WHENCE WILL COME EGYPT'S FUTURE LEADERSHIP?

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An overriding question is whether or not any regime will tolerate, no less encourage, the development of political institutions beyond the control of the government itself; or the development of what others have called civil society. Since the Nasserist period, all such groups in Egypt have been extensions of the political regime itself, with little effective independence.

For over 40 years, Egypt's presidents have been military men, and although there has been creeping civilianization of the cabinet, the country's leaders have never strayed far from their military base of support. When the incumbency of Husni Mubarak comes to an end some time early in the next century, it may fall to civilian leadership to take up the reins of power. That is by no means a foregone conclusion, however. It is as likely that some form of lightly veiled military rule will continue. Before the collapse of his government, General Suharto of Indonesia showed that military, authoritarian rule could be made compatible with rapid growth, provided the

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government made use of the best civilian experts in economics and finance, stimulated the indigenous private sector, and attracted foreign investment. With the collapse of the Asian tigers, however, some of these concepts have been questioned. Egypt will need to do all that and more if it is to make a successful transition to a market economy while meeting the challenges of a rapidly growing workforce and the opposition of an entrenched Islamist movement. The past and present sources of leadership will heavily influence what is likely, as opposed to what is possible, in the emergence of Egypt's future leadership.

Political Patterns, Past and Present
At least three political generations are currently represented in the Egyptian elite. There are a few "dinosaurs" from the pre-1952 era, such as Fuad Serag al-Din, the second-most powerful man in the Wafd Party prior to the revolution in 1952, and its undisputed leader since the death of Nahhas Pasha, and Ibrahim Shukry, former MP and leading member of Young Egypt after World War II and today the leader of the Egyptian Labor Party. As leaders of marginalized "opposition" parties, Serag al-Din and Shukry do not carry much weight in the system. There are remnants of the Nasserist era who are today, despite the relaunching of a Nasserist party, mainly in retirement or in honorific positions. Only Khalid Muhyi al-Din, former officer and core member of the 1952 Revolutionary Command Council, as leader of the Tagammu' Party, and Hassanein Heikal, former editor-in-chief of Egypt's most prestigious daily, al-Ahram, who continues to be the country's most influential pundit, can be said to have any current prominence. Most of the salient figures of the Sadat era, no longer occupy center stage, including the likes of Ahmad Osman, former chief executive officer of the giant construction firm, Osman Contractors; Sayyid Marei, long-time minister of agrarian Reform; Kemal Hasan Ali, senior officer and former vice president; and Abdul Aziz Higazi, university professor and former prime minister. In some ways Dr. Yussuf Wali, secretary-general of the National Democratic Party and minister of agriculture, is the most important holdover from the Sadat era.
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The main actors today in the governmental elite are those who occupied positions in the politico-administrative hierarchy directly beneath the key players of the Sadat years—deans or rectors of universities, deputy ministers, provincial governors, and senior military figures. There has thus been a succession of generations, and a rather orderly one at that, with no leapfrogging into younger age cohorts. Only militant Islamic groups, which obviously play only an adversarial and largely illegal role in the political system, have produced leaders in their twenties and thirties.

The smooth generational transition of Egyptian leadership is mirrored in its meritocratic characteristics. To understand better what is at stake, we may draw on the abundant literature on Latin American political elites, which often highlights the balance between technicos and politicos. The former are politically powerful by virtue of their technical competence and training. They tend to be powerful in the financial, production, and military sectors of the state and political system. They live with and often depend on the politicos, who are politicians of diverse backgrounds to be found in both democratic and authoritarian settings. They are the deal makers, the brokers, and the strategists, and they need the technicos in order to make deals and strategies that work; the technicos need the politicos in order to protect and promote their careers in highly politicized and often dangerous environments.

When one looks at Egypt since 1952, what is most striking is the dominance of technicos. Men, and one or two women, have arrived at positions of power on the strength of their training, education, and technical expertise. This does not mean that they ignore conventional politics, but it was not political skills that brought them to prominence. In looking back over the last four decades, the only politico of long standing and real power discerned in Egypt's elite is Sayyid Marei.

By contrast, Egypt's elite has been overwhelmingly drawn from what Manfred Halpern called years ago, "the new middle class." Unlike conventional, property-owning middle classes, this new class, Halpern argued, owned intellectual capital, acquired through technical training and higher education. As a result it was and is a class that places a premium on performance, competence, and
know-how. It is an empirical question whether or not this class in fact existed in Egypt or anywhere else and further whether or not it was able to maintain the ideals Halpern attributed to it. But the simple fact is that the type of one's education in Egypt is as powerful a predictor of one's path to power as one can find. I am not arguing that expertise guarantees elite status, but it is a requisite, and the type of expertise will indicate in what realm status will be achieved.

