



National
Foreign
Assessment
Center

Approved For Release 2003/10/23 : CIA-RDP80T00942A001100040001-8

Secret

25X1

Sadat's Liberalization Policy

A Research Paper

Secret

PA 79-10245
June 1979

Approved For Release 2003/10/23 : CIA-RDP80T00942A001100040001-8 280

25X1

Approved For Release 2003/10/23 : CIA-RDP80T00942A001100040001-8

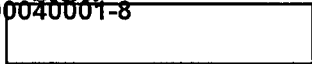
Approved For Release 2003/10/23 : CIA-RDP80T00942A001100040001-8



National Foreign Assessment Center

Approved For Release 2003/10/23 : CIA-RDP80T00942A001100040001-8

Secret



25X1

Sadat's Liberalization Policy

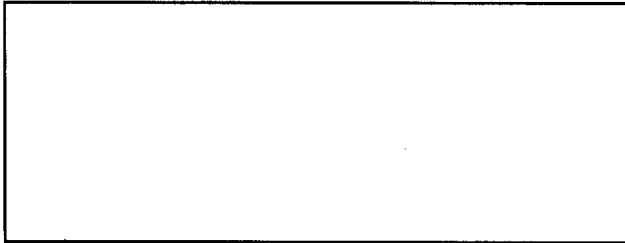


25X1

A Research Paper

Information as of 1 June 1979 has been used in preparing this report.

25X1



Secret

PA 79-10245

Approved For Release 2003/10/23 : CIA-RDP80T00942A001100040001-8

Secret
[Redacted]

Sadat's
Liberalization Policy [Redacted]

25X1

Introduction

Egypt is in the midst of an election campaign precipitated by President Sadat to rid the People's Assembly of the most vocal critics of the peace treaty with Israel. The situation dramatizes Sadat's paradoxical approach to liberalizing politics in Egypt. On the one hand, he has been responsible for unquestionable progress in moving Egypt away from authoritarian government and closer to Western-style democracy. He has allowed the formation of competing political parties for the first time since their abolition under Nasir, and the present election is the second he has sponsored since his liberalization program began. On the other hand, the parties Sadat encourages—his own and the official "opposition"—differ only slightly, while those offering real alternatives are barely tolerated; the current election was called because Sadat could be almost certain of the defeat of most Assembly members actively opposing his policies; and the government has moved in recent weeks to discourage opposition groups of both the left and the right. [Redacted]

25X1

Despite Sadat's on-again, off-again approach to political liberalization, the overall impact of the program has been to strengthen his popularity. Most Egyptians appreciate the sharp contrast between Sadat's Egypt and the oppressive atmosphere created by Nasir. Even extremists of the left and right, who have on occasion seen their members rounded up, their printing presses raided, and their newspapers and magazines banned, have benefited from concern for their civil liberties; time and again, cases against extremists of both sides have been thrown out of court for lack of evidence. Critics of Sadat's policies chafe at his low threshold for tolerating opposing views, but such critics represent a distinct minority. Sadat does have most of the people on his side—or he could hardly move against his opponents by means of an election that will probably be largely free of direct government interference. [Redacted]

25X6

The bulk of the Egyptian people—[Redacted]
[Redacted]—probably see Sadat as he sees himself: as a father figure charged with ordering

the life of the state for the benefit of his children and, where necessary, maintaining discipline. The upper classes, who are better educated and might be expected to compose the bulk of those eager for a more mature democracy, have probably been disarmed to some extent by Sadat's economic liberalization, which was in fact a return to a more conservative economic policy. They have been the primary beneficiaries of the "open door" policy—the restoration of a measure of private enterprise, despite the retention of many of the elements of the enlarged public sector created under Nasir. [Redacted]

25X1

Egypt's economic "opening" has had mixed effects in the political sphere. One has been a widening of the gap between rich and poor. The revitalized entrepreneurial class has eclipsed those who used to be the economic elite under Nasir—the military officers and upper echelon bureaucrats. The resentment of public sector employees does not seem to have been translated into significant political opposition, but the danger is obvious. One factor mitigating the situation may be the avenues of upward mobility accessible to most Egyptians as a result of Sadat's combined political and economic reforms: educational opportunities, and the availability of jobs in other Arab countries, which so far have survived Egypt's quarrel with the other Arab states. [Redacted]

25X1

Egypt's economy constitutes Sadat's Achilles' heel—both because of the potentially disruptive effects economic malaise could spread throughout all social groups; and because the new economic currents in Egypt have hit the military particularly hard. Sadat's regime is based, in the last analysis, on military support—not on the approval of the peasants who constitute the bulk of the population and look on Sadat as one of their own. [Redacted] the Army is primarily concerned about bread and butter issues and the future of the military, not questions of state such as the treaty with Israel (which it applauds) or the breach with other Arab states (which may grow more important over time, but so far

25X1

25X1

25X1

Secret

is dismissed with the feeling that Egypt has paid its dues). Sadat's ability to maintain property in Egypt is limited in the best of times. His recent foreign policies have tied his hands still further, and he has compounded the problem by aggravating his quarrel with the other Arabs. As long as Egypt's economy is precarious, Sadat's position cannot be said to be immune to threats. [REDACTED]

25X1

From the political point of view, however, Sadat has managed to manipulate political opponents with considerable skill. He has allowed both the left and the right outlets for legal activity—outlets that may prevent a buildup of underground activity. He has been hardest on the left, which has relatively little following in Egypt's traditional, deeply religious society. Yet even the left has a legal party and seats in the Assembly (possibly whittled down to one after the coming election). With the extreme right Sadat has been more careful. Until recently, the Muslim Brotherhood—the most influential voice on the right—was given considerable latitude; its monthly magazine was allowed to publish despite consistent opposition to government policies, and it was allowed to dominate student activity on university campuses. In recent weeks the regime has moved against the right on both counts, though the approach has been restrained to avoid provoking a showdown. Sadat has no wish to confront the Brotherhood—with its tremendous influence—and equally little wish to allow an Iranian-style revolution to coalesce. His strategy seems to be to ensure the continued absence of an organized religious movement or charismatic leadership that could focus discontent against the regime. [REDACTED]

