

## 1. The Politics of Agrarian Reform in Contemporary Egypt

### 1.1 Introduction

Forty years after Nasser's first Agrarian Reform law of 1952, a new law was passed by the Egyptian Peoples' Assembly (Law 96 of 1992), raising rents threefold, and giving landowners the right to evict tenants at the end of a five-year transitional period. The idea was to liberalise agricultural rents and to create a land market through the promotion of 'market-led' prices. Notwithstanding its selective application, the rationale behind subjecting tenancy contracts to 'free market supply and demand' was perceived by the proponents of Law 96 as part and parcel of the drive towards a market-oriented economy, rather than a state-controlled one, in accordance with current government policy. Egypt was not the only country in the region to redress the perceived imbalance in power of smallholders over large holders. In the eighties and nineties, the abolition of state subsidies and pricing and marketing policies that formerly favoured small farmers occurred throughout North Africa and the near East.<sup>1</sup>

Although the gradual erosion of tenancy security in Egypt began in the seventies with Sadat's *infitah* (economic open-door policy) when measures were initiated to revise laws affecting rent control, it took another two decades for the process to crystallise.<sup>2</sup> In 1985, the Agricultural Committee of Mubarak's ruling NDP (National Democratic Party) made the first concrete proposal for a new tenancy law. It declared that a draft of amendments to Law 178 would be presented in 1986. Despite the fact that the exposition of the draft proposal was

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<sup>1</sup> Bush and Abdel Aal 2004, pp. 1, 2

<sup>2</sup> Sadat passed two laws in 1974 and 1981, whereby 147,000 feddans contracted to small farmers by the Ministry of Agrarian Reform were restored to the former owners. Agricultural rents were increased twice under Sadat and the provisions to evict tenants and facilitate sharecropping arrangements were changed to the benefit of the owners. Moreover, increased representation of large landowners on the cooperative boards was promoted by the state, while village banks were established. The latter had to answer directly to the government rather than via the Agrarian Reform Cooperatives, whose boards of directors had always been elected by the farmers. (Fahmy 2002, pp. 203–210) When Sadat took over after Nasser's death in 1970, Kienle writes that he "supposedly abandoned the economic interventionism and democratic centralism inspired by popular democracies in favour of substantial economic and political liberalization, initiating a return to the market economy". (Kienle 2000, p. 1)

postponed, the issue of tenancy continued to be a major focus of public debate until the new law was actually passed in 1992.<sup>3</sup>

According to Saad, the new tenancy law “represents one of the most important measures associated with economic liberalization and structural adjustment policy”, resulting in “a dramatic restructuring of agrarian relations that is manifest in the instant large-scale redistribution of land”<sup>4</sup>. However, recent findings from studies conducted on the new law’s implementation point to the lack of proper research, not only on alternative and realistic means of livelihood for the tenants to be evicted, but even on the number of individuals it would affect in the short and long term. In fact, Saad pointed out that “Although the government is generally possessive about ‘its’ data, expert views were expressed that the necessary information was actually lacking rather than a secret”<sup>5</sup>. It was estimated in the end, that no less than one million families farming 23.7 percent of Egypt’s cultivable land would be affected by the full implementation of the law on October 1st 1997 – yet their voices seem to have been largely absent from the public discourse.<sup>6</sup>

In the meantime, the majority of tenant farmers who lost their main source of livelihood have still not been allocated new land. This has led to the further marginalisation of resource-poor households with devastating implications for the future of small-scale agricultural production in Egypt. This process may be viewed as part of what Kienle called ‘the structural adjustment of liberties’ in the nineties, which tended to ‘restrict the liberties of the economic losers and

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<sup>3</sup> According to Springborg, the violent police riots that broke out in February 1986 were a major factor influencing the government’s decision to postpone amending the law (Springborg 1991, pp. 236, 237).

<sup>4</sup> Saad 2001, p.1

<sup>5</sup> Saad 1999a, p. 391. For example, a respected agricultural economist, Mohamed Abu-Mandour, wrote in the *Al-Ahram Weekly* that ‘the draft law had been prepared without important data, such as land tenure maps or figures of absenteeism among tenants’; while Ahmed El Goweili, the Governor of Ismailia at the time and head of the Scientific Society for Agricultural Economy agreed that ‘the law was based on outdated information’ (‘Debating a Law that Will Affect Millions’, by Aziza Sami, 4–10 June 1992).

