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EGYPT : Failed emergence, conniving capitalism, fall of the Moslem Brothers, a possible popular alternative

Failed emergence of Egypt

Egypt was the first country in the periphery of globalized capitalism that tried to “emerge.” Even at the start of the nineteenth century, well before Japan and China, the Viceroy Mohammed Ali had conceived and undertaken a program of renovation for Egypt and its near neighbours in the Arab Mashreq (Mashreq means “East,” i.e., eastern North Africa and the Levant). That vigorous experiment took up two-thirds of the nineteenth century and only belatedly ran out of breath in the 1870s, during the second half of the reign of the Khedive Ismail. The analysis of its failure cannot ignore the violence of the foreign aggression by Great Britain, the foremost power of industrial capitalism during that period. Twice, in the naval campaign of 1840 and then by taking control of the Khedive’s finances during the 1870s, and then finally by military occupation in 1882, England fiercely pursued its objective: to make sure that a modern Egypt would fail to emerge. Certainly the Egyptian project was subject to the limitations of its time since it manifestly envisaged emergence within and through capitalism, unlike Egypt’s second attempt at emergence—which we will discuss further on. That project’s own social contradictions, like its underlying political, cultural, and ideological presuppositions, were undoubtedly responsible at least in part for its failure. The fact remains that without imperialist aggression those contradictions would probably have been overcome, as they were in Japan. Beaten, emergent Egypt was forced to undergo nearly forty years (1880–1920) as a servile periphery, whose institutions were refashioned in service to that period’s model of capitalist/imperialist accumulation. That imposed retrogression struck, not only its productive system, but also the country’s political and social institutions. It operated systematically to reinforce all the reactionary and medievalistic cultural and ideological conceptions that had been useful for keeping the country in its subordinate position.

The Egyptian nation—its people, its elites—never accepted that position. This stubborn refusal in turn gave rise to a second wave of rising movements which unfolded during the next half-century (1919–1967). Indeed, I see that period as a continuous series of struggles and major forward movements. It had a triple objective: democracy, national independence, and social progress. These three objectives—however limited and sometimes confused were their formulations—were inseparable one from the other. In this reading, the chapter (1955–1967) of Nasserist systematization is nothing but the final chapter of that long series of advancing struggles, which began with the revolution of 1919–1920.

The first moment of that half-century of rising emancipation struggles in Egypt had put its emphasis—with the formation of the Wafd in 1919—on political modernization through adoption (in 1923) of a bourgeois form of constitutional democracy (limited monarchy) and on the reconquest of independence. The form of democracy envisaged allowed progressive secularization—if not secularism in the radical sense of that term—whose symbol was the flag linking cross and crescent (a flag that reappeared in the demonstrations of January and February 2011). “Normal” elections then allowed, without the least problem, not merely for Copts (native Egyptian Christians) to be elected by Muslim majorities but for those very Copts to hold high positions in the State. The British put their full power, supported actively by a reactionary bloc comprised of the monarchy, the great landlords, and the rich peasants, into undoing the democratic progress made by Egypt under Wafdist leadership. In the 1930s the dictatorship of Sedki Pasha, abolishing the democratic 1923 constitution, clashed with the student movement then spearheading the democratic anti-imperialist struggles. It was not by chance that, to counter this threat, the British

Embassy and the Royal Palace actively supported the formation in 1927 of the Muslim Brotherhood, inspired by “Islamist” thought in its most backward “Salafist” version of Wahhabism as formulated by Rachid Reda—the most reactionary version, antidemocratic and against social progress, of the new-born “political Islam. The conquest of Ethiopia undertaken by Mussolini, with world war looming, forced London to make some concessions to the democratic forces. In 1936 the Wafd, having learned its lesson, was allowed to return to power and a new Anglo-Egyptian treaty was signed. The Second World War necessarily constituted a sort of parenthesis. But a rising tide of struggles resumed already on February 21, 1946 with the formation of the “worker-student bloc,” reinforced in its radicalization by the entry on stage of the communists and of the working-class movement. Once again the Egyptian reactionaries, supported by London, responded with violence and to this end mobilized the Muslim Brotherhood behind a second dictatorship by Sedki Pasha—without, however, being able to silence the protest movement. Elections had to be held in 1950 and the Wafd returned to power. Its repudiation of the 1936 Treaty and the inception of guerrilla actions in the Suez Canal Zone were defeated only by setting fire to Cairo (January 1952), an operation in which the Muslim Brotherhood was deeply involved.