25X1

Right wing dissidents—and leftists as well, though to a lesser extent—draw much of their strength from their appeal to Egyptian students, a group significantly disenchanted by Sadat's leadership. They tend to look at political activity with the naivete of youth and the arrogance of budding intellectuals; they have no patience with relative improvement, preferring to deal in absolutes; they are too young to have vivid memories of Nasir's regime, too sophisticated to be impressed by Sadat's "father of his people" approach. As a group, they represent a bulge in the population that is particularly frustrated by narrow opportunities for employment. Many take little comfort in new opportunities brought by the "open door" because they are

philosophically opposed to free enterprise. Sadat's recent warnings that political activity will no longer be tolerated on campus may have some effect in keeping the lid on active student dissent, but will not eliminate the problem. [REDACTED]

25X1

Sadat has approached political liberalization with a view to maximizing freedom of expression for his supporters and minimizing it for his critics. He believes that the majority of Egyptians support the moderate positions he has taken in Egypt's domestic and foreign policies. He therefore risks little by giving them freedom to express their views in political parties and elections to an Assembly that does not make policy but does serve as an influential forum for opinion. Where individuals and groups in Egypt go beyond "constructive" criticism—and Sadat has revealed himself to be thin-skinned in defining these limits—Sadat reins them in. [REDACTED]

25X1

The net effect of liberalization, in political terms, has been an Egypt that allows an impressive degree of political freedom when judged by the standards of neighboring states, but where critics of the government are kept on a tight leash—a situation Sadat has every intention of maintaining. Sadat's approach to liberalization has not been consistent from a philosophical point of view. Pragmatically, however, Sadat has been predictable in encouraging behavior that will solidify his position and discouraging behavior that might undercut it. So far his judgment has been correct, and Egyptians have supported him for it. [REDACTED]

25X1

The likelihood of a prolonged stalemate in the negotiations with Israel over the future status of the West Bank will probably pose additional problems for Sadat and his political liberalization program in the coming year. Although the general public is likely to stand behind Sadat almost reflexively, at least for a considerable period of time, the left and the right will be eager to seize on the situation to exacerbate popular discontent, augmenting their own following in the process. Even a tame Assembly, the likely outcome of the June 1979 elections, may find the temptation to attack Sadat's policies irresistible. Sadat is not likely to prove tolerant of such activities; his previous responses to criticism have given him a fund of precedents for dealing with it—ranging from the arrest of leftists and radical rightists to a referendum authorizing harsh

emergency measures or a new election. Sadat will not hesitate to do what he feels he must; he may even exhibit greater sensitivity to criticism than before out of frustration with the Israelis. Nevertheless, he will probably keep the basic outlines of his liberalization program intact—if only because it offers few barriers to whatever measures he may contemplate. He knows its existence will enhance his standing in the eyes of the public. [REDACTED]

25X1

Discussion

Egypt's Anwar Sadat is a duly elected President and the country has an elected assembly, political parties, and other democratic institutions. But the veneer of democracy is thin. Sadat has inaugurated a "political liberalization" program that has introduced only carefully selected reforms. In Iran, such a process spun out of control. The question naturally arises whether Sadat has been more successful. Why did Sadat embark on the reform program—is he genuinely committed to democracy, or is it a cynical attempt to embellish an autocratic regime with democratic trappings? Have his reforms unleashed forces no longer amenable to control, forces that could ultimately topple Sadat? This paper will attempt to answer these questions. [REDACTED]

25X1

Sadat's Motives

Sadat seems to have a genuine revulsion for the excesses of Nasir's brand of authoritarianism, and has gone a long way toward reversing them. If he has not substituted Western-style democracy, he also has justification for supposing that democracy will not work in Egypt, with its high percentage of illiteracy, its impoverished and uneducated peasantry, its reflexively left-leaning intelligentsia, its vast and possibly unbridgeable gap between haves and have-nots, and its pharonic tradition. [REDACTED]

25X1

Sadat wants to allow the people of Egypt freedom to manage their own affairs within parameters that are not defined, but which are set by Sadat. In essence, he wants them to choose to do what he thinks is best for them. This concept appears internally inconsistent, but Sadat is operating within a centuries-old tradition of paternalistic rulers, and he may be correct in assuming that a father-leader is needed by the population.

Certainly he has few doubts about his own fitness for the job. Sadat identifies with the "real" people of Egypt, the peasants or *fellaheen*. In the first sentence of his autobiography, Sadat describes himself as a "peasant born and brought up on the banks of the Nile," and he speaks with considerable emotion about his village of Mit Abul-Kum. ("That was my ideal society, where I recognized myself and my entire homeland. For a very long period Egypt to me meant Mit Abul-Kum.") From Sadat's conviction that he has unique access to the "soul" of Egypt follows his belief that true democracy for Egyptians consists in following his prescriptions. [REDACTED]

25X1

Sadat has made real progress in dismantling some of the worst excesses of Nasir's repressive, authoritarian regime. In addition, he has introduced reforms that are democratic by anybody's standard—reformed police practices, competing political parties, genuine debate in the country's National Assembly, a free-wheeling press—all in conjunction with a reorientation of the centralized economy toward free enterprise. [REDACTED]

25X1

Sadat's political liberalization sprang from a variety of motives, including what seems to have been an sincere abhorrence of the system as it evolved under Nasir. Sadat has commented on his reaction to Nasir's regime at some length in his autobiography. [REDACTED]

25X1

The worst and ugliest feature of Nasir's legacy was what I have called a "mountain of hatred"—the spirit of hate which was emanated in every direction and at every level, to the smallest family unit. Instances were rife of men working for the regime who spied on their own kin just like the Fascist regimes. . . . Fear is, I believe, a most effective tool in destroying the soul of an individual—and the soul of a people.