<sup>6</sup> Saad 1999b, p. 24. According to data compiled by Ismail, the number of pure tenants at the time of the law’s implementation was 432,000. This figure was derived from agricultural statistics for the year 1989/1990 issued by the Egyptian Ministry of Agriculture. If one takes the average number of rural household members to be five (according to the CAPMAS general population count for the year 1996), a total number of around 2 million people were directly affected by the new law.

extend those of the winners, added political ex-corporation to economic loss, and recompensed economic success with a degree of political incorporation.”<sup>7</sup>

## 1.2 The ‘Structural Adjustment of Liberties’

According to a report published in 2001 by a UN Commission on Human Rights,

“Torture is systematically practised by the security forces in Egypt, in particular by the State Security Intelligence, since in spite of the denials of the Government, the allegations of torture submitted by reliable non-governmental organizations consistently indicate that reported cases of torture are seen to be habitual, widespread and deliberate in at least a considerable part of the country”.<sup>8</sup>

And yet Mubarak’s Egypt has often been regarded as a country whose political regime demonstrates recognisable ‘liberal’ and even ‘democratic’ traits, despite its undeniably authoritarian features, as opposed to other countries in the Arab world, such as Syria, Iraq, and Saudi Arabia. The fact that there are elections, although their ‘freeness and fairness’ is questionable<sup>9</sup>; that the courts are reputed to be independent; that the press frequently criticizes the regime for the involvement of its agents in high profile corruption scandals (only the president and his family enjoy complete immunity); and that there seems to be some form of active civil society, are mooted as indicators of such ‘liberal’ traits. Furthermore, many observers believe that the economic measures of liberalisation associated with Sadat which have been extended and reinforced under Mubarak, are a further indication of this process. Or at least that ‘the relative decline of the public sector with the simultaneous growth of the private sector and the expansion of market relations would have been impossible without a political opening of sorts’.<sup>10</sup>

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<sup>7</sup> Kienle 2000, p. 145

<sup>8</sup> LCHR 2002, pp. 131, 132

<sup>9</sup> During the 1995 elections, for example, polling stations were wrecked by hired thugs and ballot boxes disappeared or were set alight/opened by force. Special polling stations were found to be in police stations, which was illegal as was the buying of votes, while the names of dead or fictitious people listed as voters were numerous. Altogether 38 people were killed and 256 were injured when violence erupted during the elections period (Kienle 2000, p. 61).

<sup>10</sup> Ibid, pp. 2, 3. See Krämer 1992 for an interesting discussion about liberalisation and democracy in the Arab World.

However, Kienle illustrates clearly in his in-depth assessment of Egypt's economic liberalisation process that it by no means coincided with measures of liberalisation affecting the strictly political domain. On the contrary, since the beginning of the 1990s, 'the 'liberal' traits of the political system have been seriously called into question, while the distributive consequences of crisis and reforms led directly to a restriction of liberties'.<sup>11</sup> Indeed the continued strength of authoritarianism in Egypt has featured prominently throughout the recent economic liberalisation process. As Kienle emphasised, "If the laws and decrees became more restrictive, the actions of the various executive agencies of the regime sometimes became more restrictive still. For instance, the 'security' forces often ignored the few guarantees given to the population by the increasingly repressive and restrictive texts, and were involved in countless illegal activities, or covered up or supported actions by the regime and its entourage."<sup>12</sup>

In fact, the myriad forms of routine repression that became prevalent under Mubarak contributed significantly to the perpetuation of an already prevailing culture of fear in the countryside. Death penalties and executions for political reasons reached unprecedented levels in the history of Republican Egypt in the 1990s. And due to the questionable interpretation of laws and the constitution, an ever-growing number of civilians were sentenced by military courts rather than the Supreme State Security Courts in political trials. Not only did the use of torture and the disappearance of political activists become increasingly common, but so too the application of administrative detention without charge or trial. Kienle notes that 'the numerous trials of civilians by military courts; the increasing number of death sentences; the growing number of political prisoners; the everyday use of torture; the attempts to muzzle the press; the restrictions imposed on institutions of 'civil society' such as professional syndicates; the government rhetoric of the alleged association between human rights organisations and terrorist groups; as well as the widespread official interference in the 1995 parliamentary

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<sup>11</sup> Kienle 2000, p. 3

<sup>12</sup> Ibid, pp. 13, 14

elections were only the most salient aspects of this evolution of liberties'.<sup>13</sup> It is clear, therefore, that the build up to the implementation of Law 96 took place in an atmosphere of heightened state repression, due to the systematic de-liberalisation of liberties that simultaneously accompanied the controversial process of economic liberalisation.

