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Islamism and Neoliberalism in the Aftermath of the 2011 Arab Uprisings: The Freedom and Justice Party in Egypt and Nahda in Tunisia

Katerina Dalacoura

Introduction

This chapter investigates the relationship between Islamism and neoliberalism in the aftermath of the 2011 Arab uprisings in the Middle East focusing on the Freedom and Justice Party (FJP, the Muslim Brotherhood's political party) in Egypt and the Nahda movement in Tunisia. Through the analysis of the two movements, I seek to contribute to the broader discussion, in this volume, on neoliberalism, the concept of “governmentality,” and the future of the state in the Middle East following the 2011 Arab uprisings.

The access to power that the FJP and Nahda at least partially achieved following the overthrow of the Hosni Mubarak and Zine el-Abidine Ben Ali regimes gave them the opportunity to apply some of their ideas and policies or at least to propose specific policies in response to concrete circumstances. Their words and actions showed that the FJP and Nahda are comfortable with neoliberal structures and do not aim to challenge or transform them in any fundamental sense—in other words, that Islamism cannot, in these cases, be regarded as an antisystemic force. The chapter argues that Islamists' approaches to neoliberalism are shaped by the history of each movement and the evolving political and socioeconomic context in which they operate. It proposes that the Muslim Brotherhood/FJP's and Nahda's changing class support basis have rendered them readier to defend the neoliberal policies and structures that had been previously promoted by the Mubarak and Ben Ali regimes. However, the neoliberal tendencies of the movements were considerably tempered by their need to retain—in the context of worsening postuprising economic conditions—broader political support through promoting

“social justice,” which had been a key popular demand of the uprisings in Egypt and Tunisia. This was not in the context of a radical restructuring of the economy but with a view to balancing the interests of their middle-class supporters with those of the poorer segments of the population.

The history of neoliberalism in the Middle East has been a checkered one. Cronyism and corruption have undermined and even invalidated neoliberal reforms, accentuated their (already high) costs, and prevented the region from enjoying many of their potential benefits. The enormous socioeconomic discontent in the Middle East region was a central—though not the only—reason for the 2011 uprisings. What we see, however, at least in the case of Egypt and Tunisia, is that Islamist movements that did *not* challenge neoliberalism—the “existing economic paradigm,” in the words of Emel Akçalı in the Introduction of this volume—were voted into power immediately after the overthrow of existing regimes.

Akçalı proposes two possible ways of explaining this apparent paradox. On the one hand, we can do so using Michel Foucault’s idea of “neoliberal governmentality,” whereby subjects are disciplined into docility by the exigencies of “the market” while having only the illusion of being “free” and responsible agents. Alternatively—and more convincingly, in her view—we can interpret the postuprising developments in the Middle East in a more subtle manner: as one instance of an “interaction of neoliberal rationality with the local [in this case, the Middle East and North Africa]” producing “new forms of *subjectivities, hybrid identities, transformed structures, resistances* that arise against or as a result of such governmentality techniques” [Akçalı, Introduction]. The present chapter provides empirical material for the reader to address these theoretical questions and investigate more deeply the volume’s core conceptual concerns.

Islamist Approaches to Capitalism, Charity, and Social Justice

Islamism is not a class-based political ideology. It denounces the divisiveness entailed in “class”

while calling for “justice” for society in its totality. Socioeconomic concerns and demands are some of the most important components of Islamism across the board. This is where our ability to generalize about Islamism ends, however. Islamism is, in fact, fluid and malleable in its approach to socioeconomic issues and appeals variously to different social groups. Islamist movements comprise a multitude of different trends that constantly evolve, so much so that referring to them as part of a single phenomenon becomes, at times, unsustainable and unconvincing. Furthermore, Islamists are not drawn from any one particular class (Kurzman and Naqvi 2010).

Islamism and Islamists are not inherently pro- or anticapitalism (see also Tripp 2006). In the post-1970s retreat from the statist-led model of development in the Middle East, which coincided with the ascendancy of Islamism in the region, “in contradictory ways, Islamism appeals to both the losers and the winners of global neoliberal economic restructuring” (Beinin 2005, p. 113). In Beinin’s words, Islamism “may be systemic or anti-systemic. In the era of neoliberal economic restructuring, it has been both simultaneously” (Beinin 2005, p. 116).

One reason for the rise in popularity of Islamist movements of all hues in the Middle East after the 1970s was their social activism. Insofar as we can see Islamism as the product of failed developmentalism (linked with authoritarianism) and modernization programs gone awry (Rahnema 2008), socioeconomic concerns are at the root of the phenomenon itself. Social activism has typically been an aspect of dawa (missionary) activities of Islamist movements but was also a means of implementing their broader ideological demands for social justice, which resonate with traditional Islamic terminology (Ruthven 1997; Kung 2007).

Islamist movements of a radical and often violent type, pursuing a variety of objectives that included social justice, emerged in a number of Arab countries after the 1970s and were

particularly active and prominent in the 1990s. The 1979 revolution in Iran was partly caused by economic discontent and the Islamic Republic initiated policies of considerable wealth redistribution. Although the causes of Islamic radicalism are more complex, there has been an *association* between Islamic radicalism and economic deprivation (Ibrahim 1980, 1995; see also Kurzman and Naqvi 2010, pp. 138–39), though this was not limited to the grievances or aspirations of any one class. Rahnama points to the many different social groups comprising the supporters of radical Islamist movements¹ (Rahmena 2008, p. 494); he, and Beinin, emphasize the support given to radical groups by the salaried middle classes and the “lumpen intelligentsia,” university graduates who—following the economic turn in the post-Nasser era—saw their prospects considerably worsen (Beinin 2005, pp. 123–28). However, only one strand in the broader phenomenon of “Islamism” is associated with economic deprivation and radical socioeconomic demands (see also Tripp 2006, chs. 3, 5).

More often than not, Islamist activists’ provision of social services in the post-1970s Middle East did not entail an antisystemic stance. Islamist groups delivered health and education services and often simply foodstuffs and money to the poorer strata (Harrigan and El-Said 2008). Islamic charities and welfare associations were also run by and for the middle classes, offering them vital medical and instruction facilities at relatively low cost (Clark 2004). In filling in the role gradually forfeited by the state in the post-1970s Middle East, Islamist groups challenged the state, in that they sought to replace it, but did not try to overturn the structures of people’s dependence on it. In Asef Bayat’s view (2007), the Islamists provided services to the people without seeking to politicize and mobilize them. This rendered Islamist groups, seemingly paradoxically, potential allies of the state.

That most Islamist groups in the post-1970s Middle East have not been antisystemic

actors is also evident, in what may appear in the first instance as a paradox, in their ubiquitous calls to expiate corruption. Islamist groups present themselves as the most capable of achieving the latter because they are morally upright and have “strong values.”² The attention paid to corruption, however, implies that socioeconomic structures are viewed as fundamentally sound and able to work perfectly well, if only the “bad apples” are removed.