People thus turned into dummies. They became puppets in the hands of rulers, who did what they liked with them. Travel abroad was forbidden. No one could say anything that appeared to contradict the official line of thinking (the penalty being arrest and loss of livelihood). People's passivity increased daily until one day no man felt he could

be secure unless he had completely kept to himself, cut himself off entirely, both from public events and from the very stream of life around him.

It is this that makes me say that just as the July 23 Revolution was colossal in its achievements, so it was equally colossal in its mistakes. In time, however, the achievements fizzled out. . . . The revolution was reduced to a huge, dark, and terrible pit, inspiring fear and hatred but allowing no escape. [redacted]

25X1

Sadat's sincerity is unmistakable. He has a commitment to individual freedom and a system of law that is not so much logical and philosophical as it is emotional. [redacted]

25X1

Other motives for Sadat's political liberalization program were more pragmatic. He realized that political liberalism was a means of earning points in the West—particularly the United States, whose support he needed to curb ties with the Soviets and reach an accommodation with Israel. He may also have recognized that greater political freedom would improve the climate for private investment, both domestic and foreign. [redacted]

25X1

The Economic Opening

Sadat inherited a poor country that was economically stagnant. In his autobiography he comments that "We had, with crass stupidity, copied the Soviet pattern of socialism, although we lacked the necessary resources, technical capabilities, and capital." In his own mind, the root of the problem was Marxism.

Any free enterprise system came to be regarded as odious capitalism and the private sector as synonymous with exploitation and robbery. . . . The people expected the state to provide them with food, work, housing, and education. . . . The state was expected to provide citizens with everything they needed without their having to make any positive effort at all. It was that shrinking back from active individual enterprise that marked the beginning of our abysmal economic collapse. [redacted]

25X1

Sadat's "economic opening," proclaimed shortly before the 1973 war, was an attempt to encourage private enterprise while curbing the power and size of the public sector. In addition, efforts to improve public sector efficiency were initiated. Capital from the oil-producing states, and perhaps from the West, would be wedded to Western technology. The result would be an inflow of foreign investment capital, Egyptian access to advanced technology, a role for indigenous capital in an expanding private sector, and greatly improved employment possibilities for Egyptian labor. [redacted]

25X1

There were political dimensions to the plan as well. They followed from Sadat's bitter disillusionment with the Soviet Union as an ally and arms supplier (Soviet military personnel were expelled from Egypt in 1972) and his conviction that the United States, despite its support of Israel, could prove more useful. If the United States could, by exerting its leverage on Israel, obtain for the Arabs a treaty more favorable than they could hope to obtain by force of arms, a stable Middle East would be a natural field for US investment. The wealth of the Arab oil states might be harnessed to Egypt's benefit if the conservative Saudis and Persian Gulf states saw Egypt renounce its Soviet tie and embrace a greater degree of economic freedoms. Thus US efforts to hammer out an Arab-Israeli peace settlement and Sadat's effort to revitalize the Egyptian economy would work hand in glove to bring about a stable, prosperous Egypt. [redacted]

25X1

Sadat unquestionably overestimated the role that Western private capital would play. Incentives and guarantees were legislated, and Cairo did indeed see a steady stream of Western company representatives and Arab delegations. The resulting projects, however, were few. Private Western interests were not eager to invest their own capital in Egypt, preferring instead to sell management expertise and equipment. Potential investors feared regional instability; memories of the nationalizations of the Nasir era were not easily eradicated; and foreign investors were faced with an overwhelming bureaucratic maze. The situation has not been improved by a proliferation of middlemen eager to expedite business operations—for a fee—or by Egypt's overburdened communications and transportation system. Technically skilled workers have been

Secret

lured to the oil-producing Arab countries by higher wages, creating serious labor shortages in critical areas—basic services, especially construction, water, sewerage. The ballooning post-1973 inflation rate caps the list of discouraging factors [redacted]

25X1

To a considerable extent, however, the private Egyptian has assumed the entrepreneurial role originally expected of foreign investors. Some of these Egyptian entrepreneurs are prerevolutionary elite returning with a small fraction of their massive assets to test the economic waters in Sadat's Egypt. Public sector firms are also taking advantage of liberalization to form joint ventures with private interests—monied Egyptians, other Arabs, or, in the case of Arab contractors, their own workers. Perhaps the most prevalent source of entrepreneurial talent, however, are *nouveau riche* Egyptians back from the affluent oil kingdoms of the Persian Gulf. The numerous investments now occurring outside the public sector are typically initiated by an Egyptian or Egyptians, possibly with an Arab partner, and are concentrated in light manufacturing industries heavily dependent on imported Western technology. [redacted]

25X1

The resurgence of the entrepreneurial class has created greater disparities in income than existed in Nasir's day. During the heyday of Arab socialism in Egypt the economic elite were military officers and upper echelon bureaucrats who earned the maximum salary of \$450 monthly in Egypt or somewhat more in positions arranged by the government abroad. Even though such salaries have been increased substantially, they are now a pittance compared to incomes that can be obtained in other Arab countries or earned in unofficial economic activities at home. Many public sector employees moonlight in the private sector or turn to corruption to maintain even a semblance of their former economic status. With little hope of expanding their output and no opportunities for moonlighting at hand, the rural peasantry has been left behind, existing in a manner than even the urban unskilled would now disdain. [redacted]