### **1.3 Law 96 and the Economic Liberalisation Process**

Despite the planned decline in US assistance to Egypt from \$775 million in 1999 to \$410 million by 2009, according to Bush, "it exerts enormous influence over the direction and pace of economic reform".<sup>14</sup> Although most of the reforms introduced by the state from the mid-eighties onwards were part of the programmes agreed with the IMF and the World Bank<sup>15</sup>, the new tenancy law was conceived independently of the requirements of the Bretton Woods institutions. Nevertheless, land tenure reform was viewed by USAID and other IFIs as being entirely acceptable to their new vision for Egypt.<sup>16</sup> For example, in two reports commissioned by USAID, in collaboration with the Ministry of Agriculture and Land Reclamation (MALR), it is noted that "The new law is consistent with the privatization and economic liberalization

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<sup>13</sup> Ibid, pp. 3–4

<sup>14</sup> Bush 2002a, pp. 13, 14

<sup>15</sup> The influence of USAID support for Egypt's strategy of economic liberalisation is clear from two of its major programmes. The first programme was launched in 1986 and ended in 1996. The principal goal of the Agricultural Production and Credit Project was to promote the liberalisation of agricultural inputs and prices and to reduce the role of the state agricultural credit bank. This project was then replaced by the Agricultural Policy and Reform Programme (APRP) set to phase out in 2002. (Bush 2002a, p. 13)

<sup>16</sup> Kienle 2000, p. 144 and Bush 2002a, p. 19

policies of the GoE<sup>17</sup>. It provides the basis for the development of a land market... The law did away with more than forty years of an imbalanced relationship between landowners and tenants”.<sup>18</sup>

One of the principal obstacles to the development of a land market in the view of USAID was the fact that land ownership could not be proved as registration procedures in Egypt were so complicated. Hence a regulatory framework needed to be put in place to secure the interests of private capital and private land ownership in an accessible legal structure.<sup>19</sup> The idea was to encourage land consolidation and the emulation of a US farm-type model of large-scale, capital intensive agriculture. This is all very well for those farmers with the necessary resources to gain access to new technologies and expensive machinery, but such policies have little impact on the vast majority of Egyptian smallholders. As Bush notes, “The irony, then, is that liberalization has delivered the interests of the existing agricultural stakeholders, who are also major players in the state apparatus. The policies of the IFIs do not therefore reduce, but actually serve to enhance, state rent-seeking.”<sup>20</sup> Moreover, the ‘reification of a land market’ excludes fundamental issues, such as ‘security of access to land and landlessness, rural work

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<sup>17</sup> The main aim of the agricultural reform programme launched by Mubarak’s government from the mid-eighties onwards was to deregulate the agricultural sector and thereby enhance productivity. This was to be accomplished through the removal of production and delivery quotas, subsidies, controls on farm input/output prices, and restrictions on import and export of agricultural commodities. It has been argued by reformers that improved yields, particularly of wheat, as well as a decline in food subsidies and deregulation of controls on cropping patterns, led to a significant improvement in food self-sufficiency on a national level. At the same time, strong criticisms have been made of the much heralded success of the reforms. Concerning the reliability of the economic aggregate data used, for example, Bush notes that, “it is remarkable that fourteen years after the market reform began, the liberalizers rely on evidence of early increases in output and changes in cropping patterns to support their rhetoric of success. Yet, there is little evidence that the early success has been sustained.” World Bank figures indicate that the overall rate of growth in agriculture since 1990 has been less than for the period of 1980–1987, apart from the year of 1996/7. Moreover, farmers were very adept at hiding what they were producing during the years of state intervention, so the improvements represented by the data are more likely a reflection of previous under-reporting or inaccuracy of earlier yields and cropping patterns, than as a result of market-led reforms. (Bush 2002a, pp. 15, 16)

<sup>18</sup> USAID and MALR 1997, p. 1 and 2000, p. 1

<sup>19</sup> Bush 2002b, pp. 28–30

<sup>20</sup> Bush 2002a, p. 17. Bush emphasises that “Instead of focusing on reinvigorating the power of the landlord class in Egypt by asserting that security of tenure will deliver export-led growth and greater national food security, policy-makers might have considered more carefully the implications for rural poverty and rural development and the consequences for the near-landless and displaced tenants.” (Ibid, p. 23)

and markets, the development of rural infrastructure, affordable production inputs, rural growth, and political representation'.<sup>21</sup>