A first coup d'état in 1952 by the “Free Officers,” and above all a second coup in 1954 by which Nasser took control, was taken by some to “crown” the continual flow of struggles and by others to put it to an end. Rejecting the view of the Egyptian awakening advanced above, Nasserism put forth an ideological discourse that wiped out the whole history of the years from 1919 to 1952 in order to push the start of the “Egyptian Revolution” to July 1952. At that time many among the communists had denounced this discourse and analyzed the coups d'état of 1952 and 1954 as aimed at putting an end to the radicalization of the democratic movement. They were not wrong, since Nasserism took the shape of an anti-imperialist project only after the Bandung Conference of April 1955. Nasserism then contributed all it had to give: a resolutely anti-imperialist international posture (in association with the pan-Arab and pan-African movements) and some progressive (but not “socialist”) social reforms. The whole thing done from above, not only “without democracy” (the popular masses being denied any right to organize by and for themselves) but even by “abolishing” any form of political life. This was an invitation to political Islam to fill the vacuum thus created. In only ten short years (1955–1965) the Nasserist project used up its progressive potential. Its exhaustion offered imperialism, henceforward led by the United States, the chance to break the movement by mobilizing to that end its regional military instrument: Israel. The 1967 defeat marked the end of the tide that had flowed for a half-century. Its reflux was initiated by Nasser himself who chose the path of concessions to the Right (the *infatih* or “opening,” (an opening to capitalist globalization of course) rather than the radicalization called for by, among others, the student movement (which held the stage briefly in 1970, shortly before and then after the death of Nasser). His successor, Sadat, intensified and extended the rightward turn and integrated the Muslim Brotherhood into his new autocratic system. Mubarak continued along the same path.

Under Nasser Egypt had set up an economic and social system that, though subject to criticism, was at least coherent. Nasser wagered on industrialization as the way out of the colonial international specialization which was confining the country to the role of cotton exporter. His system maintained a division of incomes that favoured the expanding middle classes without impoverishing the popular masses. Sadat and Mubarak dismantled the Egyptian productive system, putting in its place a completely incoherent system based exclusively on the profitability of firms most of which were mere subcontractors for the imperialist monopolies. Supposed high rates of economic growth, much praised for thirty years by the World Bank, were completely meaningless. Egyptian growth was extremely vulnerable. Moreover, such growth was accompanied by an incredible rise in inequality and by unemployment afflicting the majority of the country's youth. This was an explosive situation. It exploded.

During the Bandung and Non Alignment period (1955-1970) the Arab countries were in the forefront of the struggles of the peoples, the nations and the states of the South for a better future and a less unequal global system. Algeria's FLN and Boumedienne, Nasser's Egypt, the Baas regimes in Iraq and Syria, the

South Yemen Republic, shared common characteristics. These were not “democratic” regimes according to the Western criteria (they were “one party” systems), nor even according to our criteria which implies positive empowerment of the peoples. But they were nevertheless legitimate in the eyes of their peoples, for their actual achievements: mass education, health and other public services, industrialization and guarantees for employment, social upward mobility, associated with independent initiatives and anti imperialist postures. Therefore they were continuously and fiercely opposed by the western powers, in particular through repeated Israeli aggressions.

These regimes achieved whatever they could in that frame within a short period, say 20 years, and then ran out of steam, as a result of their internal limits and contradictions. This, coinciding with the breakdown of Soviet power, facilitated the imperialist “neo liberal” offensive. The ruling circles, in order to remain in office, have chosen to retreat and submit to the demands of neo liberal globalization. The result has been a fast degradation of the social conditions. All that had been achieved in the era of the National Popular State to the benefit of the popular and middle classes was lost in a few years, poverty and mass unemployment being the normal result of the neo liberal policies pursued. Thus the objective conditions for the revolts were created.