25X1

On the other hand, liberalization and social reforms have created an avenue of upward mobility potentially accessible to almost everyone in Egypt. For two decades free public education has been available even

in rural villages, increasing the literacy rate dramatically among the young of Egypt's preponderantly youthful population. Moreover, all who qualify are eligible to attend a wide variety of technical institutes and Egypt's highly respected colleges and universities at government expense. These educational opportunities and the lure of the booming informal economy are siphoning off much of the underemployed labor from the countryside. From Cairo and other Egyptian cities the route for the skilled worker leads to Saudi Arabia and other affluent Arab countries and thence—perhaps—to the ranks of Egypt's new elite. [redacted]

25X1

A principal danger now is that the pace of economic activity will itself become destabilizing. Since 1973 many of the economic institutions developed during the Nasir era have been altered or eclipsed by private or quasi-private counterparts. There is, moreover, considerable evidence that the government is losing control, in part because it tends to opt for laissez-faire whenever assuming responsibility for reform appears unpalatable. A case in point is the financial sector. Because the government long avoided an adequate devaluation, resisted administrative reforms, and shut its eyes to a wide variety of private transgressions, a large share of financial transactions now takes place outside the purview of official banking institutions. As a result the government is left with an inadequate arsenal of effective policy instruments to control credit expansion, interest rates, and the exchange rate. [redacted]

Political Liberalization

25X1

Sadat's political liberalization program was undertaken to remove remnants of the Nasirist regime to generate political support and increase his own popularity; to complement the "open door" policy by convincing private domestic and foreign investors of his distance from Nasir and acceptance of Western ideas; and, in its later phases, to offset the social dislocation caused by new economic directions. [redacted]

25X1

Sadat launched his liberalization program shortly after the October 1973 war, at the same time his open door policy got under way. Egyptians considered that war an unequivocal victory, since it had fulfilled Arab objectives behind its launching: it made Israel interested in negotiating a settlement. Sadat's prestige, both domestically and throughout the Arab world, had

Secret

never been higher. Fresh from his triumph as "hero of the crossing," Sadat felt secure enough to set in motion major changes. In February 1974 he lifted censorship of the press and replaced Muhammad Hassanayn Haykal—a widely influential pro-Nasirist—as editor of Egypt's semiofficial newspaper, *Al Ahram*. His replacement, who later moved over to *Al Akhbar*, was Ali Amin, himself the victim of repression in the Nasir years; his brother Mustafa, who became chief editorial writer, had spent nine years in jail on charges of spying for the CIA. One immediate result was a press campaign highlighting Nasir's violations of human rights. [redacted]

25X1

Other measures added to the sense that the pace of political relaxation was quickening. Large numbers of political prisoners were released. Police blacklists were reduced. Properties seized in the 1960s were returned. Traditional systems of local administration were re-stored in place of an Arab Socialist Union structure that had grown both oppressive and corrupt. [redacted]

25X1

A series of incidents in the spring of 1974, however, prompted Sadat to slow down. Most of the agitation took place on the right side of the political spectrum, and presumably originated in discontent over modernization measures promoted by Sadat but not specifically linked to his political reforms. Students and teachers from Al Ahzar University, the leading Muslim seat of learning, demonstrated against the liberalization of divorce laws giving greater rights to women. An abortive attack on the Military Technical Academy, though organized by a Palestinian allegedly in Libyan pay, was carried out largely by conservative young men influenced by the thinking of the Muslim Brotherhood. A street demonstration on behalf of a Brotherhood leader, mistakenly thought to be under arrest in connection with the Academy incident, shook the security authorities. The other side of the political spectrum was heard from when about 80 Egyptians, most of them young, were arrested for distributing pamphlets attacking secularization, "de-Nasirization," and Sadat. In reaction, Sadat began to emphasize the continuity between Nasir's programs and his own, speaking of "corrections" rather than basic change. But he continued to press ahead [redacted]

25X1

Sadat presented the philosophical underpinnings for his liberalization program in his "October paper" (a reference to the 1973 war; it was published on 18 April 1974). Sadat argued that the war had inaugurated a new era in Arab self-respect, and that Egyptian energies that had made the victory possible should now be turned to Egypt's own problems. The Egyptian revolution had achieved much, but it had lost sight of the supremacy of law and had failed to achieve political freedom; corrections were in order. Much of the paper concentrated on Sadat's open door economic policy and his ideas about developing the educational system, improving the status of women, and construction and reconstruction. He described one of the 10 tasks of the "new stage" ahead as establishing "an open society enjoying the winds of freedom," but, characteristically, he said nothing concrete about how this was supposed to be achieved. [redacted]

25X1

Sadat began with the Arab Socialist Union, the country's sole legal political organization. He was not yet ready to allow multiple political parties because, in his view, they would shatter domestic unity, but he did reject "the idea of one party which imposes its tutelage on the masses, abolishes freedom of opinion, and in practice deprives the people from practicing their political freedom." Sadat had in mind a compromise between a one-party system and a multiparty system: retention of the ASU, but provision for competing points of view within it. [redacted]

25X1

The Arab Socialist Union

Political parties were abolished in Egypt in 1953 because Nasir's official ideology equated multiple parties with decadence and corruption. Even the word "party" was avoided as potentially divisive. In their place, Nasir established a number of political organizations designed to drum up and channel support for the regime. None of them was particularly successful: the Liberation Rally in 1953; the National Union in 1956; and finally, after the collapse of the union with Syria, the Arab Socialist Union in 1962. In each case the organization was intended to maximize control, not transmit popular views. [redacted]

