have contributed to its increasing strength in Egyptian political life. I also situate these internal political and organisational transformations within the MB alongside shifts in the spiritual and ideological discourse that the MB promotes. By understanding these shifts, the process of change in the MB's shape and character and how it has come to relate to the Egyptian state can be more readily understood. This will allow an understanding of how the MB has become a key agent in Egyptian politics and how it has been able to challenge the authority and possibly the hegemony of the Egyptian government. The importance of the MB in Egyptian politics and the increased interest in its role relate to the post-9/11 debate concerning democratisation in the Middle East, and the role of US foreign policy viewed as promoting democracy in the region. In this process of democratisation Egypt has come to be viewed as a key actor in spearheading the process of political change, due to its close relationship with the US and its key regional role in the Middle East. Meanwhile, the MB is arguably the single largest political force in Egypt. Since 1991 it has become the main competitor with state power, and this has dramatically raised its profile. As a result the MB has become central to the process of economic and political change in Egypt.

After a detailed examination of the MB I will explore the politics of succession in Egypt, which has risen to the surface of Egyptian politics over the last six years – this as a result of the increasing power of Gamal Mubarak and his associates, whose rise in the political hierarchy has raised many questions pertaining to the future direction of economic and political change in Egypt. It is therefore important to explore the discourse of political succession, which is undergoing rapid and strong development, taking into consideration the grooming process, the actors involved, and the forces driving political succession in the country. It is also important to examine the role of key political actors such as the MB and the military to determine the extent of their influence and impact on the political-succession process. This discussion will provide a basis

for exploring the future process of economic and political change in Egypt, in particular the level of continuity and discontinuity in the process of economic and political change arising from a succession process in Egypt.

1.2 Contribution and significance of the study

The question of economic and political reform in the Middle East has received much consideration post-9/11, in particular from the US in executing its policy of promoting democracy (Dalacoura, 2005; Nufrio, 2004). Given that Egypt is a key actor in the region, there has been much scrutiny of its process of economic and political reform. The present study adds to this scrutiny by providing a detailed examination of the process of economic and political change in Egypt, relating it particularly to the role of the MB by examining changes in the MB's shape and character and its relationship with the process of political succession. The importance of this study is twofold. First, the study contextualises the subject of economic and political reform by relating it to the role of the MB and the political succession process in Egypt. Second, it also takes into consideration the contemporary context and the wider war on terror, which has resulted in US foreign policy aiming to promote economic and political reform in the region. The study therefore adds a new domestic, regional and international dimension to the examination of economic and political reform in Egypt and the Middle East, which over recent decades has received considerable attention.

1.3 Structure of the study

The study is divided into eight chapters. Chapter 2 examines authoritarianism and democratisation in the Middle East, and also looks at the extent to which Western constructs of civil society can be applied in understanding the role played by organisations like

Islamist parties as actors able and willing to challenge the hegemony exercised by state elites. The chapter provides a backdrop to the case study in question, which is Egypt. Chapter 3 examines internal economic and political changes in Egypt since the beginning of economic reform in 1991, to determine whether the process of change has allowed political actors to challenge the state's power and its structures. Chapter 4 examines the growth and development of the MB from 1928 to 1975, providing a basis for examining the changing shape and character of the movement. Chapter 5 examines the rise of the new guard and its participation in parliamentary elections, which set in motion the MB's changing shape and character, and thus its transition into a key political actor in Egypt. Chapter 6 goes further, in examining these changes in the MB through its participation in professional syndicates in the 1980s, which allowed it to construct a challenge to the state's power and structures in the 1990s. Chapter 7 examines the discourse of political succession in Egypt, in particular exploring the rise of Gamal Mubarak and the forces driving the process of succession in Egypt. The chapter also looks at the role of key political actors such as the MB in terms of their influence and impact on the politics of succession in Egypt. Chapter 8 examines the future process of economic and political change in the country, by taking into consideration the implications of a succession process for the level of continuity and discontinuity in the process of economic and political change. Chapter 9 provides a conclusion to the study.

Shifting Sands

The Middle East between Authoritarianism and Democratisation

2.1 Introduction

This chapter will explore the process of economic and political change in the Middle East, considering the impact of processes of political change on state powers and structures. In doing this it is important to explore the following questions. To what extent has there been a process of economic and political reform in the Middle East? To what extent has this process allowed for the emergence of a functioning civil society? To what extent has this allowed political actors such as Islamist parties to challenge state power? Finally, to what extent is the role of the Islamist parties symptomatic of challenges to the legitimacy of the existing state dispensation? Also, it is important to examine US foreign policy post-9/11, to determine the extent to which it has promoted democracy in the Middle East. This will allow a conclusion to be made as to the prospect of political change in the region in the context of the ongoing war on terror.

2.2 Economic and political reform in the Middle East

The Middle East undertook economic reform in the 1980s and 1990s, with the 'Washington Consensus' laying down the reform programme (Williams, 1990; 1996; 1997). The key targets of the con-