The period of retreat lasted, in its turn, almost a half century. Egypt, submissive to the demands of globalized liberalism and to US strategy, simply ceased to exist as an active factor in regional or global politics. Instead, the major US allies—Saudi Arabia and Israel—occupied the foreground. Israel was then able to pursue its course of expanding colonization of occupied Palestine with the tacit complicity of Egypt and the Gulf countries.

De-politicization of the society due to the modus operandi of the Nasserist regime is behind the rise of political Islam. Note that Nasserism was not the only system that took this approach. Rather, most populist nationalist regimes of the first wave of awakening in the South had a similar approach in the management of politics. Note also that the actually existing socialist regimes have also taken this only approach, at least after the revolutionary phase, that was democratic in nature, when they solidified their rule. So, the common denominator is the abolition of democratic praxis. And I do not mean here to equate democracy with multiparty elections. Rather, the practice of democracy in the proper sense of the word, i.e. respect for the plurality of political views and political schemes and for political organizing. Because politicization assumes democracy, and democracy does not exist if those who differ in opinion with the authority do not enjoy freedom of expression. The obliteration of the right to organize around different political views and projects eliminated the politicization, which ultimately caused the subsequent disaster.

This disaster has manifested itself in the return to the bygone archaic views (religious or otherwise), and this was also reflected in the acceptance of the project of the "consumer society" based on solidification of the so-called trend of “individualism,” a trend which spread not only among the middle class that is benefiting from such pattern of development, but also among the poor masses who call for participating in what appear a minima welfare—even though with its maximum simplicity—in the absence of credible real alternative. Therefore one must consider this as a legitimate demand from the popular classes.

The de-politicization in Islamic societies took a prevailing form that was manifested in the apparent or superficial "return" to "Islam". Consequently, the discourse of the mosque along with the discourse of the authority became the only allowed ones in Nasser’s period, and more so during the periods of Sadat and Mubarak. This discourse was then used to stop the emergence of an alternative based on the entrenching of a socialist aspiration. Then this “religious” discourse was encouraged by Sadat and Mubarak to accompany and cope with the deteriorating living conditions resulting from the subjugation of Egypt to the requirements of imperialist globalization. This is why I argued that political Islam did not belong to the opposition block, as claimed by the Muslim Brotherhood, but was an organic part of the power structure.

The success of political Islam requires further clarification regarding the relationship between the success of imperialist globalization on the one hand, and the rise of Brotherhood slogans on the other hand.

The deterioration that accompanied this globalization produced proliferation in the activities of the informal sector in economic and social life, which represents the most important sources of income for the majority of people in Egypt (statistics say 60%). The Brotherhood's organizations have real ability to work in these circumstances, so that the success of the Brotherhood in these areas in turn has produced more inflation in these activities and thus ensured its reproduction on a larger scale. The political culture offered by the Brotherhood is known for its great simplicity. As this culture is content with only conferring Islamic "legitimacy" to the principle of private property and the "free" market relations, without considering the nature of the activities concerned, which are rudimentary ("Bazaar") activities that are unable to push forward the national economy and lead to its development. Furthermore, the provision of funds widely by the Gulf States has allowed for the boom of such activities as these states have been pumping in the required funds in the form of small loans or grants. This is in addition to charity work (clinics, etc.) that has accompanied this inflated sector, thanks to the support of Gulf States. The Gulf states do not intend to contribute to the development of productive capacity in the Egyptian economy (building factories...etc.), but only the development of this form of "lumpen development", since reviving Egypt as a developing state would end the domination of the Gulf states (that are based on the acceptance of the slogan of Islamization of the society), the dominance of the United States (which assumes Egypt as a comprador state infected with worsening poverty), and the domination of Israel (which assumes the impotence of Egypt in the face of Zionist expansion).