25X1

The ASU was pyramidal in structure, with its base composed of units in every village, city quarter, factory, and institution in the country. In theory, each level elected the one above until the process culminated in the Higher Executive Committee with the president himself as its chairman. In practice, of course, the system worked by appointment from the top down, and other controls were built in. [REDACTED]

25X1

After an initial burst of organizational activity which drew in perhaps 7 million members, the ASU became mired in inertia. In October 1965, however, Nasir appointed Ali Sabri, then prime minister, Secretary General of the ASU. Ali Sabri began to push the ASU to grasp ever greater powers. Membership became the prerequisite for a successful career, and candidates for posts of every sort were required to be ASU members. Trade Union appointments and the membership of workers' committees were subjected to the scrutiny of the ASU. [REDACTED]

25X1

Like party organizations in the Soviet Union and Eastern Europe, the ASU ran parallel to and interlocked with the state at all levels; it now began to interfere with its direction. Toward the end of 1965, ASU executive bureaus were set up in all provinces in order to get rid of "deviationist, negative, and reactionary elements" of the local administration. Simultaneously, Ali Sabri carried out an intensive purge of ASU personnel throughout the country, getting rid of about 3,000 insufficiently active members and consolidating his personal control over the organization. [REDACTED]

25X1

Ali Sabri's power, and the pre-eminence of the ASU, survived Nasir's death in September 1970 and the early months of Sadat's presidency. In May 1971, however, Ali Sabri pushed Sadat too far in an attempt to preserve his position from gradual erosion—or, perhaps, gave Sadat an excuse he was already waiting for to act against him. The issue involved Sadat's agreement—without prior consultation with the ASU—to a federation of Egypt, Syria, and Libya. Ali Sabri questioned Sadat's authority to make such a commitment and engineered what amounted to a vote of censure against Sadat. Sadat, after vetting his plan with the military, fired Ali Sabri (then a vice president,

although still running the ASU) and dismissed half the Cabinet and more than 300 officials from all levels of the government, the media, and the ASU. Sadat was left in firm, and undisputed, control. [REDACTED]

25X1

The ASU never regained the power it had amassed before Ali Sabri's abrupt departure. Its Higher Executive Committee was dismissed in the purge; Sadat never named replacements. For a time, relations with the Soviets, the 1973 war, and negotiations with the Israelis distracted Sadat from domestic changes that differed too radically from Nasir's model; he may also have been wary of antagonizing the Nasirists while critical changes were afoot in the field of foreign affairs. [REDACTED]

25X1

In August 1974, when he began to turn his attention to setting his own imprint on Egypt's internal life, Sadat issued a "white paper" proposing modest changes in the operation of the ASU. This step tapped a deep vein of popular resentment; it unleashed floodgates of newspaper commentaries and debates on the floor of the People's Assembly. Prominent Egyptians enthusiastically suggested constitutional reforms, including the reinstatement of the party system, the total dissociation of the president from the ASU, and the protection of journalists from ASU control. In December, Sadat appointed a committee to study how to make the ASU "an effective framework for the working forces of the people." The study group reported within a week that the time was not yet ripe for the establishment of political parties, although it went on to recommend expanded rights for the ASU—the right to submit questions to government officials and the right to demand the resignation of the government. [REDACTED]

25X1

In May 1975, Sadat announced that the ASU was to be "rebuilt from the ground up." Elections were to be held for all of the organization's seats—10 members from each basic unit, followed by elections at the township and governorate levels. ASU membership was no longer to be a prerequisite for a seat in the People's Assembly, or for membership in trade unions or appointment to high office. A new definition of the groups represented in the ASU "alliance" specified the

intelligentsia, the military, and "national capitalism"—consistent with Sadat's insistence that his open door policy be made to work. Students were not included, and elections within the "basic units" of the universities were deferred until the fall—indications that Sadat's willingness to experiment with greater political liberalism did not include an eagerness to invite dissent. The regime was undertaking a systematic effort to reshape the ASU's image. Editorials in the ASU's official newspaper admitted that in previous years the organization had been "keen on representing the state rather than the people"; the coming elections were advertised as "neutral, genuine, and reflective of the people's will." [redacted]

25X1

From Platforms to Parties

In September 1975, Sadat issued a new statute governing the ASU. Its preamble emphasized the beginning of a new era and an "opening up" in Egypt of thought, economy, and policy to promote development, freedom, and socialism. Its most notable feature, however, was permission to establish various "minbars"*—platforms or forums—to enable members of the ASU to express differences of opinion more freely and systematically. The minbar idea was a way of allowing a limited amount of party activity without actually allowing parties. [redacted]

25X1

The idea was greeted with enthusiasm. Individual members of the People's Assembly moved almost immediately to announce their intention to form minbars, and by the end of November the list exceeded 30, with about half actually established. Sadat—who had been out of the country during the greatest surge of minbar formation—predictably moved to slow the process. The regime made it clear that the minbars were not supposed to debate the formation of policy but to discuss how best to carry out policies already established. [redacted]

25X1

* In a mosque, the *minbar* is a platform on which a reader sits to chant the Koran, and from which pronouncements are made. The metaphor, as used by Sadat, has some of the connotations of our "political platform," but with religious overtones similar to our "pulpit." [redacted]

