# Understanding SCAF

## The Long Reign of Egypt's Generals

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After sixty years of enduring a military regime, the post-colonial state in Egypt is finally witnessing a transition. Independence from British occupation gave birth to a militarized autocracy that survived through repression for decades, led by a succession of four presidents coming from the military and, recently, a ruling council of generals. Since 1952, the armed forces have enjoyed a high degree of control over the economy, the bureaucracy, and the legal system. In June, when the Supreme Council of the Armed Forces (SCAF) officially handed over power to the first civilian president, Mohammed Morsi, the handover signaled a fundamental shift that came after a long historical wait.

Clearly it is not a complete transition to democracy—given the omnipotent constitutional status that SCAF has bestowed upon itself and the resulting conflict between the new president and the old military institution. Yet, in spite of the dispute, the rhetoric of Morsi, a faithful member of the Muslim Brotherhood, has not broached the issue of demilitarizing the Egyptian state.

A better understanding of the meaning of Egypt's transition and what it portends for Egypt's generals requires an overview of the long historical process of militarizing Egypt's political and economic structures. When SCAF carried out its so-called "good" coup after the January 25 revolution, it was merely the latest chapter in a long story of the military's deep involvement in Egyptian politics and society. It is important to review Egypt's national myths related to the opposition to colonialism, Gamal Abdel Nasser's coup and his militarized socialism, Anwar Sadat's attempt at demilitarization, and the expansion of the military's economic influence in the Hosni Mubarak era. In light of this past, will President Morsi be able to challenge the military's hegemony?

◁ President Mohammed Morsi and the Supreme Council of the Armed Forces, Cairo, June 30, 2012. *Egyptian Presidency/Xinhua Press/Corbis*

## A National Myth

Egyptian history maintains a myth about noble coups that aimed at genuine 'nationalist' goals. The origin of the myth of 'good coups' goes back to the 'Urabi revolt of 1881. The notion resurfaced in 1952 with Gamal Abdel Nasser's Free Officers coup against the monarchy, and again during the 2011 revolution that was supported by SCAF. The nationalistic ruling elites and intellectuals of Cairo forged the myth, and have perpetuated it for decades.

In 1881, when Colonel Ahmed 'Urabi led his fellow officers and overthrew the government of the day, contemporary writers insisted it was a revolution that represented the native Egyptian masses rising up against the Turkish ruling elite and foreign financial dominance. In reality, 'Urabi's movement had very a specific demand—basically installing equality between army officers from native and Turkish origins—and it primarily represented the interests of the 'landed gentry' within the country. The allies of 'Urabi's coup were mainly of the Cairo bourgeoisie, landowners, and the educated urban middle class. For these social groups the 'Urabi revolt amounted to a blow for reform against foreign financial hegemony. 'Urabi's short-lived coup did create a new cabinet of ministers and a new parliament and both dominated by the military. These ministers belonged to the same social class as Turkish pashas and, consequently, only the rich enjoyed any suffrage. 'Urabi's reformed parliament brought back the same major landowners to their old seats.

In 1952, when Colonel Gamal Abdel Nasser successfully led the next coup, he revived 'Urabi's narrative—the myth of national heroes in uniform—and re-introduced it to the lower classes. To foster the public image of 'good coups' for the sake of military propaganda, Nasser also republished the 1937 book by the nationalist historian 'Abd Al-Rahman Al-Rafi'i, which glorified 'Urabi as the man who founded a parliament "to represent the power of the nation and secure the rights and freedoms of the Egyptians." The state publisher made sure to place Nasser's photo in full military garb next to 'Urabi's on the first page of the reprint of Al-Rafi'i's book.

In 1957, an Egyptian movie titled *Rudda Qalbi* (Return my Heart) narrated the romantic epic of a poor, young army officer who falls in love with the daughter of an aristocratic pasha in colonial Egypt. As his father is but a humble gardener in the Turkish pasha's palace, the officer cannot marry his sweetheart, who is also in love with him. Then came the fateful year of 1952, and this young soldier joins the Free Officers—who in real life were led by Nasser and took down the dynasty of Mohammed Ali, the Turkish aristocracy, and the British in one blow. Our male protagonist's influence increases after Nasser's 'revolution,' and he finally manages to marry the aristocratic young lady, but only after the military regime had confiscated her wealth. She is thrilled to be able, finally, to wed her childhood love. In this classic

romance repeated annually on state television for the anniversary of Nasser's coup, this apparently innocent love story actually reflects the new socio-economic realities of Egypt following militarization. And the marriage is a marriage of convenience, which did emerge between the old aristocracy, recently bereft of their property, and the new ruling elite, bearing uniforms and with low and middle class origins and seeking social refinement. This officer's marriage reflected the reality of military personnel's rapid social mobility.