In this way, policy makers appear to have reduced rural household decision making to concerns with markets and prices, rather than considering the fundamental relationship between household need and market/cash imperatives.<sup>22</sup> Therefore, large landholding interests tended to be promoted, while the majority of resource-poor farmers suffered greatly from rising production costs and lack of institutional support. As Mitchell writes, "The system for appropriating wealth from the countryside needs to be examined as a political process, in which changing state policies have reflected a complex of dominant (although not always coherent) social interests – those of state managers and bureaucrats, the growing government-supported private sector, and larger rural landowners."<sup>23</sup> Indeed the high levels of productivity in relation to landholding size of the fellahin were largely ignored by bureaucrats, who continued to claim that smallholder inefficiencies were holding back strategies for agricultural 'modernization'. Yet the assumption that agricultural efficiency in Egypt would increase automatically by empowering wealthy landowners was not based upon any concrete evidence. Furthermore, scarce attention was paid to the need for greater representation of small farmers to ensure a counterbalance to powerful landed interests, in addition to the importance of rural institutional building and governance.<sup>24</sup> Thus, to quote Bush, "The emphasis on title and tenure reform oversimplifies local traditions of work and the prior existence of markets of land. Taken together, these shortcomings accelerate processes of rural social differentiation in which

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<sup>21</sup> Bush 2002b, p. 29

<sup>22</sup> Bush 2002a, p. 17. As Bush points out, "The concern that reform advocates have regarding farmer choice shaped by market considerations is inappropriate in the real world of farmer calculations affected by tenancy struggles." (Ibid, p. 202) Moreover, Kienle underlines that "the large-scale liberalization of prices, often by reduction or abolition of subsidies that characterized the 1980s and 1990s, has done nothing to extend the liberties of tenants or of consumers of subsidized products – at least, not those liberties whose elasticity varies with income and resources." (Kienle 2000, p. 3)

<sup>23</sup> Mitchell 2002, p. 226

<sup>24</sup> Bush 2002a, p. 202 and 2002b, p. 29

landless and near landless, and especially female headed households and dispossessed, after Law 96 are marginalized.’<sup>25</sup>

#### **1.4 Nasser’s Social Contract with the *Fellahin***<sup>26</sup>

Law 96, in effect, was a complete reversal of the series of reforms enacted by Nasser’s regime in the fifties and sixties. Before the revolution of 1952, large landholders owning over 200 feddans represented less than 0.1 percent of the total number of landholders and possessed around 20 percent of cultivated land, while at the other end of the spectrum, three million *fellahin* owning less than one feddan made up 75 percent of all landowners.<sup>27</sup> Moreover, cash rents were extremely high, in some cases higher than the net output of the land itself<sup>28</sup>, while sharecroppers were obliged to hand over the whole cotton crop and half the wheat crop to estate owners, leaving them very little income. In addition, landlords had no legal obligations to their tenants, as all agreements were arranged orally. Then in September 1952, only six weeks after the revolution, Nasser’s First Agrarian Reform Law (Law 178) was introduced, setting the maximum limit of landownership at 200 feddans for a single owner plus an extra 100 feddans allowed for dependent children provided the total did not exceed 300 feddans (later, in July 1961, the ceiling was lowered to 100 feddans for a single owner).

The confiscated land was redistributed to almost two million beneficiaries, mainly agricultural labourers and tenant farmers. They received on average 2.4 feddans, the cost of which was to be paid back to the state in instalments over a forty-year period. This land came to be known as Agrarian Reform land. Exemptions were made for religious endowment land (*awqaf*), desert land or land owned by industrial and scientific institutions. Big landowners were compensated with government bonds for the loss of their land, in addition to fixed assets such

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<sup>25</sup> 2002b, p. 30

<sup>26</sup> *Fellah* means literally ‘tiller of the soil’ (*fellahin* is the plural), but it can be used to mean a villager or someone who lives in the Egyptian countryside, as opposed to a city dweller.

<sup>27</sup> Abdel-Fadil 1975, p. 3 and Bush 2002a, p. 9

<sup>28</sup> According to data from the Department of Agriculture, the average net revenue per feddan of owner-operated land in 1946–1947 was LE 16, while the cash rent was LE 22 per feddan. The net revenue per feddan in 1947–1948 was LE 19 and the cash rent was LE 23 per feddan. (Fahmy 2002, p. 204)



as buildings and irrigation equipment (apart from the Royal family which lost 170,000 feddans).<sup>29</sup> Furthermore, agricultural rents were fixed at seven times the basic land tax and long-term tenancy contracts became *de facto* inheritable from one generation to the next.<sup>30</sup> It was also stipulated that the production costs and revenue derived from sharecropping arrangements had to be divided equally between owners and leaseholders.