The apparent "stability of the regime," boasted of by successive US officials like Hillary Clinton, was based on a monstrous police apparatus of 1,200,000 men (the army numbering a mere 500,000) free to carry out daily acts of criminal abuse. The imperialist powers claimed that this regime was "protecting" Egypt from the threat of Islamism. This was nothing but a clumsy lie. In reality the regime had perfectly integrated reactionary political Islam (on the Wahhabite model of the Gulf) into its power structure by giving it control of education, of the courts, and of the major media (especially television). The sole permitted public speech was that of the Salafist mosques, allowing the Islamists, to boot, to pretend to make up "the opposition." The cynical duplicity of the US establishment's speeches (Obama no less than Bush) was perfectly adapted to its aims. The de facto support for political Islam destroyed the capacity of Egyptian society to confront the challenges of the modern world (bringing about a catastrophic decline in education and research). By occasionally denouncing its "abuses" (like assassinations of Copts) Washington could legitimize its military interventions as actions in its self-styled "war against terrorism." The regime could still appear "tolerable" as long as it had the safety valve provided by mass emigration of poor and middle-class workers to the oil-producing countries. The exhaustion of that system (Asian immigrants replacing those from Arabic countries) brought with it the rebirth of opposition movements. The workers' strikes in 2007 (the strongest strikes on the African continent in the past fifty years), the stubborn resistance of small farmers threatened with expropriation by agrarian capital, and the formation of democratic protest groups among the middle classes (like the "Kefaya" and "April 6" movements) foretold the inevitable explosion—expected by Egyptians but startling to "foreign observers." And thus began a new phase in the tide of emancipation struggles, whose directions and opportunities for development we are now called on to analyse.

The history of modern Egypt is that of successive waves of attempts at emergence, designed using essentially the model of a capitalist society. Nonetheless, it is associated with progressive social transformations and advances in democracy, benefitting from a clear vision that the hostility of Western powers must be confronted. The abandonment of these attempts must be largely attributed to this hostility, which has been directed more at Egypt than against the others, particularly modern Turkey.

Egypt entered, in 2011, a new phase in her history. The analysis which I propose consists of a democratic movement, national and popular in its appeal, and the strategies of the local reactionary adversary and its outside allies permit one to imagine a multitude of different paths towards emergence. In conclusion to this analysis I must say at this time one could not say that Egypt is on the path towards emergence. Rather, for the foreseeable future, Egypt will sink into a fatal combination of lumpen development, powerful political Islam, and submission to the domination of the global imperial system. However the struggle will continue and will perhaps permit an exit from this impasse and a reinvention of an appropriate road to emergence.

The fall of Morsi : an important victory of the Egyptian people

The fall of Morsi and of the rule of the Moslem Brothers is an important victory of the Egyptian people. It was expected by all Egyptians. 25 millions of citizens had signed a petition requiring the departure of Morsi, elected only thanks to a massive fraud; whose legitimacy was not recognized by the Egyptian judiciary body, but who was imposed by the decision of Washington. The body of "international observers of elections" had indeed failed to see the fraud!

The government of the Moslem Brothers was pursuing the same reactionary policy as that of Mubarak, and even in a more destructive way for the majority of popular classes. It made clear that it did not intend to respect the rules of democracy; it mobilized criminal gangs paid to harass the popular movements, continuously waving the flag of a "civil war". Morsi acted as a brutal dictator, setting in all positions in the State of exclusively devoted Moslem Brothers. The combination of a disastrous economic and social policy and of the disrespect for normal management of the State led to an accelerated decline of earlier illusions of a good part of the society; the Moslem Brotherhood showed their real face. Yet the western powers continued to support the "elected President", claiming that the regime was progressing toward democracy. Probably just as the Democratic Republic of Qatar is!

What happened on June 30th was expected. Mass demonstrations, larger even than those of January 2011 : 16 million people on the streets, as recorded by the Police. Morsi responded by moving again the flag of the "civil war". But he was unable to mobilise more than a few hundred thousands of paid supporters. Western powers, Israel and the Gulf countries hate the perspective of a democratic, socially progressive, independent Egypt. They will manipulate criminal mercenaries, so called Jihadists, established with their complicity and support in Lybia and in the Egyptian province of Sina. The Egyptian nation and its army can defeat them.