A few years later, in 1962, the military ruling elite decided to adopt socialism and turned the coup into a social revolution by embracing the demands of the masses. Young putschists gained legitimacy and the rest of the story is history. During this era, the state came to own all economic assets through nationalization, and then built numerous public enterprises, aiming for an ambitious goal of industrialization. Army officers installed themselves as the managers of these state-owned enterprises—a task for which they were largely unqualified. The military issued a new socialist constitution that stated that "the people control all means of production," and army officers were the self-appointed deputies of the people in controlling these means. As corruption and mismanagement proliferated throughout the public sector, Nasser's project ultimately failed to deliver the promise of economic prosperity. And after neglecting their main task of defending national security—and instead interfering in economic and political affairs—the Egyptian military was struck by the humiliating defeat and massive loss of territory at the hands of Israel in the 1967 war.

Once he ascended to power as president, Anwar Sadat staged his own coup against Nasser's regime by demilitarizing the state. In order to consolidate his authority against the remaining influential figures from Nasser's years, Sadat reversed the policies of the 1960s by taking measures that marginalized the military in politics. These measures were also applied in order to bring professionalism back to the military and regain the Sinai Peninsula from Israel. Despite being a military man himself, Sadat applied a policy that increased the number of civilian technocrats in bureaucracy and the cabinet. Furthermore, the army's control further declined because Sadat decided to liberalize the economy. Through his "open door" policy, he took steps to privatize parts of the state-owned sector that military leaders had previously dominated. Military leaders then had to share influence with a rising community of crony capitalists.

Fortunately, from the perspective of the military leaders, this situation did not last very long. The 1979 peace treaty with Israel came to rescue their position, and helped them recover some of the economic influence they had lost during Sadat's presidency. After ending the state of war with Israel, Egyptian leaders reasoned that laying-off thousands of well-trained army officers was politically undesirable. Thus, the state

founded an economic body known as the National Services Projects Organization (NSPO), which established different commercial enterprises run by retired generals and colonels. Through various subsidies and tax exemptions, the state granted military-owned enterprises privileges not enjoyed by any other company in the public or private sectors. The military's enterprises were not accountable to any government body, and were above the laws and regulations applied to all other companies.

**Return of the Generals**

The years of Hosni Mubarak, the fourth military president of the Egyptian post-colonial state, witnessed a conspicuous return of the military to dominance. A highly militarized state evolved during Mubarak's thirty years in power through three different phases. The last phase in particular saw the military rise to an impressive hegemony—on the eve of the January 2011 uprising.

The first phase was in the 1980s. Following Sadat's move to marginalize the generals, the military institution continued to play a relatively humble role in the economy and politics. Its economic role was mainly through NSPO's contribution to public infrastructure projects and positively engaging in the national economy at large through producing cheap goods. The second phase was in the 1990s, after Mubarak applied a full-fledged economic liberalization plan. The military men were allowed to expand their business enterprises with the establishment of new companies and factories that had the status of public sector enterprises but on the margin of the privatized economy. Finally, the last ten years of Mubarak's reign witnessed a considerable presence of army officers, especially retired generals, in bureaucracy and the public sector. The military institution had expanded considerably its profitable enterprises. Mubarak granted the generals such influence in order appease the military and to realize a dream: engineering the eventual succession of his son, Gamal, to the presidency.

Thus, by the end Mubarak's reign, Egypt had become a country run by retired generals and colonels, who filled numerous high-ranking positions almost everywhere in the state structure. A distinct class of military administrators and managers grew in bureaucracy, the public sector, and military enterprises. While the former army officers took positions in every part of the country, they preferred certain locations where influence and wealth were concentrated. For example, eighteen of the twenty-seven provincial governors are retired army generals. Typically they run administrations in key places such as the tourist regions of Upper Egypt, all the Suez Canal provinces, the two Sinai provinces, the major Nile Delta areas, and Alexandria. And if they don't make governor, then they serve as governors' chiefs-of-staff, or as directors of small towns, or heads of both the wealthy and the poor but highly populated districts in

Cairo. The state-owned oil sector also became highly militarized as retired generals were put in charge of many natural gas and oil companies. They also tend to control commercial transportation. The head of the Suez Canal is a former military chief-of-staff. The heads of the Red Sea ports are retired generals, as is the manager of the maritime and land transport company.