One desired outcome of Nasser's reforms was to reduce the political importance of the landlords, while simultaneously promoting a politically passive peasantry. That is, the state would provide basic services to the fellahin in exchange for their political acquiescence. At the same time, Kienle points out that it is probable the Free Officers intended to transform an economically dominant class which was still largely agrarian into an industrial bourgeoisie. And not all of the Free Officers were of petty-bourgeois origins. Some came from wealthier backgrounds whose families derived good revenues from land.<sup>31</sup> One of the principal setbacks of the reforms, however, was that they were inadequately thought through. According to Owen and Ansari, 'They were enacted very speedily without preparation either, to what the medium- or long-term consequences would be for production and rural development, or the integration of them into a broader set of political and economic goals.'<sup>32</sup> Indeed wide levels of disparity prevailed as the ceilings on landholdings were still high and big landlords often avoided the restrictions, by assigning land to other family members, or by using their connections to 'keep the state off their backs'.<sup>33</sup> Hence, despite two major reforms during the period of 1952–65, the distribution of ownership remained highly skewed. And the real

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<sup>29</sup> Bush 2002a, p. 9

<sup>30</sup> The decree of 1952 stipulated 'the non-termination of the land rent with the death of the tenant, if it were proved that one of the heirs of the deceased practised agriculture as a profession' (this condition was later dropped). If the land had not been subjected to real estate tax at the time of its lease, or if the annual tax was already no more than LE 2 per feddan, it was specified that the rent value should be estimated at the landlord's request by a 'competent assessment committee'. Law 52 of 1966 extended tenancy rights further by preventing eviction except for non-payment of rent. (Bernard-Mangiron and Baudouin Dupret 2002, pp. 126–132; Fahmy 2002, p. 205)

<sup>31</sup> Kienle 2000, p. 2

<sup>32</sup> Bush underlines that Nasser's regime tended to 'brush aside fundamental difficulties of planning and implementation, thereby failing to mobilize or create the political conditions necessary for extensive land redistribution' (Bush 2002a, p. 23)

<sup>33</sup> Bush 2002a, p. 10

beneficiaries turned out to be the medium-sized owners of 20 to 50 feddans, in other words, the rich fellahin, as opposed to the near-landless or landless fellahin.<sup>34</sup>

Nevertheless, it has been argued that rent control was the key element to Nasser's agrarian reform policy and certainly the most popular one.<sup>35</sup> It has also been emphasised that 'the improvement in *income* and *legal status* of a large part of the rural population may be seen as the most valuable achievement of Law 178, greatly exceeding the benefits of distribution'.<sup>36</sup> More important, the symbolic importance of Nasser's gesture to the fellahin should not be under-estimated. Saad describes, for example, how the reform of 1952 (*islâh*) was perceived by the fellahin: "L'*islâh* est considérée comme un cadeau personnel du président aux paysans. Et ce cadeau ne représente pas seulement la terre ou la garantie des droits des locataires: il a bel et bien une charge symbolique. L'*islâh*, c'est 'la Loi de la liberté'..."<sup>37</sup> The fact that Nasser's *islâh* was viewed by the fellahin as the "Law of Freedom" constituting a binding social contract with the state meant that it had played a key role in the creation of political consensus in the Egyptian countryside in the fifties and sixties.

Thus the new law, to quote Saad, "Touched a sensitive nerve concerning an uneasy relationship to the recent past. The sensitivity went beyond the immediate political concerns of the Government of Egypt to the basis of consensus on which the contemporary Egyptian state

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<sup>34</sup> In 1950, 44 % of those who derived their main income from agriculture were landless. This figure increased to 45 % in 1972 due to population growth. And today, permanent rural labourers and casual labourers who are the poorest of the poor represent 40 % of those engaged in agriculture. (Richards 1982, p. 177; El-Messiri 1983, pp. 80, 81)

<sup>35</sup> Sadowski 1991, pp. 289–307. Fahmy also notes that the regulations for tenancy relations benefited far more people than the initial redistribution of land, despite the fact that there were numerous evasions (Fahmy 2002, p. 205)

<sup>36</sup> In fact, the expropriated land available at the time for redistribution totalled half a million feddans, no more than 8.4 % of the total cultivated land in Egypt. (Abdel-Fadil 1975, pp. 8, 9) See also Ghosh 1987, Saad 1998, 1999, 2001, and Bush 2002a.

<sup>37</sup> Saad 1996, p. 265. She explains further how people's reconstruction of the past often referred to the dualities of humiliation versus dignity, or feudalism versus liberty: "L'image que les paysans d'Imam se font du monde dans lequel ils vivent actuellement est le négatif de l'archétype de l'avant-*islâh*. Dans la représentation qu'ils s'en font, ces deux périodes n'existent que l'une par rapport à l'autre. Ce qui caractérise le présent, c'est la liberté, la dignité, la fierté. La liberté est la négation du féodalisme et de l'humiliation." (ibid, p. 264) Hinnebusch believes, moreover, that the Agrarian Reform law may be viewed as the centrepiece of the 1952 revolution (Hinnebusch 1993, p. 21).

rests.’<sup>38</sup> As one farmer in the village of El Bîr expressed it, “A law like this should never have been untied. It was a Republican law made by Gamal Abdel Nasser...”<sup>39</sup> The increasing politicisation of land during the build up to the full implementation of Law 96, therefore, had a powerful historical precedent embodied in the personality of the former Egyptian president himself. Indeed the tenancy bill was the subject of much heated discussion in parliament and the local press throughout the nineties, and before, as illustrated below.