Although it is difficult to measure these things, I would hazard to argue that, despite important exceptions, most Islamist movements in the Middle East at the present juncture, do *not* aspire to overturn capitalist socioeconomic structures that rest on the twin institutions of private property and free enterprise.³ They want the distortions of the system removed through the elimination of corruption and its rough edges smoothed over for the most vulnerable members of society through charity—but not to tamper with its basic parameters. The phenomenon of “Islamic finance” does not invalidate this argument: Despite its purported opposition to the charging of interest, Islamic finance otherwise operates within the existing rules of the global financial system (Khan 2010); it is a niche in, not a challenge to, it (Tripp 2006, p. 142). The combination of respect for private property and free enterprise with charity and anticorruption stances, and broad appeals to “social justice,” has allowed Islamist movements to seek simultaneously the support of middle-class and poorer constituencies. These class coalitions have constituted the backbone of numerous Islamist movements in the Middle East but the incongruent interests they involve have rendered them, as we shall see, more difficult to sustain when Islamists move from opposition to government and/or in times of economic contraction.

New Trends in Islamism: “Pious Neoliberalism”

Within the kaleidoscope of recent Islamist trends in the Middle East, we can identify a new

development, termed “pious neoliberalism.” Turkey has been the pioneer here, as described, among others, by Cihan Tuğal.⁴

Through ethnographic research in one poor area of Istanbul (Sultanbeyli) in the 2000s, Tuğal (2009) traces the gradual abandonment of radical Islam by its “pious Muslim” inhabitants and the emergence of moderate Islam. He contends “that moderate Islam is the culmination of a long process of passive revolution as a result of which erstwhile radicals and their followers are brought into the fold of neoliberalism, secularism, and Western domination” (Tuğal 2009, pp. 3–4). Tuğal understands the Gramscian term “passive revolution” as “one of the convoluted, and sometimes unintended, ways by which the dominant sectors establish willing consent (‘hegemony’) for their rule” (Tuğal 2009, pp. 3–4).

After coming to power in 2002, the Justice and Development Party (AKP) absorbed within it various Islamist cadres and strategies and enabled the “pious business community” in Turkey to establish its hegemony (Tuğal 2009, p. 14). This hegemony entails “support for unfettered markets, integration with the international business community, deregulation, privatization, and emphasis on a conservative morality” (Tuğal 2009, p. 8). Tuğal contrasts the AKP’s “internalization of capitalism” (Tuğal 2009, p. 218) with the Just Order program of Necmettin Erbakan and the Welfare Party—the previously politically prominent Islamist party—which “claimed that it would both establish a morally sound market economy and protect people from poverty, while also abolishing major inequalities” (Tuğal 2009, p. 137). Although not everyone in the AKP pushed for neoliberalization consistently—some social justice-oriented Islamists did remain in the party (Tuğal 2009, p. 228)—Islamists “were able to build a modern Islamic (and neoliberal) civil society, effectively pacifying resistance to neoliberalization” (Tuğal 2009, p. 193).⁵

What do these developments signify for Islamism's changing relationship to socioeconomic issues and specifically to neoliberalism? In all the variants of Islamist ideology, I would argue, justice means everyone being given "their due": in a just order, individuals and social groups coexist with one other in a complementary and nonconflictual manner (very much as members of a family should do, in the Islamist worldview). As we saw above, despite some exceptions of radical groups, altering socioeconomic structures with the aim of promoting equality has not been at the heart of Islamist projects. Charity plays a key role in the maintenance of these structures and it is seen as a key expression of dedication to God. However, the "pious neoliberal"—and herein lies the new development—does not believe in passing handouts to the needy but seeks to turn the individual into a responsible and entrepreneurial "subject" (Atia 2012). Pious neoliberalism has moved away from the idea that social justice is something to be implemented "from above," by God or the state or even the Islamist group, in favor of the notion that, with God's blessing of course, the individual himself or herself will attain the position they deserve. In pious neoliberalism, "justice" is the attainment of the individual's potential as a result of his or her own efforts—a principle that lies at the heart of neoliberalism more broadly.

The phenomenon of pious neoliberalism is more advanced in Turkey because of the specific circumstances of that country, in particular the emergent socioeconomic realities following the shift to export-led policies from the 1980s onward. The transformation of Turkish Islamist ideology from the Welfare Party's economic nationalist, protectionist policies, to the AKP's export-led, outward-looking, unbridled capitalist mode, is a reflection of the changing sociological makeup of Turkey following the emergence of an "Anatolian" conservative middle class, which formed the backbone of AKP support.⁶ The Turkish case shows that the relationship between Islamist ideology and ideas about the economy, justice, and, ultimately, the individual's

relationship to society are to a considerable extent a reflection of the changing social, economic, and political dynamics within specific societies. Pious neoliberalism has emerged in those contexts, such as the Turkish one, where capitalist transformation has moved the farthest and gone more deeply than in other societies (Joseph 2010a).

Compared to Turkey, the Arab economies are, for the most part, still inward-looking, protectionist, and state-dominated; neoliberalism in most Arab settings is tantamount to crony capitalism (Al Din Arafat 2009, see especially ch. 4; World Bank 2014). This constitutes an important backdrop in examining the relationship between Islamist movements and their socioeconomic ideologies in the context of the Arab uprisings and beyond. Nevertheless, trends within some strands of Islamism in Egypt, as described, among others, in the work of Mona Atia (2012) and Asef Bayat (2007), demonstrate similarities to the Turkish case.

Atia's research was on faith-based development organizations in Cairo and also the popular religious "star" Amr Khaled. She found that their discourses contained an emphasis on voluntarism and self-help and the promotion of financial investment entrepreneurship and business skills as components of religiosity. In these discourses, the individual and the community take over the role of the state, which facilitates the coming together of Islam and neoliberalism. What distinguishes this formulation from neoliberalism of the West is its emphasis on spirituality as well as on materialist values (Atia 2012).

Asef Bayat (2007), similarly to Tuğal (2009), describes the emergence of pious neoliberalism in Egypt as "passive revolution." According to Bayat, the Muslim Brotherhood and radical groups reached their pinnacle in the Egypt of the late 1980s. The Egyptian state, partly through the institution of al-Azhar, responded to the challenge of political Islam by expanding its own dawa (Bayat 2007, pp. 136–37). As conservative religiosity and

individualized piety spread in Egypt, the Islamist movement declined and fragmented. In Bayat's words, "against the backdrop of contentious economic liberalization, social change, and cultural globalization, conservative Islamism merged with strong nativist sentiment while the state moved to appropriate religious and moral authority." Socioreligious change initiated from below was appropriated by the state (Bayat 2007, p. 138), which actively participated in the ongoing Islamization project in Egypt (Bayat 2007, pp. 166–74). Both radical Islamists and the more moderate Muslim Brotherhood were "deprived of popular support for mobilization" because large segments of their constituency, pacified, felt no need to confront the state. Islamism changed from a political project to one concerned with personal piety and global malaise (Bayat 2007, p. 146).