Egypt to day ; the challenges for the democratic popular movement

Too much is written on Egypt, which is understandable, even when coming from people whose knowledge of the Arab world is limited. Too many are absorbing the info given by the mainstream western media, which is in that case as well as it is with respect to Venezuela for instance, almost always systematically distorted and even often completely false. Many are also simplifying the issue , the alternative being : "respect of elections' results - we say in Egypt rightly of so called elections - or support to a military power". No , the real challenge does not allow that over simplification . The "movement" - a gigantic mass movement- expresses a set of demands : 1) for social justice, 2) for respect of human dignity and rights (ie democracy understood as more than simply elections), 3) respect of national sovereignty and independence. These demands are objectively complementary, progressive, and involve moving away from neo liberal economic and social policies which are at the origin of the disaster, and simultaneously

moving away from alignment on the US and their allies (Europe, Israel, the Gulf countries) in international and regional politics. Yet wide segments of the movement understand that only in part, sometimes separating the issues and forgetting this or that one of the programme, that is the least that can be said. The Military high command took advantage of that weakness by supporting the mass people demand (removing Morsi) and simultaneously giving no power to the movement (keeping it for them). The struggle is on that ground, not on the one as defined by the Muslim Brothers or the Western powers. It is a struggle aiming at compelling the government to implement the 3 demands as formulated above, certainly not demanding the return of the so called elected President Morsi !

Progress of democracy (including fair and meaningful elections) cannot be achieved if separated from social progress. Pursuing policies which associate « democracy » (reduced to elections) with neo liberal policies (which ineluctably produce social regression) is simply killing the perspective of democracy which loses legitimacy and opens the road to non democratic forces. Am I wrong ? Are not « elections » in such a frame turned into a farce , even when not a simple fraud ? Curious indeed. The progressive attitude would be that of the mainstream media (and behind the leading powers and the donors' agencies) which precisely request the alignment on neo liberal policies. Can we accept that ? i.e. abstain going beyond what the imperialist powers and their agencies allow us ?

Now the ball is in the hands of President Sissi : will he pursue the disastrous liberal economic policy of his predecessors, or will he understand that moving out of that policy is the only alternative which responds positively to the demands of the movement? In the first assumption, there is no doubt that the popular movement will again mobilise, as it has done it against Mubarak and Morsi.

Liberal capitalism, conniving capitalism and lumpen development

What are the immediate alternative answers?

A." Liberal " Capitalism or conniving capitalism ?

Liberal capitalism (or neoliberal) proposed and imposed as without alternatives is based on seven principles considered as valid for all societies in the globalized world.

1. The economy must be managed by private companies because they only behave normally as actors subject to the requirements of the transparent competition , moreover beneficial to society, it ensures economic growth based on the rational allocation of resources and fair remuneration of all factors of production - capital, labor and natural resources. Accordingly if there are assets owned by the state, unfortunate legacy of "socialism" (productive enterprises, financial institutions, urban land or agricultural land), they should be privatized.

2. The labor market must be liberalized, fixing compulsory minimum wage (and a fortiori a sliding scale for the latter) should be removed. Labor law must be reduced to the minimum standards to ensure the morality of human relations between employer and employee . Trade union rights limited and controlled for this purpose. The wage hierarchy result of individual and free negotiations between employees and employers must be accepted, as well as the sharing of net national income between labor income and capital income as a result.

3. Services called social - education, health, or the supply of water and electricity, housing, transport and communications - when they were in the past provided by public agencies (state and local authorities) should also be privatized as much as possible, their cost must be borne by the individuals who are the beneficiaries and not covered by the tax.
4. The tax function should be the minimum necessary to cover only sovereign functions (public order, national defense in particular), the tax rate must remain relatively moderate, not discourage private initiative and to guarantee their reward.
5. Credit management should be undertaken by private interests, allowing the free encounter between supply and demand of credits to form itself in a rational monetary and financial market.
6. Public budgets must be designed to be balanced without deficit other than circumstantial and conjunctural. If a country suffers from a structural deficit inherited from a past that we want to deny his inheritance, the government must commit to reforms that reduce the scale as quickly as possible. Meanwhile the deficit must be covered by the borrowing on the private capital market, domestic or foreign.
7. These six principles are considered to be implemented not only in all the nations of the globalized world, but also in international relations, regional (for example the EU) or global. Private foreign capital must be free to move and be treated on an equal footing with local private capital.