### **1.5 The Build Up to October 1997: The Political Context and the Press Debate**

Apart from the ruling NDP, outspoken supporters of Law 96 included the Liberal Party, the Wafd and even the banned Muslim Brotherhood. As Saad notes in her study of the debate on the law at the time of its issuance, there was a deliberate stereotyping of owners and tenants by the government-controlled national press. It was argued that the owners were ‘oppressed’ by the unjust pittance they received in agricultural land rent. Tenant farmers were portrayed as ‘lazy peasants watching videos and abandoning the land to travel abroad to buy more consumer goods’. It was claimed that ‘tenant’s pockets were filling with thousands of pounds... that they were buying 70, 80 feddans of land from their former owners and driving around in Mercedes and Peugeot cars’, great status symbols in the countryside. By contrast, landlords were ‘needy, yet respectable middle-class helpless citizens, oppressed by merciless tyrants’. In this sense, the tenants were misrepresented and demonized for victimizing and humiliating landowners.<sup>40</sup>

Yet supporters of the new law were careful to emphasise that ‘despite the noble cause of the July 23 Revolution to abolish feudalism, Egyptian society had subsequently become captive to a form of reverse feudalism: that is, the feudalism of the tenant’. Meanwhile, ‘the passing of time had rendered the socialist Agrarian Reform laws so obsolete that they contributed only to

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<sup>38</sup> Saad 2002, p. 114

<sup>39</sup> Interview no. 13

<sup>40</sup> Saad 1999a, pp. 393, 392; 2002, p. 104

complicating national life'.<sup>41</sup> In one article published on the occasion of Farmers' Day in September 1988, a clear link was made by the author between Nasser's Agrarian Reform law and 'negative phenomena', such as 'fellah youths watching forbidden films until dawn, as the low rents had made them lazy'.<sup>42</sup> Thus the new tenancy law would redress the 'injustices' being committed upon the owners, as well as forcing 'lazy' tenant farmers into being more productive, which could only be beneficial to the society as a whole.

Another justification given by proponents of Law 96 for its application was its full conformity with Islamic *shari'a*. During the parliamentary session discussing the draft law, the Speaker of the Parliament (NDP), stated that the Grand Mufti and Sheikh Al-Azhar had declared the Agrarian Reform Law to be null and void. The reason for this was that according to *shari'a*, tenancy contracts could not be open-ended as stipulated by the old law. This argument provided the government with a strong weapon for intimidating political opponents, as well as 'signifying an interesting shift in the basis of the regime's legitimacy', in its keenness to appear as a guardian of Islam.<sup>43</sup> It is interesting to note that a report commissioned by USAID replicates this rhetoric, stating that "The new law is deemed consistent with both Islamic and modern practice". The report emphasises that Law 96 reaffirmed the 'need and the right for people to own property, in accordance with Islamic concepts of property rights'.<sup>44</sup> The implication here is that Nasser's reforms did not abide by the Islamic notions of private property. It has been argued by researchers, however, that unlike other agrarian reforms in the

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<sup>41</sup> These views were quoted in articles published by *Al-Ahram* and *Al-Ahram Weekly* in 1992 (Saad 1999a, p. 392).

<sup>42</sup> This article was published in *Al-Gumhuriyya*, 2 September 1988 (ibid, p. 393).

<sup>43</sup> It is worth quoting the comments made by Galal Amin, a well-respected political economist, regarding this matter: "I was struck by astonishment accompanied by a great deal of distress when I read in the papers the People's Assembly discussions concerning amending Agrarian Reform Law and the headlines that included the following statement: 'According to Shari'a, the Agrarian Reform Law is null and void' ... I said to myself: there it is, religion is again being forced into a purely political and class struggle, and there we see the rules of God being forced into a dispute that is about people's interests. The government did not amend the Agrarian Reform Law because it suddenly discovered after forty years that the law did not comply with Islamic Shari'a, but because of pressures from the IMF and the World Bank... Does the government not see anything else in Egypt where 'people's money is unlawfully consumed' except the Agrarian Reform Law?" (Saad 1999a, p. 400)

region, such as the later reform in Algeria; Nasser's revolution 'retained the sanctity of private property, while individual family farms remained the centrepiece for rural development'.<sup>45</sup>

