

In the upcoming elections, Egyptians have been given a non-choice between candidates that are both likely to uphold the neoliberal policies of the past two decades.

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Nearly a third of all Egyptians live below the poverty line, and the unemployment rate is as high as 25%. As part of EUROPP's coverage of the European neighbourhood, [Jason Hicel](#) argues that the Freedom and Justice Party is set to reproduce more of those policies which led to the country's economic demise; Egypt's deregulated market capitalism only benefits the country's elites and foreign corporations.



Egypt's presidential elections have been accompanied by the expected media fanfare in Europe and the United States. News outlets are awash with pictures of ink-stained fingers, photographs of people standing in snaking queues to vote through the heat of the day, and headlines hailing the elections as an historic "victory for democracy." If these descriptions are to be believed, the revolution that began in Tahrir Square last January has finally been completed.

But many of the workers and activists who galvanized the initial uprising reject this story. When they took to the streets last year it was not only against tyranny and political repression, but also [against](#) the neoliberal economic order – designed with the help of the United States – that has generated hunger, poverty and inequality in Egypt since the 1980s. If we measure these elections against the people's initial aspirations for a new society, it is clear that they fall far short of success.

[Neoliberalism](#) first came to Egypt when Mubarak signed structural adjustment agreements with the International Monetary Fund (IMF) and the World Bank in 1991. But the United States had been [pushing](#) for neoliberal reforms long before then. In addition to \$1.3 billion per year in military aid, the US disbursed around \$815 million

per year through USAid in order to remake Egypt's economy in line with [Washington Consensus](#) policies. In 1994 USAid paid to reshuffle the Egyptian Cabinet and bring in a new prime minister – Kamal el-Ganzouri – who would endorse a neoliberal vision of private, export-oriented growth. When the new leaders assumed power in 1996, USAid [praised them](#) for their commitment to "liberalizing the economy by deregulating the trade sector, increasing competition in the financial sector and accelerating the pace of privatization".

To push this process along, USAid gave [\\$200 million each year](#) in handouts to Egyptian policymakers to encourage tariff reductions and the [privatization](#) of healthcare, education, and more than 300 state-managed companies. In addition, USAid devoted some [25 per cent of its budget](#) to establishing bilateral free trade with the United States to ensure a market for American-made goods. And, perhaps most importantly, according to Columbia University professor [Timothy Mitchell](#), USAid pushed to "reform" Egypt's agricultural sector by shifting capacity away from staple foods and toward export crops for US markets, taxing the production of staples by small farmers, [eliminating subsidies](#) on essential consumer goods, and opening the gate to



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(subsidized) grain imports from the US.

Economists such as Ha-Joon Chang, Robert Pollin, and William Easterly have shown that structural adjustment and other neoliberal policies have had devastating effects on developing countries. Egypt is no exception: extreme tariff reductions undercut local manufactures and increased unemployment; agricultural reform undermined small farmers, eroded agricultural wages, and caused food prices to spike; and privatization raised the cost of basic social goods, encouraged (foreign-held) monopolies, drove down wages in hospitals and schools, and concentrated wealth in the hands of political cronies. While Egyptian elites and foreign corporations have benefitted massively from this rapid market liberalization, average per capita GDP growth has plummeted from 4.1 per cent prior to 1990 to 2.7 per cent during the neoliberal era. Nearly a third of all Egyptians now live below the poverty line, and the unemployment rate is as high as 25%.

These are the issues that drove Egyptians to risk their lives in defiance of the US-backed Mubarak regime in 2011. This is not to say that they all wanted socialism – far from it. But they *did* want a fairer, more just economy. Unfortunately, the recent elections do not guarantee redress on this front. In fact, Egypt's new rulers – the Freedom and Justice Party (FJP), the political wing of the Muslim Brotherhood that won a majority in parliament this year – seem set to reproduce more of the same.

Khairat el-Shater – the deputy chairman of the Muslim Brotherhood and multimillionaire businessman – has been forthright about the FJP's [economic ideology](#), which [espouses](#) “free market” capitalism, economic deregulation, privatization, and other central pillars of neoliberal economics (with a few [exceptions](#)). Other leaders of the Brotherhood have confirmed that the FJP [will adhere](#) to most of Mubarak's economic policies, and will [continue to accept](#) assistance from USAid. This has been welcomed by the United States, which has pushed hard since the beginning of the uprising to foster a form of political Islam compatible with US economic interests. As far as the US is concerned, it doesn't much matter whether Egypt is ruled by tyrannical dictators or political Islamists, so long as they align with the Washington Consensus.

When El-Shater was disqualified from the presidential race because of his prior criminal convictions, the Muslim Brotherhood replaced him with Mohamed Morsi, who can be expected to hold similar views on economic policy. Morsi narrowly won the first round of elections, beating out the other 12 candidates. In the next stage he will face off with runner-up Ahmed Shafik, who is widely viewed as a holdover from Mubarak's military regime. Each of them received less than 25% of a voter turnout of only 46%, which means that the aspirations of more than 78% of the electorate will not be represented on the next ballot. Whoever wins the next round will face a serious crisis of legitimacy and a long period of further instability.

The revolutionary vote was split among a number of other candidates who are now no longer in the running. Khaled Ali, the labor activist and lawyer who offered the only hope for challenging the economic status quo, is out. So is Hamdeen Sabahi, the popular leftist candidate who won more than 20% of the vote in the first round. Mohamed el-Baradei – the Nobel Peace Prize winner who was hailed early on as a leading candidate – [quit](#) the race in protest, questioning the fairness of elections that are being run by the Supreme Council of the Armed Forces (SCAF), the military junta that has held power for the past half century.

El-Baradei is not alone in his suspicions; it is widely feared that the military will never truly cede control of the country. SCAF has continued to detain, torture, and massacre protestors even after the ouster of Mubarak, which casts serious doubt on its commitment to democratic transition. Indeed, there have already been substantive [allegations](#) of ballot fraud in favor of Shafik, the military candidate. In any case, el-Baradei and others regard the elections as meaningless given that – on SCAF's orders – they are being held before the new constitution has been decided.

If we cut through the Western media hype and the celebrated ink-stained fingers it becomes clear that these elections are not elections at all. People will be forced to “choose” between an Islamist ideologue and a Mubarak crony, both of whom are certain to uphold Washington Consensus policies. The aspirations of the revolution have been cut out of the picture entirely, dashing any hope for real democracy and an economy that benefits the people rather than a narrow set of elite interests and foreign companies. This has caused a crisis among voters, many of whom will either cast void ballots or boycott the elections entirely; indeed, activists are already organizing along these lines, and it's quite possible that turnout in the next round will be less than 30% of registered voters. If nothing else, these elections have made one thing certain: the

revolution is not yet over.

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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