These principles together constitute the "market fundamentalism". I shall recall here the inconsistency of the assumptions and the lack of compliance of the scheme with reality. Very briefly the proof by logical reasoning that the free play of market widespread, even in the extravagant (not according to reality) assumption that the existence of a competition called transparent would produce a balance between supply and demand (in addition socially optimal), has never been made. Instead logical reasoning leads to the conclusion that the system moves from imbalance to imbalance never arriving to balance. Successive imbalances in question are produced because this theory (which defines the conventional economics) excludes from its scope of investigation the conflicts of social and national interests .Moreover, these assumptions describe an imaginary world that has nothing to do with the contemporary system that really exists, which is that of a capitalism of generalized,financialized, and globalized monopolies. This system is not viable and its ongoing implosion shows that. I refer here to my writings on this radical critique of the system in question and the economic theory which legitimizes it.

Implemented globally the principles of liberalism do not produce anything in the outskirts of the "south" else than a connivance capitalism (*crony capitalism*), hinged on a comprador state, as opposed to the national state embarked on a path of sustainable economic and social development. This form of capitalism (and there is no other possible) therefore produces no development, but a lumpen-development. The example of Egypt, considered in what follows, provides a good example.

B. Connivance capitalism, comprador state and lumpen development: The case of Egypt (1970-

Successive Egyptian governments since Sadat 'access to Presidency (1970) have so far implemented with all diligence all principles proposed by the liberal fundamentalism. Morsi and the Moslem Brothers continued this same so called liberal policy. The present government also pursue the same route. What has resulted has been the subject of serious and accurate analysis with definite conclusions, as follows:

1. The Nasserist project to build a national developmentalist state had produced a model of state capitalism that Sadat pledged to dismantle, as he told his U.S. interlocutors ("I want to send to the devil Nasserism, the socialism and all this nonsense and I need your support to achieve that", a support which was obviously given without restriction). Assets owned by the state - industrial, financial and commercial, agricultural land and urban or desert land - have been "sold". To whom? To businessmen in collusion, close to the power system : Senior army officers, officials, rich merchants returned from their exile in the Gulf countries equipped with beautiful fortunes (in addition to the political and financial support of the Muslim Brotherhood). But also to "Arabs" of the Gulf countries and foreign US and European companies. At what price ? At ridiculous prices, incommensurate with the real value of assets.

It is in this way that has been built the new "owning" Egyptian and foreign class that fully deserves the qualification of capitalist collusion/crony (*rasmalia al mahassib*, Egyptian term to designate it and understood by all). Some notes:

a. property granted to the "army" transformed the character of the responsibilities it already exercised in certain segments of the productive system ("the army factories") that the army managed as state institution. These powers of management became those of private owners. In addition to privatization in the race the most powerful officers also "acquired" the property of many other state-owned assets: commercial businesses, suburban and urban land and housing estates in particular.

b. The opinion describes these Egyptian practices of "corruption" (*fasad*) located in the field of morality, making the assumption that justice worthy of the name could fight it successfully. Much of the left itself makes the distinction between this condemnable corrupt capitalism and an acceptable and desirable productive capitalism. Only a small minority understands that when the principles of "liberalism" are accepted as the basis for any policy called "realistic" capitalism in the periphery of the system can't be different. There is no bourgeoisie building itself on its own initiative as the World Bank wants us to believe. There is a comprador state active behind the creation of these colossal fortunes.

c. The fortunes of Egyptian and foreign were formed through the acquisition of existing assets without adding productive capacities other than negligible. The "capital inflows" (Arab and other), moreover modest, fall within this framework. The operation ended with the establishment of private monopoly groups that now dominate the Egyptian economy. It is far from healthy and transparent competition liberal discourse trumpeted to them. Moreover, the greater part of these colossal fortunes consists of real estates: Holiday villages ("*Marina*") on the shores of the Mediterranean and the Red Sea, new neighborhoods closed, guarded (at Latin American fashion - previously unknown in Egypt), desert terrain in principle intended for agricultural development. These properties are retained by their owners who speculate on resale after the State has provided staggering costs of infrastructure that give them real value (and these costs have obviously not been included into the sale price of the land).