While the Egyptian poor turned to folk piety, the middle classes turned to preachers such as Amr Khaled (Bayat 2007, pp. 149–51), from whom they heard the message that "they could be religious and still lead a normal life" (Bayat 2007, p. 153). The youth, on the other hand, were able to combine "prayer, partying, pornography, faith, and fun, even though their activities might make them feel remorse and regret" (Bayat 2007, p. 163). "The Egyptian young never articulated their innovations as legitimate alternative visions, but remained remorseful, apologetic, and subservient to orthodoxy." They distrusted political Islam but opted for conspicuous consumption (Bayat 2007, p. 164). The result was terrible stagnation in socioreligious thought and in intellectual life more generally (Bayat 2007, pp. 174–81). From his perspective, Bayat confirms that in Egypt prior to the 2011 uprising, Islamism, in most of its forms, no longer presented a challenge to neoliberal structures.

The Economic Policies of the Freedom and Justice Party

It should be clear from the above discussion that the Muslim Brotherhood and its political party, the FJP, is only one strand in a broader Islamist movement in Egypt. It constitutes the focus of this chapter, however, first because it was the most important Islamist actor following the 2011 uprising and, second, because its acquisition of power in that period, partial though it was, presents us with a rare opportunity to observe the implementation of Islamist principles, as opposed to their enunciation in the abstract.⁷

The Muslim Brotherhood underwent a transformation as Egypt became more integrated within the world economy in the decades following the *infitah* (economic opening) of the 1970s. This strengthened its moderate wing and differentiated it from the radical Islamist forces in the country (Ateş 2005, pp. 133–44).⁸ A substantial part of the “*infitah* class” that emerged under Sadat had an Islamist cast. According to Joel Beinin, “by 1980 elders of 8 of the 18 families who dominated Egypt’s private sector were affiliated with the Muslim Brothers” (Beinin 2005, p. 120). In the late 1990s a new generation of Islamist leaders “most of them with business and entrepreneurial backgrounds, started gradually replacing the Muslim Brotherhood’s older, theologically trained cohort, which had dominated the group for the previous half century” (Osman 2013, p. 1). Egypt’s emergent Islamist business class—whose members did not necessarily establish formal links to the Brotherhood but were part of a broader Islamist milieu—had connections with the Arab Gulf states and were influenced by their conservative brand of Islam (Beinin 2005, pp. 121–22).

Under the Mubarak regime in the 1980s, the Brotherhood entered the Egyptian parliament through electoral contestation (its candidates standing as independents), an experience that also shaped its stance on socioeconomic issues. It successfully fought the 1987 elections through the Islamic Alliance with the left-wing Labor Party; this encouraged it to

become involved in national trade union elections for the first time (Beinin 2005, p. 132). In the process, “tensions between the views of the wealthy leaders of the Muslim Brothers and the more populist elements of the Labor Party” were revealed (Beinin 2005, p. 133). Islamists within the trade unions usually did not engage in militant collective action and were criticized by the left for limiting their trade union work to providing social services. Overall the Islamic trend’s gains in the labor movement were much more modest compared to its successes in middle-class professional associations in the 1990s (Beinin 2005, pp. 133–34).⁹

In its recent history, the Muslim Brotherhood displayed “a friendly sensibility toward business activities, including wealth accumulation and free-market economics. Islamism is a bourgeois movement consisting mainly of middle class professionals, businessmen, shopkeepers, petty merchants, and traders” (Gerges 2013a, p. 407). But a differentiation within the broad category of “middle class” gradually occurred, at least with regards to the Brotherhood leadership: While the professional middle-class had “traditionally constituted the group’s backbone,” over the decade preceding the 2011 Egyptian uprising the Brotherhood’s Guidance Bureau and Shura Council witnessed an “unprecedented ascent of businessmen to senior positions.” Some of them were liaisons between the Brotherhood and Mubarak’s cronies (El Houdaiby 2013, p. 3).¹⁰ As we shall see, this development exacerbated the potential for conflict between the Brotherhood’s various constituencies in the post-2011 period, especially as the uprising that overthrew Hosni Mubarak was caused, to a considerable degree, by discontent over the neoliberal policies spearheaded by his son, Gamal.

It is not the place here for yet another discussion of the causes of the Egyptian uprising. Suffice it so say that socioeconomic demands were equally important to political demands in driving the rebellion. Protesters called for “dignity”; they claimed freedom and accountability, if

not democracy as such (Salih 2013; Filiu 2011; Haddad, Bsheer, and Abu-Rish 2012). But they also called for “bread” and “social justice.” The Mubarak regime’s ineffectiveness and incompetence, its inability to address the long-standing economic problems of the country and the corruption of its elites, constituted a core driver of the rebellion. Its mismanagement exacerbated the effects of the worldwide 2008 global financial crisis and the rise in foodstuff prices (Achcar 2013; Gerges 2013b; Hanieh 2013; Kaboub 2013; Campante and Chor 2012; Dahi 2012).

The Brotherhood did not take a leading role in the 2011 Arab rebellion, joining it, rather, alongside other political forces. However, Islamist groups were the main beneficiaries of political change, at least in its immediate aftermath. Arguably, it was not the Islamists’ propositions for economic change that brought about their electoral successes. Although economic discontent had been a core reason of the uprising, the economy was not at the forefront of the campaign and coalitions formed around identity politics, not economic policy (Kinninmont 2012, pp. 1, 3). This did not indicate that economic issues were unimportant but that the electorate saw moral uprightness as the “solution” to economic problems: The Islamists sent the message that, because they were morally “righteous”—good Muslims—they would be able to deliver better governance. Masoud (2014) makes the equally plausible argument that the Brotherhood/FJP succeeded in the polls because the Egyptian electorate, and the poorer classes in particular, believed that they—in contrast to their leftist rivals—would distribute wealth.¹¹

Having established itself as the political party arm of the Muslim Brotherhood in May 2011, the FJP contested the elections that were held between November 2011 and January 2012 and won almost half the seats of the lower chamber of the People’s Assembly. It also won a majority of the elected seats for the higher chamber, the Majlis al-Shura (Consultative Council),

which were contested in January and February 2012 (Carnegie Endowment for International Peace 2012). The hard-line Salafi groups won a further quarter of the seats. The two assemblies in turn elected the members of the Constituent Assembly. The Constituent Assembly was declared unconstitutional by the courts in April 2012 but was reconstituted in June (Ottaway 2012; Brown 2012). The second Constituent Assembly operated until December 2012 when the new constitution came into effect, following a popular referendum. The Freedom and Justice Party's candidate, Mohamed Morsi, was elected as president of Egypt in June 2012 and he remained in power until a military coup overthrew him in July 2013, on the back of mass popular protests against him. The transitional and contested nature of political arrangements in that entire period meant that the FJP did not really “control” government—it was constrained by far too many competing forces for that—but it, and particularly Morsi, did exercise considerable power, enough for one to get a sense of their approach to economic issues.