The military's economic enterprises that were engaged in civilian products became rich fields of opportunity for ex-officers. The military expanded their enterprises during the last years of Mubarak to incorporate hundreds of factories, companies, farms, and hotels. Generally, there are three major military bodies engaged in civil production: the Ministry of Military Production, the Arab Organization for Industrialization, and, of course, the NSPO. The first owns eight manufacturing plants and 40 percent of their production is geared toward civilian markets. The Arab Organization for Industrialization owns eleven factories and companies, with 70 percent of their production going to civilian markets. And the NSPO is engaged in civil manufacturing and service industries, producing a wide variety of goods including luxury jeeps, infant incubators, butane gas cylinders, and even a variety of food. It also provides services such as domestic cleaning and gas station management.

Despite Mubarak's efforts at co-option, the military both in and out of service largely disapproved of the "Washington Consensus" style of economic reform as advocated by Gamal Mubarak. They quietly resented his plans for privatization in Egypt's public sector. Two 2008 cables revealed by Wikileaks indicated that Field Marshal Mohammed Hussein Tantawi and the Egyptian military hierarchy were largely critical of economic liberalization because it undermined state control. The military views the government's privatization efforts "as a threat to its economic position, and therefore generally opposes economic reforms," said Margaret Scobey, the then U.S. ambassador to Egypt, according to Wikileaks. She continued, "We see the military's role in the economy as a force that generally stifles free market reform by increasing direct government involvement in the markets." Tantawi clearly resisted privatization due to the threat that it would pose to the military's economic empire.

Above all, the military under Mubarak enjoyed great leverage in politics through its maintenance of a close relationship with Washington and the U.S. military establishment. In accordance with the 1979 Egyptian-Israeli peace agreement, the Egyptian military receives $1.3 billion dollars in annual aid. As part of the military aid program, Egyptian army leaders and young officers travel regularly to the U.S. to study in American military schools and receive training. And by developing relations with their counterparts in the Pentagon, Egyptian military officers gained power in Egyptian foreign relations.

**A Coup and Democracy**

In February of 2011, protesters in Tahrir Square celebrated the ousting of Mubarak. SCAF offered to run the country for a transitional period of six months. Grateful for its support in the fall of the dictator, Egyptians chanted: "The army and the people are one hand." State-owned media played the patriotic songs of Nasser's era, and its talk shows enthusiastically revived the historical myth of 'good coups.' The army always comes at the right time to rescue the nation from distress, state TV repeated and the cheering masses believed SCAF's move was yet another great event in Egyptian history where the army intervened for the good of the nation. Victorious protesters and ordinary families took photos next to army tanks and smiling officers.

It was indeed a coup, but far from being a good coup. SCAF stayed in complete power for a full seventeen months, and proceeded to entrench its control over essential institutions of the state. The main pillars of a successful coup are all there: control over the media, the bureaucracy, security apparatus, and the legal system. Yet this was a coup that relied less on tanks and guns, and relied much more on democratic features. After giving Mubarak the final shove from power, SCAF immediately adopted a democratic discourse and held elections. It oversaw four different elections: a referendum to amend the constitution, ballots for both the lower and upper houses of parliament, and the presidential election.

As a matter of fact, the Egyptian coup in the guise of democracy fits a global pattern. A recent study, *Coups and Democracy*, by the North American Congress on Latin America, draws distinctions between old and new coups. During the Cold War, old-fashioned military takeovers became stigmatized as anti-democratic. Whether these coups were backed by the U.S. or the Soviet Union, they usually installed armed leaders as presidents—or dictators, rather—until they died or another coup removed them. From 1990 to the present day, putschists have increasingly adorned their coups with the trappings of democracy.

That is especially true if substantial military aid originated from the United States. In a unipolar global system where the U.S. is the only hegemonic power and benevolent patron of Third World regimes, adhering to the American rhetoric on democracy—such as the Bush Doctrine of the 2000s—is essential to the survival of any coup. Federal law in the U.S. prohibits granting any financial assistance "to the government of any country whose duly elected head of government is deposed by military coup or decree." The Egyptian military, nonetheless, has resorted to overt violence on several occasions and there have been no immediate repercussions on American aid. The number of civilians killed by security forces since SCAF came to power is unknown, but many assert that it far exceeds the number of dead during the eighteen-day uprising that led to Mubarak's ousting.

To legitimize their coup—via presidential and legislative authority—the ruling generals installed loyalists in civilian posts within the bureaucracy and took legal measures to protect their economic empire. They appointed two weak prime ministers, Essam Sharaf and Kamal El-Ganzouri, who signed letters of appointment for an ever-increasing number of retired army generals at almost every level of the state bureaucracy and the public sector. And by assigning itself the powers of the legislature, SCAF issued a law giving allegedly corrupt army officers, even after retirement, immunity from prosecution even in civilian courts. After SCAF issued this law—Decree of Law No. 45 of 2011—many whistleblowers' documents against retired army generals who held civilian positions such as governor, simply disappeared after reaching the military prosecutor.