2. The monopoly power of the new capitalism of complicity has been systematically reinforced by the almost exclusive access of these new billionaires to bank credit (including for the "purchase" of the assets in question) at the expense of lending to small and medium producers.

3. These monopolistic positions have also been reinforced by massive subsidies from the state, for example, granted for the consumption of oil, natural gas and electricity by industries that had been privatized (cement, iron metallurgy and the aluminum, textiles and others). But the "free market" has

allowed these companies to raise their prices to adjust to those of competing imports. The logic of public subsidy which compensated for lower prices by the state sector is broken in favor of super profits of private monopolies.

4. Real wages for the vast majority of unskilled and medium qualifications deteriorated by the effect of the laws of the free labor market and the fierce repression of collective action and trade unions. They are now located at rates much lower than they are in other countries of the South, whose per capita GDP is comparable. Super profits of private monopolies and poverty go hand in hand and result in the continued widening of inequality in income distribution.

5. Inequality has been reinforced consistently by a tax system which denied the principle of progressive taxation. This low tax for the rich and corporations, praised by the World Bank for its alleged virtue to support investment resulted simply into super-profits.

6. Throughout these policies implemented by the state, comprador/crony capitalism does not produce by itself but a low growth (less than 3%) and hence the continued growth of unemployment. When the rate was a little better, it was out of the expansion of extractive industries (oil and gas), associated with a conjuncture of better prices, the growth in fees from the Suez Canal, tourism and remittances from migrant workers.

7. These policies have also made it impossible to reduce the public deficit and the external trade balance. They have led to the continuing deterioration of the value of the Egyptian pound, and imposed growing public debt. This gave the opportunity to the IMF to impose ever greater respect for the principles of liberalism.

C. Immediate responses

These answers have not been imagined by the author of these lines. I merely collected them from the various components of the movement - left and center national democratic forces, trade unions, various youth and women organizations etc. .Considerable work and of quality was conducted for more than a year by activists responsible for the formulation of a common program to meet the immediate requirements. Their formulations (repeated here) have already been published, among others by our colleague Ahmad El Naggar. The salient points are:

1. Transfer operations of public assets should be subject to systematic revision. Specific studies - equivalent to good audits - are available for many of these transactions and prices corresponding to the real value of these assets calculated. Given that the "buyers" of these assets have not paid these prices, the property acquired assets must be transferred by law after an audit ordered by the court to state corporations whose shareholder is equal to the difference between the actual value of the assets and that paid by buyers. The principle is applicable to all these buyers be it Egyptian, Arab and foreign.

2. The law should establish minimum wages, amounting to LE 1200 per month (155 Euro at rate of exchange in effect, the equivalent purchasing power of 400 Euros). This rate is lower than it is in many countries whose GDP per capita is similar to that of Egypt. The minimum wage must be associated with a sliding scale and unions responsible for monitoring its implementation. It will apply to all activities of public and private sectors.

Given that the beneficiaries of the freedom of prices, private sectors that dominate the Egyptian economy have already chosen to locate their prices closer to those of competing imports, the measure can be implemented and will reduce margins of monopolies profit without destroying the viability of the industries. This adjustment does not threaten the balance of public accounts, taking into account savings and new tax legislation as proposed later in the paper.

The proposals made by the movements concerned will be strengthened by the adoption of the maximum wage : 15 times the minimum wage.

3. Workers' rights - conditions of employment and loss of employment, working conditions, health insurance / unemployment / retirement - should be discussed in a major tripartite consultation (unions, employers, government). Independent unions formed through the struggles of the past decade should be legally recognized as the right to strike (always "illegal" in the current legislation).

A "survival benefit" must be established for the unemployed, the amount and conditions of access and funding of which should be subject to negotiation between the unions and the state.

4. Subsidies granted by the colossal budget to private monopolies should be abolished. Again the specific studies conducted in these areas show that the abolition of these benefits does not affect the profitability of the activities involved, but only reduce their monopoly rents.