At the same time, references were made to the fact that the new law was in the interests of 'our Egypt'.<sup>46</sup> Another essential legitimising factor for the state was for Law 96 to be perceived as coming from within Egyptian society and not as a result of external pressures (i.e., from the World Bank or the US). And yet the same argument was used by those against the law. Appeals were made to the Egyptian people to become masters of their own destiny and not "slaves, begging others for aid and assistance".<sup>47</sup> Moreover, it was underlined time and again by the government that concerns about the 'investment climate' should be taken into consideration. It had reached the point where the state's prestige (*haybat al-dawla*) was at stake. The argument that the resulting increase in agricultural production would create a favourable investment climate was used by the law's proponents to portray anyone against it as abandoning Egypt to the 'communists, leftists and Nasserists': that is, people who 'did not respect private property'.<sup>48</sup>

Opponents to the law, in general, conceded to the belief that rents should be increased as the low rates were particularly hard on small landowners.<sup>49</sup> However, they argued that tenancy contracts should not be terminated as this would have a severe impact on food production in the long term, as well as devastating implications for tenants who had farmed all their lives on the same piece of land, investing hard labour and capital into it. It was believed that the process of land concentration in the hands of wealthy owners with the ensuing cultivation of

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<sup>44</sup> USAID and MALR 1997, p. 1. In another section of the report, it is emphasised that "The new land law (96 of 1992) is based on Islamic Law which holds that individual property rights are sacred." (Ibid, p. 8)

<sup>45</sup> As Abdel-Fadil writes, "The reform was, in principle and practice, more akin to the *liberal* ideal of a 'regime of small peasant properties' rather than to any *collectivist* or *socialistic* ideals." (Abdel-Fadil 1975, p. 23) Bush also underlines that "It was only in Egypt that the seized land was actually passed on from the state to the fellahin". (Bush 2002a, pp. 8, 9)

<sup>46</sup> Saad 1999a, p. 401

<sup>47</sup> Ismail 1998, p. 59

<sup>48</sup> Saad 2002, p. 119

<sup>49</sup> The views of those against the law were largely confined to left-leaning opposition papers, such as the *Al-Ahali* paper. Occasional references were made in the national press or in specialised papers that were not so widely read, such as the *Al-Ahram* economic weekly.

export-oriented cash crops would threaten Egypt's food security even further, as it would become more reliant on food imports from the West.<sup>50</sup>

The opposition Tagamu' party, for example, suggested that a fund could be established to provide loans to tenants to be repaid in instalments over a period of thirty years, so that they could buy the land from the owners at the market price. In this way, the tenants would not have to be evicted and the owners would obtain a fair price for their land. In the end, however, the draft law that was presented to parliament did not take into consideration this proposal, although opponents to the act did secure some gains.<sup>51</sup> For example, Agrarian Reform and *awqaf* (religious endowment) lands were exempted from the law, while it seemed that farmers would be able to use the courts to defend their legal rights. The cases presented in Chapter 3, however, show how few of these concessions materialised in reality.

The threat to 'social peace' was another recurring theme in the arguments used by both supporters and opponents of the law. On the one hand, predictions were made of possible outbreaks of violence if tenant farmers were thrown off their land. For example, one article published in the monthly, *Al-Yasar*, warned that implementing the law would "Push the society into a mad cycle of violence". Another comment made by an activist farmer from Kamshish village was as follows: "Now peasants who have nothing at all to do with politics are saying we are ready to carry weapons to defend the land. Incidents of violence between owner and tenant have already started. There are going to be massacres..."<sup>52</sup> A tenant farmer was even quoted as saying, "This situation is like the situation in Palestine, 'Land for Peace'. If the government wants peace, we have to keep the land."<sup>53</sup> Furthermore, the new law was referred to as a 'potential time bomb with both social and communal explosives', as its opponents

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<sup>50</sup> Saad 1999a, p. 394

<sup>51</sup> The fact that the draft law submitted to parliament in 1992 did not comply with the principles agreed upon by all parties earlier proved to be costly for the political credibility of the Tagamu' (ibid, p. 397).

<sup>52</sup> Saad 1999a, p. 401

warned that economic strife could easily turn into religious strife between Coptic landlords and Muslim tenants, particularly in parts of Upper Egypt where there had been previous incidences of minority targeted violence.<sup>54</sup> On the other hand, similar arguments were used by the regime and its notorious security forces five years later, when the law was fully implemented. The danger of widespread revolts and rural discontent was the perfect excuse for the regime to carry out an efficient and brutal process of state repression, which systematically silenced any voices of dissent.