After SCAF's 'good coup,' a wave of labor protests and strikes spread throughout the country. The military accused the striking workers of stalling the wheel of production and harming the national economy. In reality, the actions mainly threatened the military's immediate economic interests. The largest labor strikes targeted entities run by retired generals, either in the public sector or in enterprises owned by the military. The protesters were demonstrating against corruption and mismanagement; while the retired generals in many instances called on the military police to repress the strikers.

For example, some two thousand workers and engineers in the petroleum sector protested their poor conditions and the increasing militarization of jobs in the sector. The retired army generals at the top were receiving thousands of pounds while the workers were earning very little. Within this sector, workers rebelled in companies like Petrojet and Petrotrade and the military's response was aggressive. It sent protesters to military trials, and then sentenced them to prison. The Suez Canal workers also staged a series of protests against unjust treatment. In one of the protests, the workers blocked trains. And in a similar response, the Suez Canal Authority referred some of the workers to military prosecution in order to intimidate the rest into silence.

**Demilitarizing Egypt**

After months of repression, economic crises, and bloodshed under the SCAF regime, Mohammed Morsi became Egypt's first civilian and democratically elected president. Afterwards, SCAF brought Morsi to view a military parade in celebration of delivering him power. Under a burning June sun, SCAF bestowed Morsi with an army shield and had a group picture taken. The spectacle, some say, symbolizes the marriage of convenience that SCAF has made with the Muslim Brotherhood.

By accident or design, thus far all the ballot results since the revolution have favored the position of Egypt's Islamists. In a dramatic reversal of the policy of the Mubarak era, the Egyptian military acquiesced to the rise of Islamist power through democratic elections. In turn, a reading of Morsi's rhetoric and performance raises

serious doubts that a process of demilitarization might begin anytime soon. This is in conspicuous conflict with the demands of the protest movement, which has called for the removal of SCAF from power. Demilitarization was absent from Morsi's electoral platform as well as from his campaign rhetoric. Severe disputes have arisen between the Muslim Brotherhood and SCAF—such as over the court order dissolving the Islamist-dominated parliament. Yet, never has Morsi questioned the military budget or raised the issue of military domination over high-ranking civilian positions throughout the country.

The election of Morsi is, undoubtedly, a colossal event for the post-colonial state of Egypt. After sixty years of dominance by a military that seized power in a coup, finally the first civilian president has arrived. We are witnessing an initial, principal step of transition from a military regime to democracy. Nevertheless, Egypt has not been demilitarized yet. Morsi is a civilian president, but he is the adopted son of the latest coup that loves ballot boxes and adheres to discourses on democracy. SCAF and the Muslim Brotherhood might contest and confront one another, but the two parties have developed a relatively stable power sharing arrangement since the revolution. They are the de facto power in the country; liberals have significantly weakened and the protest movement still lacks centralized organization. Despite jockeying for advantage, SCAF and the Brotherhood seemed to have unified in opposing groups that want neither a military regime nor a theocracy in Egypt.

However, this alliance between the civilian president and the military institution is a complex one. Each side has a different vision of how their relationship should operate in practice. The military would favor the so-called Pakistani model, where the army owns a vast economic empire and installs Islamists in places of power through elections. Islamist parties in Pakistan largely follow the rules of the game set by military intelligence, except when extremists disturb the harmonious order of things. In applying the Pakistani model, the Egyptian military would rely on the Supreme Constitutional Court and the law at large to force the Muslim Brotherhood to observe the rules of their game. On the other hand, the Muslim Brotherhood could be imagining the Turkish model, where an Islamist party won elections and gradually, over the course of ten years, changed the composition of the constitutional court and saw military leaders, who staged old coups against fellow Islamists, sent off to jail. Despite the contrasting outlooks, the two parties will observe some 'red lines' in respect of each others' prerogatives. The Muslim Brotherhood will never raise the issue of the budget and the economic empire of the military institution, and it will ignore the retired generals' penetration into the bureaucratic structure of the state. For its part, the military institution handed back commercial enterprises and capital that Mubarak's regime confiscated from the Brotherhood through military trials, and has let the group win elections.

The prospects for demilitarization may seem bleak for the moment. The Egyptian military is entrenched, but at least the cycle of military autocrats has been broken. SCAF will continue to feel pressure from the street over its continued role in governing. Morsi, for his part, will also face discontent from different social groups, especially if his "Renaissance Project" fails to reverse Egypt's serious economic slump. While Mohammed Morsi's election is a significant step, it is only part of a transformation that will last many years, and most likely will take another, non-Islamist, president to complete.