25X1



25X1

Sadat announced the upshot in March 1976. There were to be three political "organizations" (tanzim, not minbars) within the framework of the existing ASU: one centrist, following the orthodox government line and called the Arab Socialist Organization of Egypt; one rightist, confusingly named the Socialist Liberal Organization; and, to the left, the National Progressive Unionist Grouping. A joint conference of the ASU and the People's Assembly approved their establishment and named their leaders: Prime Minister Salim for the center; Mustafa Kamil Murad, a "free officer" and veteran parliamentarian, for the right; and Khalid Muhi al-Din, also a former "free officer" and the country's most prominent Marxist, for the left. The three groupings provided an outlet for expression to the country's major political elements, but two were specifically excluded—the rightwing religious conservatives, particularly those attracted to the Muslim Brotherhood and similar organizations, and the Nasirists, who opposed such key elements of Sadat's new policies as economic and social liberalism at home, a deemphasis of Pan-Arabism, and repudiation of the special relationship with the Soviet Union. [redacted]

25X1

The prime minister, the entire Cabinet, and an overwhelming majority of the assembly members flocked to sign onto the centrist organization to be close to the people dispensing patronage and other favors. Some of Murad's supporters made no bones about their fear that unless they joined with the "official" organization their chances for reelection would be sharply diminished. Eight of his initial 14 adherents in fact tried to withdraw from the rightist group, and agreed to stay on only at the urging of the speaker of the assembly. The leftists, meanwhile, were having troubles of their own, with Muhi al-Din fighting to prevent the takeover of his organization by Nasirists denied a grouping of their own. [redacted]

25X1

The three organizations prepared vigorously for the People's Assembly elections, scheduled for October 1976—the first in which political groups were allowed to participate since the abolition of political parties after the revolution. Each of 175 constituencies was to elect two members, one of which had to be a peasant or

worker, with "worker" defined to include senior administrators of companies and organizations. Over 1,600 candidates eventually came forward to contest the 350 seats, with the center standing in virtually all constituencies, the right fielding about 170 candidates, and the left 65. The big surprise, however, was the disproportionate number of independents—over 800—including candidates of every political stripe. Most Nasirists chose to run as independents, and so did some Marxists/Communists, on the theory that their chances would be better if they could avoid the "atheistic" label being applied to the official leftist group [redacted]

25X1

The leftist party, easily the best organized of the lot, slanted its platform toward the laboring classes and concentrated its activity in rural districts. The leftists even attempted to woo the religious right by peppering their published statements with liberal quotes from the Koran and, on a less elevated plane, by bribing religious groups. [redacted]

25X1

The center party, in contrast, was undisciplined; in many constituencies its candidates were running against other center party candidates, a situation Prime Minister Salim, as party leader, made no effort to correct. Although center party candidates not infrequently made use of government funds and property, the regime maintained a "hands off" attitude throughout—a stance undoubtedly made easier by Sadat's conviction that the center party would win handily in any case. The elections were not without improprieties; votes were freely bought and sold (the going rate was reported to be an Egyptian pound), but such transgressions were conducted in a nondiscriminatory fashion—for the benefit of wealthy and influential individuals, not the regime. Candidates felt free to levy specific allegations of wrong-doing against incumbent Cabinet ministers; the regime intervened only to put down occasional instances of violence. [redacted]

25X1

The result was an overwhelming victory for the government's center party—275 seats to 12 for the right and only two for the left, with 48 seats going to independents. Sadat was clearly gratified by the results of his experiment with democracy, and decided to carry it one step further; at the opening of the newly elected assembly in November he proclaimed that the

political "organizations" had been elevated to the status of political parties—although politicians were not required to belong to any of them. Sadat listed institutional changes that would follow, particularly changes needed to protect the parties from ASU domination. Parties were to enjoy "absolute freedom" to organize their activities within the limits of law and the constitution. Sadat nevertheless described the ASU's role as one of organizing the activities of the parties and stipulating how their finances would be controlled—obviously extensive fields of influence. The contradiction arose from Sadat's determination to prevent the growth of a myriad of small parties, each primarily a vehicle for an ambitious politician—the sort of outcome the minbar idea was evolving toward before Sadat called a halt. Sadat is fond of recalling the pre-1952 political chaos in Egypt as an example to be avoided at all costs. [redacted]

25X1

Sadat declared that the ASU would retain its subsidiary secretariats (youth and women's organizations), as well as its partnership in newspapers—presumably to ward off individual ownership and ensure equal access to the media by all the parties. The ASU Central Committee, renamed the National Congress, was to be expanded to include independents, as well as senior officials of trade unions, agricultural cooperatives, chambers of commerce, and professional organizations. The idea seems to have been to return the ASU to its initial conception as an "alliance" of popular forces. Finally, Sadat made it clear that the new parties were to abide by the three basic principles that had (supposedly) governed the ASU: national unity (thus ruling out a party based on the Islamic or any other religion), socialism (suitably interpreted by the regime), and social peace (to avoid class distinctions). [redacted]

25X1

The People's Assembly responded to Sadat's new freedoms by engaging in policy debates to an unprecedented degree, many of them involving the constitutional status of parties and democratic practices in general. Initial activity centered on the large number of independents who represented widely divergent points of view but found common cause in clamoring for certain reforms: the adoption of more democratic

rules of procedure within the assembly, such as abolishing the rule that at least 50 members must agree to any topic to be discussed from the floor; an unrestricted number of political parties, each with the right to issue its own newspaper; and greater freedom of assembly. Independents resented the fact that the rightist party was named the "official" opposition, believing that the leader of the opposition should have been elected at a meeting of all noncenter party deputies. The result was the emergence of an unofficial leader of the opposition, Hilmi Murad, a democratic socialist who resigned from the Cabinet in 1969 to protest Nasir's emasculation of the judiciary, and who subsequently left the country until 1976. Murad and his followers were permitted to organize and publicize their views, although the leader of the rightist party continued to head the "official" opposition [redacted]