The party political platform of 2011, with which the FJP entered the electoral contestations, laid out, with regard to socioeconomic issues, a centrist position “between capitalism and socialism” (Saif and Abu Rumman 2012, p. 5). It called for pragmatism and respect for private property rights; it did not advocate the nationalization or renationalization of state-owned enterprises. It welcomed partnerships with the private sector, especially in the area of public utilities and infrastructure; called for good governance, for an end to corruption and waste, and for socially just policies; declared its commitment to international agreements; and offered Islamic financing (Saif and Abu Rumman 2012, pp. 1, 9–13). It also announced the creation of an Islamic charity fund financed by a 2 percent voluntary zakat levy (Kinninmont 2012, p. 3), stressed the Islamists' social work in support of the poor, and emphasized their support of a Keynesian model of active state interventionism (Gerges 2013a, pp. 408–9).

The FJP program was a product of compromise between various interests and positions of the party's existing and prospective supporters. The unemployed, the job seekers, and government employees exerted an influence on the FJP. It won popular support on the basis of its social services in poor areas and its commitment to "greater economic equality," in the context of the vehement turn in public opinion against the liberalization policies associated with the late Mubarak era (Economist Intelligence Unit [EIU] July 2012, p. 5). On the other hand, it condemned labor protests after the rebellion for "undermining national consensus" (Sallam 2011). Religious businessmen were very influential in the FJP, just as they had been in the Muslim Brotherhood: According to some analysts the market-oriented faction was exerting more influence than the government-oriented faction. The Brotherhood established in March 2012 its first Business Development Association "to act as a link between investors and the government and to support small and medium-sized enterprises" (Paciello 2013, p. 17; Kinninmont 2012, p. 3). Led by key Muslim Brotherhood businessmen, it also acted as a bridge with some of Mubarak's cronies who had fled the country (El Houdaiby 2013, p. 3). Khairat el-Shater was the most prominent business leader in the Brotherhood. Described as "a millionaire businessman [who] was the Brotherhood's key strategist, financier, and deputy head until he resigned in April 2012 to run for president" (Gerges 2013a, p. 394),¹² he was also the FJP deputy chairman and was responsible for drafting the economic agenda for the 2011 elections (Habibi 2012). El-Shater addressed the American Chamber of Commerce in Egypt (Amcham) in May 2012 as part of the FJP's outreach to Western investors (Kinninmont 2012, p. 3).

The "contradicting class and institutional socio-economic interests" within the FJP (El Houdaiby 2013, p. 3) came to the fore most poignantly with Morsi's handling of the International Monetary Fund (IMF) and the subsidies issue. Reforming food and fuel subsidies,

which constituted roughly a quarter of the country's budget at the time, was the most pressing economic policy problem that confronted the Morsi presidency. One of the reasons why Morsi was unable or unwilling to negotiate the delivery of a \$4.8 billion facility with the IMF was because it would have entailed the end of these subsidies. It is worth remembering that, in the past, the Muslim Brotherhood had characterized the IMF and the World Bank (WB) as part of US influence in the Middle East, which, together with a hegemonic American youth culture, was "geared at dissolving the cohesion among Middle Eastern societies and weakening society from within" (Monier and Ranko 2013, p. 114). A tentative deal between the IMF and the SCAF (Supreme Council of the Armed Forces), which had taken over in the transition period after Mubarak's overthrow, had been reached in June 2011, but, when it was not signed, the Brotherhood/FJP applauded this as "an assertion of Egyptian sovereignty, while being careful not to rule out future multilateral lending" (Nelson and Sharp 2013, p. 5). They put strong emphasis in their electoral campaign in finding alternatives to borrowing from international financial institutions (and ties to Qatar and Turkey did deepen: El Houdaiby 2013, p. 14). However, when in power, Morsi and the FJP continued to negotiate with the IMF, carrying out at least piecemeal reforms as part of these negotiations (Paciello 2013, pp. 10–11); and they stated that they did not object to the IMF loan as such but to the timing of it (Kinnimont 2012, p. 3).

Hisham Qandil, a former irrigation and water resources minister, was appointed Prime Minister in late July 2012 at the head of a technocratic government (EIU August 2012, p. 3). There was continuity in economic portfolios and little change in fiscal policy (EIU August 2012, p. 5): Qandil at first retained quite a few ministers from the Mubarak and SCAF periods (Paciello 2013, p. 9). However, as soon as Morsi came to power, in July 2012, he raised public sector workers' salaries and pensions by 15 percent (EIU July 2012, p. 5). The government was soon

faced with falling foreign currency reserves (EIU August 2012, p. 22) and Christine Lagarde, managing director of the IMF, arrived in Cairo in August 2012 to start negotiating the aforementioned loan of \$4.8 billion. This entailed plans to reduce fuel subsidies (EIU August 2012, p. 25), which Morsi resisted. At the same time, the Egyptian government placed emphasis on public–private partnerships and sought private financing of Egypt’s infrastructure, resulting in donors such as Qatar and Turkey promising funds (EIU October 2012, pp. 35–37). Together with the Salafis, who were less keen on the free market, the FJP called for the introduction of an index of companies compliant with sharia (Gerges, 2013a, p. 408).

In the course of autumn 2012, signs of economic recovery remained faint. In November, the Egyptian pound fell to an eight-year low (EIU November 2012, pp. 2, 25; and December 2012, p. 27). While that situation unfolded, the government issued a ten-year development plan, which focused on both social justice and economic growth, with job creation at its core; it was to form the basis of the IMF agreement (EIU December 2012, p. 4). As part of the deal, the government was going to reduce energy subsidies and increase taxes. However, public outcry forced it to reverse course (Nelson and Sharp 2013, p. 6); tax increases introduced in early December had to be rescinded within a day. Only 95-octane petrol prices were liberalized, affecting the owners of more expensive cars. Because of fears of social unrest and loss of popular support, in the context of renewed political instability, the government asked the IMF to delay negotiations. The European Union approved an aid package in November 2012 (EIU January 2013, pp. 5–6). Despite international help and domestic borrowing, however, foreign reserves kept falling and the Egyptian pound kept losing its value (EIU February 2013, pp. 6, 8).