The Dominance of Technocrats

As the years passed after 1952, and especially after Egypt moved into “state socialism” between 1956 and 1963, patterns of elite recruitment became fairly clear and well known. The realm of public finance, banking, and trade was initially dominated by civilians with business experience of one kind or another, but they gradually gave way to experts in economics, accounting, and banking recruited from universities and institutes of higher education. In all instances, this sphere of the elite has been dominated by civilians. Subsequently economic planning was added to this sphere, and the Ministry of Planning and the Institute of National Planning (a kind of governmental think tank) were staffed increasingly by holders of advanced degrees from Soviet and Eastern European institutions. Egypt's two most recent prime ministers, Atif Sidqi, a professor of accounting, and Kamal Ganzouri, a Ph.D. in economics from the United States and for many years an expert in the Ministry of Planning, typify the kind of technocrats with which President Mubarak feels most comfortable.

The productive sectors tended to be dominated by engineers. Industry, agriculture, energy, construction, transportation, and the like were captained by engineers with appropriate training and experience. Some, but always a minority, were drawn from the military. Specific subsectors, such as public sector textiles, chemicals, or automobiles, came to supply top-level leadership, including the minister of industry.

The defense sector, including military production, ports, and airfields, has been the strict preserve of the military itself. Moreover, the military, in conjunction with the intelligence and internal security
apparatuses, has claimed the Ministry of Interior and provincial governorships (Ahmad Guweily notwithstanding: see note 1). The Ministry of Foreign Affairs appears to be the most hybrid public agency in Egypt, drawing its experts from the faculties of political science, intelligence, the military, and other parts of the administration.

Few, if any, positions of power exist outside the public sector sphere. Even rector s of universities and editors of major newspapers have often been quasi-official figures, as have the heads of professional syndicates, until recently. The dominant political organizations of the last 40 years—the National Union, the Arab Socialist Union, and the National Democratic Party—have not provided alternate career paths to power. Rather, the government has seconded public officials to serve in the ranks of the political formations. Thus, the political class of Egypt is small and atrophied. Because technicos rather than politicos dominate, individuals with the capacity to mediate among diverse groups or to mobilize multiple constituencies, are in short supply.

Future Political Scenarios

Having examined the patterns of leadership recruitment of the past, what are the prospects for change in the future? In the 21st century, the sources of leadership will depend, in part, on at least four possible political scenarios.

The first is a continuation of the status-quo—an authoritarian, centralized political structure, dominated by technocrats and the military/intelligence apparatuses. The appointment of Kemal Ganzouri as prime minister after the national elections of November-December 1995 represents a change in style but not the introduction of new blood. Ganzouri had served as minister of planning and deputy prime minister for 9 years.

New types of leaders will be rare and in marginal positions. The brief passage of Fuad Sultan as minister of tourism would be an example. He is both a civilian and a businessman who previously occupied no high office in the government or in any political formation. He was expected to bring his private sector experience to bear on re-shaping policy toward public enterprise, but beyond
limited reforms within the tourism sector, he was effectively stymied. In early January 1996, Nawwal al-Tatawi, a Ph.D. in economics from Wisconsin and similar in background to Sultan, was appointed to the important position of minister of economy and international cooperation. She was an expert in the World Bank, then a senior officer in the Arab Investment Bank in Cairo after 1978.

The second scenario would witness the engineering of some sort of democratic opening. In that event, real politicians, advocating programs or promoting specific interests, would emerge, replacing in part nominally apolitical technocrats. Such politicians would have to compete for votes, and their success or failure would depend at least as much on their ability to address the needs of parts of the electorate as it would on their access to the top-most power wielders in the regime.

In the third scenario, a seizure of power by Islamic groups, whether by violent or peaceful means, takes place. The type of leadership that would emerge would depend on the groups that seize power and with whom they ally. One possibility is a regime little different from that which we see today, except for the fact that its ideology will be explicitly Islamic. It would be based on a technocracy, a dominant single party, and an alliance with the military. Pakistan under General Zia al-Haq provides an example.