25X1

The official leader of the opposition, Mustafa Kamil Murad (the similarity of names is unfortunate), meanwhile made every effort to justify his title by conducting freewheeling attacks on the policy statements of the new government. Both Murads were more concerned with establishing their right to be fully informed and critical of any aspect of government policy than with influencing specific current policies, but they barred no holds in the debates. Prime Minister Salim was accused of desiring to be a dictator, usurping power, and running a slipshod government. The Egyptian press welcomed the unprecedented give-and-take as a sign of democratic health; Sadat's political liberalization policy by late 1976 had received an enthusiastic launch. [redacted]

25X1

After the 1977 Riots

In early 1977 Sadat and the political liberalization program suffered a severe setback. Under pressure of Egypt's need for a stand-by agreement with the International Monetary Fund, the government announced on 17 January—making no effort to prepare the ground in advance or cushion the blow—that because of cuts in government subsidies the price of such staples as bread, flour, tea, sugar, butane, and gasoline would double. The result was a spontaneous explosion of discontent on the part of the urban masses, peaceful at first but augmented and channeled by organized leftist elements, and directed against Sadat, his wife, the prime minister, and the speaker of the assembly. The rioting, the worst since the fall of the

monarchy, spread from Cairo and Alexandria to numerous provincial towns, forcing Sadat to order the Army into the streets and suspend the price increases; at least 50 people were killed and more than 700 injured. The regime blamed Egyptian Communists, and moved to crack down on leftists in general. [redacted]

25X1

Sadat invoked his constitutional power to take "immediate measures" to deal with a threat to national unity. He put forward an 11-point emergency decree stipulating that imprisonment for life could be imposed for committing or instigating a variety of acts, including participation in a clandestine group or in a strike that could jeopardize the country's economy. As required by the constitution, a referendum on the emergency measures was held a week later and was predictably approved—by 99.42 percent of all votes cast. The regime probably took whatever steps were necessary to ensure the overwhelmingly positive vote, and may have rigged the ballot boxes to indicate a heavy turnout. A prominent rightist who had denounced Sadat's law-and-order decree was expelled from his assembly seat, and subsequent months saw successive waves of arrests and trials of alleged Communists. [redacted]

25X1

The riots and their aftermath blunted Sadat's move toward liberalization, but they did not produce a return to police state methods. The round-up of leftists ran afoul of the new respect for civil liberties; security services unfamiliar with the more stringent rules of evidence found case after case dismissed. In the summer of 1977, it was decided to dramatize the regime's breach with the Nasir era by bringing to trial in absentia the infamous Shams Badran, minister of war in 1967, charged with torturing political detainees of every stripe with such methods as flogging, rape, and savaging by dogs. Badran was ultimately sentenced to 30 years hard labor, as was his colleague Safwat al-Rubi. [redacted]

25X1

Sadat took the occasion of a speech to the faculty of Alexandria University in May 1977 to expound his personal political philosophy, which he dubbed "democratic socialism." As Sadat put it, under Nasir's system the call for dictatorship of the proletariat masked a grab for dictatorship of the party leadership. Under democratic socialism, the reins of rule were no longer confined to one person or class; the rule of law

was sovereign and had to be respected even by the president, and the rights of the individual were sacred. "The aim of the open door," Sadat declared grandly, "is man." [redacted]

25X1

In fact, the new law on parties debated in May and passed in June 1977 was somewhat less liberal than these sweeping pronouncements might have suggested. It did allow any 20 current members of the People's Assembly to form their own political party, a step that seemed to promise freedom to organize parties offering true alternatives to the government's program. But a provision was retained that allowed the regime to regulate which parties would be registered: the ASU was to set up a credentials committee on which the government's center party would hold a majority. When the committee was actually appointed in September, it included the ministers of justice, interior, and local government, and was headed by the Secretary General of the ASU—a guarantee that the committee would hew closely to the wishes of the regime. [redacted]

25X1

The credentials committee was not used to bar the formation of a fourth legal political party, the new Wafd Party, despite the fact that Sadat strongly opposed its establishment. The Wafd had been the majority party in Egypt for nearly three decades before the revolution of 1952, and the successful revolutionaries—including Sadat—felt that it had been thoroughly discredited. Among conservative segments of the population—and they constitute a large body of public opinion in Egypt—the Wafd nevertheless retained considerable appeal, and its leaders announced their intention to re-form as soon as the controls were off new parties. The announcement was popular—an indication that the government's official center party had failed to strike a responsive chord in the country at large. Many suspected that a legal Wafd Party could rapidly grow into the majority party in Egypt, deposing the center party—and threatening Sadat with a specter of true political opposition. [redacted]

25X1

Sadat was caught in a dilemma. He did not want to appear to violate the constitutional and legal framework he had just constructed with such fanfare. He probably was taken by surprise at the degree of interest sparked by the prospect of the Wafd's reemergence.

He first attacked the Wafd in various speeches, describing the system that existed prior to 1952 as "false democracy" and denouncing the "voices from the hateful past." Newspaper editorials elaborated extensively on the theme—although a handful noted that refusal to allow the Wafd to re-form would do ill for Sadat's trumpeted reestablishment of democracy. Sadat's personal opposition undoubtedly cut down the number of assembly members who were prepared to subscribe to the new party, but did not whittle the total to less than the magic number of 20; 22 members actually signed the application, and the number eventually grew to 24. Sadat presumably decided that refusal to grant the Wafd's application would make a mockery of his own program, and that its legalization was a lesser evil than going back on his own announced principles. The Wafd was legally reconstituted on 5 February 1978, and newspaper editorials pointed out—with justification—that critics could no longer claim that democracy in Egypt was solely a matter of form without substance. [redacted]