In January 2013, Prime Minister Qandil carried out a cabinet reshuffle that included a change of finance minister. The Central Bank governor was also changed, amid uncertainty on

fiscal policy (EIU February 2013, pp. 19, 37–39). A new revised plan, which watered down tax increases and the reduction of food and energy subsidies, was presented to the IMF (EIU March 2013, p. 2) but was rejected. The continuing lack of agreement with the IMF dented investor confidence and the economic slowdown contributed to the rise in unemployment (EIU March 2013, p. 4). In February, Qandil announced a new economic program that, according to the Economist Intelligence Unit, “smacked of populism”; this was ahead of parliamentary elections, which were at that point scheduled for April 2013 (they were later postponed) (EIU March 2013, p. 26). There was some further liberalization of fuel prices (EIU April 2013, p. 6). In February 2012 the FJP economic team announced that a tax on stock exchange transactions, which had been on the FJP electoral platform, was no longer on the agenda. More generally, no effort was made to introduce a more progressive tax system and the imposition of taxes on property and capital gains was repeatedly postponed (Paciello 2013, pp. 10–11).

Overall, public expenditure increased by 30 percent between July 2012 and January 2013 (Laursen and Al Nashar 2013, p. 5). The slide of the Egyptian pound continued and the budget deficit soared in the first three quarters of 2012–13 partly due to the high public sector wage increases mentioned above (EIU May 2013, pp. 2, 25, 28–29). The fiscal outlook worsened and instability continued. Further negotiations with the IMF ended without agreement in April 2013, although, by that point, Egypt had received more pledges of support from Qatar and Libya (Nelson and Sharp 2013, p. 8), the former offering a loan of \$3.5 billion with soft terms (EIU June 2013, p. 24).

The “markets” celebrated Morsi’s removal in July 2013. This was not least because the move came with a pledge of \$12 billion in aid from Saudi Arabia, the United Arab Emirates (UAE), and Kuwait (EIU July 2013, pp. 2, 45).¹³ No doubt it was also due to the perception that

the FJP, and President Morsi in particular, had been fumbling and uncertain in their policies, even incompetent. There were many reasons for this, for instance the lack of high caliber cadres within the Brotherhood/FJP that led to a “weak legislative agenda” and a failure to present a clear alternative to the policies it had previously criticized (El Houdaiby 2013, p. 10). A further important cause, however, and most relevant to the argument of this section, was the FJP’s attempt to satisfy the incompatible interests of its various constituencies.

The difficulty of marrying the FJP’s pro-capitalist and “social justice” agendas came through every step of the way during the party’s one year in power. The FJP preserved the status quo with regard to the business sector, presumably to send positive signals to investors, but at the same time “took a number of steps to reconfigure prevailing power relations in favour of Brotherhood-affiliated businessmen” (Paciello 2013, p. 16). During the FJP’s spell in power “new economic players, with links to Islamic movements within Egypt and the Gulf, seemed to be rapidly increasing their market shares in the banking, construction, real estate, transport, retail, and other sectors” (Osman 2013, p. 2). It tried to keep “good connections and contacts with the former regime’s entrepreneurs” (Paciello 2013, p. 16). It sought to expand its influence over the Egyptian Trade Union Federation and responded to continuing labor unrest, according to Paciello’s critical account, in an “intransigent” manner, “using force and arrests, the criminalization of strikes and intimidations, and the firing of union leaders and disciplinary actions against them” (2013, p. 15). It failed to “restructure the state and dismantle the networks of crony capitalism tied thereto” (El Houdaiby 2013, p. 10). It seemed keen not to upset senior bureaucrats and business tycoons, allowing business representatives, for example, to accompany Morsi on his trips abroad (El Houdaiby 2013, p. 12).¹⁴ However, while it made efforts to satisfy its business constituency, the FJP was loath to alienate its poorer and more disadvantaged

supporters. It tried to keep them on its side by continuing “to play the identity card to defend Morsi’s decisions, even if they were irrelevant to religious concerns” (El Houdaiby 2013, p. 11). It prevaricated on the IMF deal because its resultant reduction of subsidies would have flown in the face of the Egyptian uprising’s popular demands for social justice and the public’s aversion to neoliberal policies. Stuck in the middle, in the constrained context of deteriorating economic conditions, the FJP brought upon itself the worst of both worlds.

The Economic Policies of Nahda

The Tunisian uprising of late 2010 to early 2011 was, perhaps more clearly than others in the region, the result of *relative* deprivation—as opposed to absolute poverty—which deepened popular grievances and caused an eruption. At the forefront of the rebellion were both those who felt that their living standards were falling or not rising in line with their expectations and, particularly, those hailing from the disadvantaged regions of the country’s south and the interior, where average rates of poverty were four times higher compared to those in the richer coastal areas. The mass protests in Tunisia also targeted the kleptocracy that had formed around Ben Ali and his family. All in all, grievances about the economy, lack of political freedoms, failures in governance, and corruption were the main reasons behind the rebellion, with the first (economic grievances) being slightly more significant (World Bank 2014, p. 27).

The Tunisian Islamist movement, Nahda, had been banned under Ben Ali and—similarly to the Brotherhood in Egypt—was not at the forefront of the uprising that overthrew him. However, it quickly regrouped following its legalization and contested the elections of October 23, 2011, obtaining a plurality of 89 out of 217 seats in the National Constituent Assembly (NCA), which was tasked with writing the country’s new constitution. In December 2011, a new interim government was formed, headed by Nahda’s Hamadi Jebali and comprising three

partners, Nahda, the Congr s pour la R publique (CPR) and the Forum D mocratique pour le Travail et les Libert s (Ettakatol). On December 10, 2012, the NCA adopted an interim constitution that was to remain in place until the approval of the final version and, on December 13, the NCA elected Moncef Marzouki, a secular and leftist political and human rights activist, to the position of president of the Republic. The government lasted until March 14, 2013, when a cabinet reshuffle reduced the influence of Nahda in the cabinet; another Nahda member, Ali Laarayedh, became prime minister. Laarayedh was replaced on January 29, 2014, when a national unity government was formed, by an independent figure of national consensus with strong links to Nahda, Mehdi Jomaa.

The NCA went through an arduous process of drafting the new Tunisian constitution, while being constantly confronted with social and political tensions and crises, including the killing of opposition figures. On several occasions the secular opposition threatened to boycott the work of the assembly. Much of the debate on the constitution related to the role of Islam as a source of law and the relative merits of a parliamentary versus a presidential system. The tumultuousness of the process notwithstanding, consensus was reached and on January 26, 2014, the NCA approved the new constitution with two hundred votes in favor; the following day the president signed it into law. Because the new constitution was approved by more than two-thirds of the assembly no referendum was required (Mersch 2014).