A fourth scenario would be seizure of power by extremist groups with a social revolutionary agenda and relying on peoples' militias, and local committees. Unlike the first Islamic variant, there would be plenty of politics, grassroots leaders, a certain contempt for the technocracy, and probably a fairly short life span for the regime itself. Islamic romantics cannot change the realities of managing a complex economy thoroughly enmeshed in international commodity and financial markets. Islamists of whatever stripe will share with the current regime a deep suspicion of anything we might label pluralist, an obsession with political control, and a preference for loyal, apolitical technocrats.

In the first two scenarios (the status quo and a democratic opening), the medium- and large-sized private sectors are likely to be increasingly important sources of leadership. First, business organizations and lobbies will enjoy greater prominence in the
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political sphere as the private sector is called upon to lead the economic development effort. Second, in the democratizing scenario, business persons are likely to play direct or indirect roles in formal politics, as candidates in elections or as financiers of parties and of the media. In the third scenario, Islamic business figures may gain prominence if conservative Islamic forces gain power. If, however, the fourth scenario comes to pass, and radical, populist Islamic groups win power, only the petty entrepreneurs of the small-scale manufacturing and trading sectors are likely to enjoy any political legitimacy.

The four scenarios are each composed of pieces and elements that can be combined in a variety of ways. An overriding question is whether or not any regime will tolerate, much less encourage, the development of political institutions beyond the control of the government itself, or the development of what others have called civil society. We would look to the press, radio, and television, to the universities, to the professional associations, and to voluntary and charitable groups to be the building blocks of civil society. Since the Nasserist period, all such groups in Egypt have been extensions of the political regime itself, with little effective independence. They have been instruments through which the regime has exerted control over specific parts of society. If they achieve financial and organizational autonomy, they become political arenas in their own right, in which new leaders can gain skills and experience. In addition they can begin to supply leadership to the national—and presumably somewhat decentralized—political system. The flourishing of such groups provides alternatives to political life and death within the formal system. There may be a flow back and forth between the quasi-autonomous units of civil society and the structures of governance and economic management.

Such a development would also encourage a new breed of politicians whose claims to power or representation are not based solely on technical competence and training but rather on the interests in whose name they speak or on the programs they advocate. Two consequences would seem to flow from this. First, political pluralism, with its attendant risks, would have to be officially
tolerated. Second, it would be possible to be powerful without being part of the government. Only the extremist Islamic groups offer that possibility today. It is ironic that the hallmarks of Egypt’s political stability—smooth generational transfers and meritocratic recruitment—have become liabilities in the sense that to young, politically ambitious Egyptians those two characteristics are the manifestations of an impenetrable and unyielding system.

The Missing Technicos

There is one group of leaders so far missing in Egypt and that will be crucial under any scenario. It is the economic and financial technocracy, vital to economic reform and to a dynamic, competitive private sector. Relative to other large, developing countries (Mexico, India, Brazil, Turkey, Indonesia, etc.), Egypt has but a handful of highly trained economists or those with advanced business training. The public sector needs high-caliber experts in the Central Bank, the Ministry of Finance, the Ministry of Economy, the Capital Market Board, the Business Sector Office, and so forth. The private sector needs them in banking, marketing, and management. For the moment, the needs of the public sector are the more crucial in that the experience of other countries tends to demonstrate that a strategically placed, officially blessed, and highly trained team of economic experts is required to carry any reform program forward. Egypt does not yet have such a team, although the government of Kemal al-Ganzouri appears to be moving in that direction. Any regime from among those described above will need one, except the militant Islamic variant, which will not seek such expertise and which will consequently slide toward economic paralysis.

The Diaspora as a Source of Leadership

Egypt has a large diaspora. Parts of it hold substantial wealth; other parts have achieved the highest levels of professional competency in their respective spheres. The diaspora could be a major source of new leadership, particularly in private sector development. It is unlikely that the Egyptian public sector, as
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currently constituted, will draw expertise from the diaspora. It is unlikely, though not inconceivable, that returning sons and daughters would seek overtly political roles; resentment from those who stayed behind, as it were, would be too strong.

However, in the business realm itself, the talent of the diaspora could come to play a major leadership role. Something of the same process could take place in the university and higher education systems. Something along those lines happened after the death of Nasser, when a number of those who had their businesses nationalized or their property sequestered returned from abroad, principally from Saudi Arabia and the Gulf, to take advantage of Sadat's *infitah*. In addition, some technocrats from the international financial institutions, politically at odds with Egypt's socialist experiment, also returned at that time. Two of the most prominent were Abderrazak Abdul Maguid, former World Bank expert and minister of economy in 1980, and Fuad Sultan, who left the IMF to return to Egypt in the early 1970s. Yusuf Boutros Ghali and Nawwal al-Tatawi represent contemporary examples. While fraught with friction and resentment, the kind of leavening such a return flow produces is generally creative. In the last decade, India and Turkey have been quite successful in utilizing the skills that have accumulated in their respective diasporas, and their model is worth emulating.