## 1.6 Conclusion

Thus the new tenancy legislation became ‘an arena for fighting wider political battles’. The Minister of Interior (NDP) accused the banned Muslim Brothers of inciting the fellahin to commit acts of violence before the law was implemented, while the Nasserist Party charged the latter of betraying the tenants’ cause by issuing declarations supporting the view of the landlords. And the ruling NDP accused all opposition party leaders of hypocrisy regarding their stance as they were also landowners and would be the first to evict tenants from their land. In this way, the build up to the deadline of October 1<sup>st</sup> 1997 became one of heightened anticipation as the government concentrated its public discourse on ways to avoid disturbances and how to mitigate the ‘coming crisis’, while members of opposition groups awaited a ‘social revolution’.<sup>55</sup>

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<sup>53</sup> Saad 2002, p. 116. This man also happened to be the head of the Farmers’ Union Committee of Giza Governorate, which was formed at the time to protest against the new law. Saad explained that the popular slogan ‘Land for Peace’ was taken up by protesting fellahin during several rallies that were held in the months preceding the evictions (see Section 3.3 for a description of the ongoing political activism in the village of Kamshish).

<sup>54</sup> El-Gawhary 1997, p. 48

<sup>55</sup> Saad 2002, pp. 118, 119

There is reason to believe that Mubarak's regime did not ignore the potential social and political repercussions of the economic reforms.<sup>56</sup> As Kienle writes, "The problem was not only one of real losses but of the perception and expectation of losses".<sup>57</sup> However, there were material losses to be incurred by structural adjustment measures which involved far greater political risks to the regime than the issue of rural tenancy security, at least in the short term. Tenant farmers were small fry in comparison to the wealthy landowners and influential businessmen in the People's Assembly (the Parliament). For example, the privatization of state-run companies constituted a real threat to powerful interests vested in the public sector, including those of many ministers and high-ranking civil servants. This is why it is believed that the same legal principle of 'ownership rights' and 'freeing the market' was not applied at that time to the low urban rents. The losers in this case would have included members of the elite who were themselves tenants in urban properties.<sup>58</sup> Moreover, the government had to think twice before it gave its urban population a reason to go onto the streets to protest – the widespread urban bread riots of January 1977 and the police riots of February 1986 had certainly not been forgotten.

At the same time, as Bush and Abdel Aal write, "while the parliamentary debate was extensive, by Egyptian standards at least, the constraints on what was discussed during the passage of the tenancy bill limited an assessment of what at heart was a strategy of agricultural 'modernisation' that rewarded land ownership and penalised the rural poor".<sup>59</sup> Even before Law 96's implementation, the public debate seemed to be centred more around the question of timing and not so much on whether the law should be introduced at all. In other words, the government's reformative agenda had already been incorporated into the political framework as part of an inevitable and desirable progression towards a market-oriented economy. As

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<sup>56</sup> Rural poverty levels rose significantly during the 1990s, while real incomes continued to fall as they had done since the mid eighties. A survey funded by USAID found that overall poverty levels in Egypt more than doubled from 20.7 % to 44.3 % between 1990/91 and 1995/96 (Kienle 2000, pp. 149, 150). Moreover, according to an in-depth study conducted by Fergany, there were 700,000 job losses in the agricultural sector alone between 1990 and 1995. (Fergany 2002, pp. 211–233)

<sup>57</sup> Kienle 2000, p. 152

<sup>58</sup> Saad 1999b, pp. 33, 34.

<sup>59</sup> Bush and Abdel Aal 2004, pp. 1, 2



Saad emphasises, the process of de-Nasserization initiated by Sadat in the mid-70s had been accompanied by a crucial switch in the point of reference that governed the basis of Egyptian society's political order. That is, one no longer talked about 'revolutionary' legitimacy. It was the constitutional and legalistic discourse that now dominated policy making, and, "In the face of the constitutional principle of ownership rights, the tenants' adherence to their social contract with Nasser counted for little."<sup>60</sup>

In the meantime, the argument that the time had come for 'ownership rights' to be re-established once and for all proved to be a compelling one. It enabled the regime to accomplish exactly what it originally set out to do with the enactment of Law 96 in 1992. The powerful lobby for landholding interests within parliament had been pushing for the revocation of Nasser's reforms for many years, and now they had finally obtained what they wanted. In addition, the advocates of the new law even managed to convince influential donors like USAID and the FAO, that such a move was not only justifiable, but that it would even be beneficial in the long run to the vast majority of rural dwellers. This ambitious prognosis, however, has yet to be borne out in reality, as will be illustrated in the following chapters.

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<sup>60</sup> Saad 2002, p. 106