The emergence of Nahda as the preeminent political force in Tunisia following the overthrow of Ben Ali can be seen as deriving from the regional imbalance, which has marked modern Tunisian history in its entirety, between the developed coastal areas of the Sahel and the poorer south and interior of the country; an imbalance that had also driven the rebellion of 2010–11 itself. The country’s dominant elites since independence in 1956 were drawn from the coastal

areas of the Sahel (Pargeter 2009, p. 1035), in contrast to the underdeveloped, socially conservative, and Islamically oriented south and interior. The historical link between Nahda, and its predecessor the Mouvement pour la Tendence Islamique (MTI), and the less developed region of the southern interior of Tunisia, is widely accepted. The leadership and many of the rank and file of the movement hark from the south, although the movement has also spread to Tunis, the capital city and the country's melting pot (Pargeter 2009, pp. 1031–32). The regional economic disparity had already, in the past, prompted a number of rebellions in the south and the interior, most prominently in Gafsa in 1980 and Sfax in 1982, which the MTI capitalized on—even though, as Pargeter notes in a revealing comment, “it never sought to champion the poor per se” (Pargeter 2009, p. 1037).

Van Hamme, Gana, and Ben Rebbah (2014) caution us, in their analysis of the electoral geography of the October 2011 poll, against conflating the socioeconomic and regional/territorial dimensions of party political support.¹⁵ This caveat notwithstanding, we can still agree with Merone's broad argument that Nahda's legalization, institutionalization, and its (at least partial) take over of power, following the overthrow of Ben Ali, was the culmination of a long process of nation-building (which may not be “as revolutionary as it first seemed”) whereby a conservative middle class became “included within the structures of power through its political representative, Al-Nahda” (Merone 2015, p. 75; see also Cavatorta and Merone 2013). This reconciliation between two ideologically different middle classes, which drove political change in post-2011 Tunisia, came at the price of the continuing neglect of Tunisia's disenfranchised and intensified the flocking of the excluded lower classes to Islamic extremism; it also explains the low electoral turnout in 2011 (Merone 2015, p. 83).¹⁶

The October 2011 elections brought to power a “totally new political class” (Paciello

2013, p. 18), and Nahda ministers, in particular, though well-educated, lacked previous administrative experience (EIU January 2012, p. 11). Following the national elections for a Constituent Assembly in October 2011 and the formation of the new government, Nahda took all cabinet portfolios except finance and defense.

The new government was confronted with a tough economic situation, which deteriorated as a result of political unrest. Intensified expectations of reform following the overthrow of the old regime rendered the problems all the more difficult to handle. Tourism and foreign direct investment saw a drop. The economy experienced a downturn of 1.85 percent in 2011, the fiscal deficit remained high, and GDP growth continued to be weak, at 2.8 percent; these problems were exacerbated by continuing strikes and sit-ins in Tunisia but also by the dire economic situation in the EU, with which the Tunisian economy is intimately linked (EIU January 2012, pp. 3, 7; February 2012, p. 3). The economic indicators worsened especially in the interior, with agricultural workers even going on hunger strikes (EIU February 2012, p. 8). Salafi activities and violence, and the protests against them that they gave rise to, added to the general sense of precariousness and further damaged the economy. Although some encouraging signs existed in mining and foreign investments did come in, including from the Gulf, there was a drop in tourism and some foreign companies shut down; business confidence continued being undermined (EIU February 2012, pp. 14–15; April 2012, p. 13).

The historic trade union federation (known by its French acronym, UGTT, for Union Générale Tunisienne du Travail), played an important role in the post-2011 Tunisian setting and influenced both the political and economic situation. The UGTT had been instrumental in the 2011 uprising, contributing to its success by organizing and coordinating the demonstrations that brought down the regime through its network of local associations. Political tensions between it

and the government soon emerged, though, flaring up in February 2012 when widespread UGTT demonstrations protested vandalism against its offices, allegedly by Nahda (EIU March 2012, p. 10). In the economic sphere, the UGTT also played an important role: It took part in ongoing negotiations with the government, pressing the case for labor and social rights (Toensing 2011).

Outside actors impacted the Tunisian economy in complex ways. The new government enjoyed the support of some Gulf states and there were many economic links with the countries there. A Tunisian businessmen delegation visited Kuwait, Bahrain, and the UAE (EIU February 2012, p. 3). There was a visit by the Qatari crown prince, Qatar being the leading Arab provider of loans and investments in Tunisia (EIU August 2012, p. 2, 19). The G8 and World Bank were supportive of Tunisia with loans (EIU January 2012, p. 5). Tunisia received \$3 billion in aid in 2011, which went some way to cover its needs, estimated by its Central Bank at \$5 billion (EIU February 2012, p. 3).

In its first months, the Nahda-led government tried to preserve a balance between a pro-business agenda and attention to social justice, which inevitably led to tensions. Its economic policy plans and objectives were deemed to be similar to the old regime's but there was also an attempt to ensure benefits were more evenly distributed among the population, as well as a push for good governance and anticorruption measures (EIU January 2012, pp. 5, 7). For example, in a speech to the Constituent Assembly on December 22, 2012, Prime Minister Jebali promised job creation but also that the government would be business-friendly. He also promised transparency in financial transactions and announced that the government was drawing up the legal framework to encourage Islamic banking and finance (EIU January 2012, pp. 13–14; March 2012, p. 13). The government announced its priorities as consisting of job creation, regional development, human rights, and good governance (EIU January 2012, p. 11). It tried to stimulate the economy

through high spending. The 2012 budget increased social spending by 7.5 percent, to fund infrastructure in the interior and a rising public sector wage bill (EIU January 2012, pp. 6, 16). At the same time, Nahda reassured foreign investors that pursuing foreign direct investment would remain a key economic policy (EIU January 2012, p. 6). To ease the situation and help the economy, the government drew up and introduced a 120-page “middle of the road” action plan, developed in collaboration with the UGTT and the employers’ association, UTICA (EIU April 2012, p. 11).

The tensions within the government over issues of economic policy and between a pro-business and a social justice agenda continued. The Central Bank governor was sacked, over differences over the rise of interest rates: He wanted to lift them to keep inflation down, but the government wanted to avoid dampening growth. The finance minister, one of the few independents in the government, resigned, complaining that government spending was excessive and unsustainable and that it was not reaching those who needed it most; he also expressed concerns about the central bank governor dismissal (EIU August 2012, pp. 2, 20). The government announced plans to revive the privatization program (EIU November 2012, p. 31), decrease food subsidies, and increase taxes on luxury goods to cut the budget deficit (EIU December 2012, p. 28). However, the plans to cut food subsidies were subsequently repudiated (EIU February 2013, p. 25).

The assassination of opposition activist Chokri Belaid in February 2013 by radical Islamists led to massive antigovernment demonstrations. Prime Minister Jebali resigned after his proposal of a cabinet of technocrats to lead Tunisia out of its political and economic crisis was rebuffed. Ali Larayadh, also of Nahda, succeeded him but by way of compromise Nahda accepted a number of independents in the government, which thereby became more broadly

based (EIU March 2013, p. 22). However, political and economic discontent continued and further efforts to reduce fuel subsidies were met by anger (EIU April 2013, p. 2). The fiscal deficit ballooned and the economy remained sluggish (EIU April 2013, pp. 5, 33). Foreign direct investment fell to levels lower than before the revolution (EIU April 2013, p. 4).