5. New tax legislation should be implemented based on progressive taxation of individuals. The rate of taxation of profits of enterprises employing more than 20 workers should be raised to 25%. Tax exemptions granted with extreme generosity to Arab and foreign monopolies should be abolished. Taxation of small and medium enterprises, often heavier now (!) should be revised downward. The proposed rate for the upper brackets of personal income - 35% - also remains low in international comparison.

6. A precise calculation was conducted which shows that all the measures proposed in paragraphs 4 and 5 can not only remove the current State budget deficit (2009-2010) but also provide a surplus. This will be used to increase public spending on education, health, popular housing subsidy.. The reconstruction of a public social sector in these areas does not impose discriminatory measures against private activities of a similar nature.

7. The credit must be placed under the control of the Central Bank. Extravagant facilities granted to monopolies should be abolished in favor of the expansion of credit to small businesses in action or that could be created in this perspective. Specific studies have been conducted in the areas concerned, craft, industrial, transport and service. The demonstration has been made that the candidates to take initiatives in the direction of creating business and employments exist (particularly among unemployed graduates).

8. Programs offered by the components of the movement remains less clear with regard to the peasant question. The reason is that the movement of resistance to the expropriation of small farmers accelerated since the current policies of "modernization" of the World Bank were adopted remains fragmented and never went out of the village concerned - especially because of the fierce repression to which it is submitted and the non-recognition of its legality.

The current claim of the movement - mainly urban, admittedly - is simply passing laws making it harder for the eviction of tenants unable to pay excess rents charged on them and the expropriation of indebted smallholders.. In particular, it advocates a return to a law fixing the maximum rent (they were later freed by the successive laws revising the agrarian reform).

But it should go further. Progressive organizations of agronomists have produced concrete projects and argued for ensuring the development of the small peasantry. Improved irrigation methods (drip etc.), choice of rich and intensive cultures (vegetables and fruits), remove of the upstream monopoly control of inputs by suppliers, remove of the downstream monopoly power through the creation of marketing cooperative associated with consumer cooperatives. But it remains to establish an enhanced communication between these organizations of agronomists and agricultural smallholders involved. Legalization of organizations of farmers, their federation at the provincial and national levels should facilitate progress in this direction.

9.The action program set out in paragraphs above would certainly initiate a resumption of healthy and sustainable economic growth. The argument advanced by liberal critics - that would ruin any hope of new entries of capital from external sources - do not hold. The experience of Egypt and other countries, particularly in Africa, who have agreed to comply fully with the requirements of liberalism and renounced to develop by themselves a project of authentic development shows that these countries do not “ attract” foreign capital despite their uncontrolled opening (precisely because of it).Foreign capital will simply then conduct raid operations on the resources of the countries concerned, supported by the state and collusion of comprador capitalism .On the other end emerging countries who actively implement a national development project do offer real opportunities to foreign investment that accept to engage in these national projects, and accept the constraints imposed on them by the state as well as the adjustment of profits at reasonable rates.

10.The government of Muslim Brotherhood chosen by the President Morsi had immediately declared its unconditional adherence to all the principles of liberalism, and taken measures to accelerate their implementation, and deployed to this end all means of repression inherited from the former regime. The state and comprador capitalism connivance continued ! Popular consciousness that there was no change was growing as evidenced by the success of the campaign of signatures collected by Tamarrod asking the removal of Morsi (26 million signed) and then after by the gigantic popular demonstration of June 30th (33 million people demonstrating the same day in all cities of Egypt) that brought down Morsi. Yet the new government set up after the fall of Morsi does not seem to have understood. Its economic programme is “liberal”, based on the same illusions that the US, the World Bank, IMF, the Gulf countries should and will rescue Egypt. But the movement continues and the people say in the streets : “the revolution has not changed the regime, but it has changed the people”.

11.The program of immediate demands which I have traced the dominant lines here only concerns the economic and social challenge. Of course, the movement also discusses its political sides: the draft constitution, the democratic and social rights, the required " citizens state" (*Dawla al muwatana*). These issues have not been addressed here.