The Private Sector Role in the Political Process

Under virtually any political scenario, it appears inevitable that the private sector in general, and individual entrepreneurs in particular, will come to occupy a much more prominent place in the political system. This is so for the simple reason that growth in the economy will depend to a significant degree on increased private investment. It is inherent in the fiscal crises Egypt has weathered since the collapse of oil prices in the early 1980s that the state itself cannot generate resources sufficient to meet more than the recurrent budget and investment necessary for basic infrastructure and social services. The investment required for increased production and structural change must come primarily from private sources, whether Egyptian or foreign.
The real question is, how will the prominence of the private sector in the economic domain translate itself into the political domain? There are a number of possibilities, already alluded to above. There could be a kind of authoritarian alliance of private capital with military and/or Islamic rulers that might look like the arrangements that characterized Brazil, Argentina, and Mexico in the 1970s. On the other hand, we might witness something closer to the Turkish experience, in which TÜSİAD, the Turkish Businessmen's Association, and other private professional associations have taken on an independent, quasi-political role as frequent critic of governmental economic policy. The Turkish industrial bourgeoisie, while no longer subordinated to the state through the corporatist arrangements pioneered by Atatürk, has not yet gained enough legitimacy to play an independent role as financier of political parties or as a source of candidates for political office. But Turgut Özal himself is an example of a technocrat-cum-businessman who rose to be the founder of a political party, prime minister, and president of the Republic.¹⁰

It is safe to say that any alliance of capital and political authoritarians will tend to degenerate into oligopolized markets, corruption, and rent seeking, as we see today in Iran and in Algeria. Only democratic institutions provide incentives to control such behavior (which is not to say that the incentives always work). Failing the emergence of such institutions, we should expect to see the replacement of corruption and rent seeking within dominant state sectors with corruption and rent seeking in alliances of fiscally constrained states with private interests. The most likely short-term outcome in Egypt is an authoritarian alliance of the state with private capital, but such an alliance will bear the seeds of its own failure. It will be a narrow alliance, with limited private sector partners, and will thus be unable to meet Egypt's investment needs.

The alliance will remain narrowly based because there is no indication that Egypt's current leadership is contemplating any major changes in the political status quo. This means that leadership and power will continue to be monopolized by the government (although illegally contested by Islamic groups), and leaders will continue to be recruited out of technocratic/military/intelligence backgrounds.
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That status quo is viable only if strong economic growth is restored, but such growth under present arrangements appears highly problematic. Maintenance of the status quo may send very negative signals to private actors who may feel that a centralized, authoritarian, bureaucratized government cannot be trusted to make irreversible commitments to stimulate private activity. And without substantial private investment, real growth is probably unachievable. So we come full circle, to the paradox that the political status quo is viable only if accompanied by strong growth, which in turn may come about only by abandoning the political status quo.

Notes
1. It is for that reason that when a relatively young individual makes it into elite circles that he or she is so carefully scrutinized. That is the case of Dr. Ahmad Guweily, former Professor of Agricultural Economics at Zagazig University, who became governor of Damietta Province in the late 1980s and then was brought into the cabinet as minister of supply. Guweily is probably in his early fifties.
5. I have explored these issues in greater detail with respect to Egypt in two books, The Egypt of Nasser and Sadat: The Political Economy of Two Regimes (Princeton, NJ: Princeton University Press, 1983), and Exposed to Innumerable Delusions. See also Nazih Ayubi, Bureaucracy and Politics in Contemporary Egypt (London: Ithaca Press, 1980), and The Centralized State in Egypt (Beirut: Center for Arab Unity Studies, 1989); Sarah Farid, Top Management in Egypt: its Structure, Quality and Problems (Santa Monica, CA: Rand Corporation, 1970); and Ali Leila,

6. The research of Carrie Rosefsky-Wickham on the politics of professional associations amply illustrates this point.


9. As evidence of this trend, in 1997 Yusuf Boutros Ghali, the MIT-trained point man for the IMF under the previous government, was appointed minister of economy.