The IMF, World Bank, and European Union increased the pressure on Tunisia's government by calling for faster reform in reducing food and fuel subsidies and in changing labor and investment laws, in return of financial support (EIU May 2013, p. 23). However, fear of increasing social strife meant that the government was not moving toward reform in labor laws, private–public partnerships, investment laws, banking sector, business infrastructure, and privatization and kept sending business mixed messages. Internal government differences also exacerbated the problem with Nahda's partners in government, the CPR, and President Marzouki arguing, from a more left-wing perspective than Nahda, that the “old” model had failed (EIU May 2013, pp. 24–25); although Marzouki, alongside other senior figures, also called for a settlement with many business figures from the previous regime accused of corruption (EIU June 2013, p. 23). Finally, the IMF approved a \$1.75 billion two-year program in spring 2013 that, according to critics, committed “Tunisia to implementing the same neoliberal agenda and macro-stabilisation measures pursued under the Ben Ali regime” (Paciello 2013, p. 18). In a different development, a new law was approved that allowed the issue of sukuk, bonds that conform to sharia law (EIU August 2013, p. 26).

In July 2013, another opposition figure, Mohamed Brahimi, was assassinated and the ensuing political crisis further exacerbated the economic crisis (EIU September 2013, pp. 29–33). The Nahda-led government of Larayadh stepped down in favor of a national unity government, which eventually took office in January 2014. In the period of autumn 2013, the

finance minister announced austerity measures to reduce the soaring budget deficit (EIU October 2013, p. 2) and a new investment law, promised to the IMF and World Bank, was prepared (EIU December 2013, p. 29). The government was under pressure to reduce the subsidy bill but there was public opposition to this and elections loomed (EIU November 2013, pp. 24–26).

Similarly to the Justice and Freedom Party in Egypt, Nahda in Tunisia pursued a neoliberal, pro-business agenda while attempting not to alienate the poorer segments of the Tunisian population, whose grievances had driven the rebellion.¹⁷ Webb argues that Nahda did not propose systematic economic redistribution and that, despite its rhetoric to the contrary, offered no alternatives to neoliberalism; it only proposed that it would work better if it were run by virtuous, moral individuals, in other words, good Muslims (Webb 2014, p. 13). According to Paciello's critical analysis, Nahda did not introduce "a substantial fiscal reform towards better wealth redistribution and tax collection capacity." The 2013 budget was denounced by trade unions as disproportionately affecting wage workers (Paciello 2013, pp. 19–20). In the areas of wages, job creation, and economic policy, continuity with the Ben Ali era was the order of the day and the Jebali and Larayedh governments "confirmed their full support for a market economy in line with interim governments and Ben Ali's regime. Privatisation [has] accelerated, with the sale of state properties confiscated from people linked to the previous regime . . . together with the creation of new industrial zones open to foreign investors" (Paciello 2013, p. 24). The Nahda-led government tried to obstruct the UGTT's initiatives and used repressive and intimidatory tactics against workers' protests (Paciello 2013, pp. 26–27). Nahda's leaders "never miss a chance to call for more capital, stimulation of the private sector and engagement in economic partnership that is based on international free market principles" (Al-Anani 2012). On the other hand, Nahda's economic platform emphasized economic justice (Paciello 2013, p. 19)

and the government it led did make an effort to cater to the needs of the lower classes and the country's poorer regions (Habibi 2012). It appeared to rely on the state in generating employment and investment (Saif and Abu Rumman 2012). The Nahda-led government pursued an expansionary budget policy, which translated into a rising subsidies and the public sector wage bill (World Bank 2013); it also presided over an increase in public employment (Dworkin 2014, p. 3).¹⁸ This was a particularly difficult balancing act to maintain in a period of economic downturn and turmoil, however, and presumably contributed to Nahda's loss of popularity and electoral support in the October 2014 parliamentary election, where the party lost a number of its seats and came second to the recently formed, anti-Islamist Nidaa Tounes.¹⁹

Conclusion

The economic policies of the Freedom and Justice Party in Egypt and of Nahda in Tunisia in the post-2011 setting were situated within a broader discussion of Islamism and neoliberalism in the Middle East region and in particular the emergence of "pious neoliberalism." The records of the two groups show that the groups were comfortable with a neoliberal agenda and that they were unwilling to challenge the socioeconomic structures of the countries they came (at least in part and for a time) to rule. This sat uneasily with the demands for social justice put forward during the uprisings that overthrew the regimes of Mubarak and Ben Ali. To meet this challenge, the two movements tempered their neoliberal agendas by desisting from harsh measures that would further punish popular strata already suffering from the negative economic consequences of political turmoil. This was the result of the pragmatic need to satisfy their mixed constituencies and hang on to the power they had so unexpectedly achieved.

Following the uprisings, the FJP and Nahda realized, as did Islamist groups elsewhere,

that they had to deliver in adverse conditions, namely in the economic crises that had gripped their countries in the post-2011 context (Habibi 2012). In doing so, they were mindful of trying to balance their middle-class and lower-class constituencies. They tried to give moral and ethical considerations a prominent place in the economy and occupy a centrist position between socialism and capitalism (Saif and Abu Rumman 2012). They attempted to balance between individual and public interest. In both Egypt and Tunisia, interim governments, which Islamists dominated or participated in, increased government spending and domestic borrowing. The result was higher government deficits and inflationary pressures. But these populist policies were not due to antineoliberal preferences but because Islamist groups were seeking to retain their positions in power.²⁰

The post-2011 records of Freedom and Justice and Nahda show that, if we understand “system” as the fundamental socioeconomic structures in Egypt and Tunisia, these Islamist actors cannot be considered antisystemic forces (Secor 2001). Taking a step back, we can see that the uprisings in these two countries did not alter these structures (see also Kienle and Ettinger 2014), although they did remove the predatory circles that had formed around their respective presidencies. Islamists took positions of power fairly soon afterward but they did not show any serious intention of interfering with the fundamentals of the established socioeconomic order (although they were, of course, part of the wave that had overthrown the preexisting political order). What they aimed for, at least in the case of Egypt, was a change of personnel: They would want their supporters to benefit from new opportunities and the business people associated with their movement to take over positions of economic control. What the Islamists sought, in other words, was a change of elites within the preexisting socioeconomic structures, which had otherwise remained intact.

This chapter has provided empirical material relevant to the bigger questions of the present volume on neoliberalism, governmentality, and the state in the post-2011 Middle East. The arrival of the Islamists in power following the uprisings and the economic policies they pursued confirm that, “while economic conditions were amongst the first reasons in causing the Arab revolts and that there has been a toppling of the existing governmental structure in certain cases, what does not appear to be challenged adequately in the region today is the already existing economic paradigm” (Akçalı, Introduction, this volume). However, the popular turnaround against the Islamists in these two countries—despite the fact that its causes are still not fully known and will be fully established by future research—may include popular aversion to the Islamists’ neoliberal agenda, even though it was tempered, as we saw, by an attempt to cater to “social justice.” These developments confirm that Foucault’s concept of neoliberal governmentality, at least in its original understanding, is—as Akçalı suggests—of limited applicability to the postuprising context of the Middle East. In the region as a whole and specifically in Egypt and Tunisia, the relationship between the state, society, politics, and neoliberal structures is currently being renegotiated and transformed into something new. It is evident that, in these countries at least, a socioeconomic revolution has not taken place. Equally, however, we can observe that neoliberal structures continue being the subject of intense contestation.

Notes

¹ These include: the salaried middle classes, recent rural migrants, the lower echelons of traditional urban middle classes (such as shopkeepers, small retailers), and the lumpen proletariat. Rahnema distinguishes between the salaried and professional middle classes and

argues that liberal Muslims emerge among the latter (Rahnema 2008, p. 494).

² The emphasis on personal values and uprightness partly explains why Islamists do not pay attention to the building of institutions for the elimination of corruption. This neglect of institutions can be observed generally in the ideological proclamations of many Islamist movements and also became apparent in the Muslim Brotherhood/FJP and Nahda's performance in the post-2011 periods.

³ Observers of Islamist movements have ascribed their pro-capitalist orientation to the religious precepts of Islam, which command respect for private property (Atasoy 2009; Davis and Monk 2007). For an alternative and, in my view, more convincing interpretation, which focuses on the force of material conditions in determining the relationship between Islam and capitalism, see Rodinson (2007).

⁴ See also Atasoy (2009), and, for a discussion of similar issues in an Indonesian context, see Rudnyckyj (2010).

⁵ Interestingly, Tuğal argues that, as a consequence of this process, there occurred a de-Islamization of everyday life (Tuğal 2009, ch. 9).

⁶ One must note, however, that, in terms of class support and ideology, the AKP took over the mantle, not only of the Welfare Party, but of the right-wing Democrat Party and its successors, such as the Motherland Party.

⁷ The series of electoral contestations following the overthrow of Mubarak also brought into the Constituent Assembly a number of Salafis, hard-line Islamists who constituted a distinct group from the Brotherhood. Their socioeconomic policies are important in themselves, of course, but will not be examined here: The focus will be on the FJP, which, as well as being the largest group in the assembly, came to dominate the Egyptian presidency.

⁸ In contrast to the Brotherhood, the militants of the Islamic Group in the 1980s—unlike the armed militants of the 1970s and the Islamist students and graduates of the period—were of rural origin with little university education (Beinin, 2005, p. 129). Beinin also notes: “Some Imbaba [a poor area of Cairo] construction workers tried to join the Muslim Brothers but were rejected as having insufficient education” (Beinin 2005, p. 130).

⁹ The leader of the Labour Party, ‘Adil Husayn, expressed a “corporatist approach” to relations between labor and capital similar to ideas advanced by the Muslim Brothers since the 1940s: “Our position derives from our Islamic method which requires equity and justice in the Islamic society we are seeking. Muslims in such a society will be as one body in which the employer will be duty-bound to respect the rights of the workers and workers will be duty-bound to be diligent in their work to build the economy of the umma (Islamic community)” (Beinin, 2005, p. 132, quoting Husayn as reported in *al-Sha’b*, December 16, 1997).

¹⁰ Al-Din Arafat argues that the term “businessman” must be understood differently in the Egyptian context. Businessmen are in fact “owners of capital” or “moneyed people,” a category rendered more accurately by the Arabic term *Ragal al-Amal* (Al-Din Arafat 2009, p. 62). This important insight is worth bearing in mind when trying to understand the Egyptian context in which the Muslim Brotherhood has operated and from which it has been formed.

¹¹ Masoud’s analysis (2014) offers a possible explanation of the rapid disillusionment of voters with the Brotherhood, once it became apparent that redistribution was not their primary objective.

¹² Gerges makes an interesting comment about el-Shater and the ideological factions within the Brotherhood to which he belongs. He argues that, although, politically, el-Shater had previously appeared as a moderate, after Mubarak’s overthrow he defended “the group’s traditional view of

itself as a society within society that employs politics as just one tool to Islamize the country” and moved against more liberal members and those who hoped to change the Brotherhood’s insular and hierarchical culture. He preached the virtues of an Islamic state and pledged to introduce the sharia (Gerges 2013a, pp. 392–95). A pro-business, pro-capitalist Islamist perspective does not necessarily go hand in hand with moderate positions politically but can coexist with ultraconservatism.

¹³ The long-awaited \$4.8 billion IMF facility was also offered. Economic stability was immediately improved and the Egyptian pound was strengthened (EIU July 2013, p. 4).

¹⁴ It is interesting to note that the IMF deal was more vehemently opposed by leftist political forces—the main opposition to Morsi—than by Islamists, including hard-line Salafists (Nelson and Sharp 2013, p. 10).

¹⁵ Van Hamme, Gana, and Ben Rebbah (2014) analyze the relationship between regional/territorial dimension and socioeconomic cleavages and party preferences in the October 2011 elections. It is impossible to fully address these issues within the confines of this article except to emphasize that they constitute an enormously complex picture that belies simplistic conclusions. It is interesting to note that the authors characterize Nahda as “liberal” in terms of the economy in everything except employment policy (p. 755).

¹⁶ Turnout in the 2014 elections was even lower. Boukhars also argues that power in Tunisia is “confined to demographically narrow strata of society that are interdependent and interlocked. The same elites, who alternate between competition and coordination, still dominate the economy and enjoy strong connections with international circles of influence. Worse, many of the most compromised elite [sic] of the old regime still hold leadership positions in the bureaucracy and the media.” In the 2014 elections, Moncef Marzouki, who hailed from the left

but also attracted the Islamist vote, and originated from the south, was seen as “an alternative to the power structures that have dominated Tunisia since independence in 1956” (Boukhars 2015, p. 8). Halimi indirectly confirms this also by pointing out the similarities between Nahda and Nidaa Tounes—the winners of the 2014 elections—when it comes to economic policies and preference for neoliberalism, neither of which can solve—according to the author—the problem of huge regional inequalities (Halimi 2014).

¹⁷ Note, however, that—according to one analyst (Iqbal 2014)—Tunisia pursued more wide-ranging economic reforms than Egypt.

¹⁸ In 2013, Nahda hired 6,000 new civil servants on the basis of their political allegiance to the party (Milan and Cristiani 2014).

¹⁹ The 2011 election campaign had focused almost exclusively on ideological issues, such as Islamization, because previously these had not been openly discussed (Marks 2014, p. 11). According to one analyst, however, the 2014 campaign and its results showed that the majority of voters care more about economics and development than moving to a “utopian Islamist social order,” which was a lesson for Nahda (Boukhars 2015, p. 13).