25X1

Resurgence of the Religious Right

In 1977 another, potentially more dangerous challenge emerged: a renewal of activity on the part of Islamic fundamentalist organizations, and, in particular a willingness on the part of the radical fringe to resort to violence. In July, the former minister of religious affairs was abducted from his home by members of an Islamic group called *al-Takfir wa-al-Hijra*. The group announced that it had taken this action because of the minister's attitude toward their movement, and demanded a ransom of 200,000 Egyptian pounds and the release of 60 jailed members. The minister's body was found three days later; he had been murdered when the ultimatum expired. The killers were ultimately caught, but the incident touched off a wave of bombings in public places—a declaration of war, according to a *Takfir* spokesman, against the Sadat regime. When the leader of a group was arrested, it was discovered that the minister was intended to be the first target of a series of escalating urban terrorist actions. [redacted]

25X1

The *Takfir* society—which may have had links with the considerably larger Muslim Brotherhood, which it resembled ideologically—was a fundamentalist movement rejecting Westernization and all modern innovations, and demanding the “establishment” of institutionalized Islam. The two central elements in its doctrine were the denunciation of the existing social and political order as an “infidel” system (*takfir* can be roughly translated “infidelization”) and the consequent requirement that adherents disengage themselves from society (*hijra* is a “flight” or “emigration” from evil). The organization provided military training and maintained stockpiles of arms and ammunition; members were obliged to sever all past ties and join a sort of commune, where they were subject to absolute obedience, and desertion was punished by death. [redacted]

25X1

The regime moved quickly against the *Takfir*. After a series of arrests and interrogations, 54 were brought before a military court. Although the regime, operating in an atmosphere of public outrage against the *Takfir*, must have been tempted to dispense summary justice, the trial was conducted with fairness and impartiality. A defense lawyer was appointed for each of the accused; allegations of mistreatment of the prisoners were investigated; and although the group was taken before a military court, they were tried under the civil code. Additional individuals, indicted after the trial of the others had already begun, were subsequently released; others were freed without being charged because of lack of evidence. The scrupulousness of the regime slowed down the time of the trial, which took four months. Ultimately, five of the defendants were convicted and executed in March 1978. [redacted]

25X1

The crackdown on the *Takfir* uncovered at least two other ultrarightist religious groups—the “Soldiers of God” and the “Holy War Society”—and evidence suggestive of links with the Muslim Brotherhood. The affair brought to the fore the question of the regime’s relationship with the Brotherhood—something Sadat found harder to deal with than the possible threat from the left, primarily because religious fundamentalism exerts a wider appeal in conservative Egypt than does the atheism of the Communist ideology. [redacted]

25X1

The Muslim Brotherhood was founded as a semi-clandestine organization in 1928, and offered a political framework enabling middle- and lower-class Egyptians to express their anger at the pervasive Western hold over Egypt in all spheres—economic, political, and cultural. The Brotherhood developed effective methods of recruitment and action that made it a potential ally of the “Free Officers” who eventually carried out the revolution against the monarchy, and some of the officers—including Sadat—maintained personal connections with the Brotherhood. After the revolution, however, the Brotherhood was regarded as a dangerous rival and ultimately outlawed. Subsequent attempts by the Brotherhood to subvert the regime and eliminate Nasir himself resulted in the arrest and execution of many of its leaders and activists. In the spirit of Sadat’s political liberalization, however, imprisoned members of the Brotherhood were released and exiles were permitted to return. Some even found posts in various governmental or religious bodies, such as the ministry of *waqfs* (religious endowments), the Council for Islamic Affairs, and Al-Azhar University. The Brotherhood managed to put out a number of regular publications, including the monthly *al-Dawa*, and resumed political activity on university campuses—where it pretty well controls student Islamic societies—as well as in various professional and labor circles. [redacted]

25X1

The Brotherhood was quick to denounce the *Takfir* and the other terrorist groups. It was not prepared for an open challenge to the government and clearly had no wish to jeopardize its own semilegitimate status and freedom of operation. At the same time, the Brotherhood sympathized to some extent with the ideology of the terrorists and may have provided support. [redacted]

25X1

[redacted] Sadat has been somewhat at a loss to figure out an effective way to deal with the religious right. There is considerable evidence that he increasingly regards the Brotherhood as a danger, but until recently he has held back from launching a campaign against it out of fear of arousing a storm of protest from the conservative,

25X1

25X1

deeply religious Egyptian masses—Sadat's own natural constituency. [redacted]

In the spring of 1979, however—probably in an effort to suppress domestic opposition to his treaty with Israel—Sadat did take a number of measures designed both to curb criticism and to serve notice on conservative groups that more extreme measures could be forthcoming. His first target was the Islamic student societies, which had provoked several incidents against Egypt's Christian minority, and had distributed leaflets opposing the peace treaty. In speeches to university and government officials in mid-April, Sadat warned that political activity would no longer be tolerated on university campuses; students ignoring the ban would be expelled. The student Islamic societies received special censure. The warnings were followed by the government's suspension of student union elections for the year; technical grounds were cited, but the real reason was probably to avoid increased gains by the religious right. Finally, *al-Dawa*, hitherto free to publish articles critical of the government, has disappeared from the stands. [redacted]

25X1

Sadat undoubtedly hopes that these relatively mild measures will warn off the right from provoking an outright confrontation that would be extremely unpalatable for Sadat and work to the advantage of Egypt's leftists. On the other hand, Sadat has a short fuse—and no interest in seeing Egypt go the way of Iran. He will do what he feels he has to do to keep the right within bounds. [redacted]

25X1

Retreat From Liberalization

In the early months of 1978, Sadat seemed to see himself as besieged on all sides. The January 1977 riots were still fresh in his mind; and although the security forces may have exaggerated the degree of leftist involvement—and Sadat may have believed the exaggerated version—the involvement was real. Now rightist extremist groups were turning to violence. The conservative Wafd Party, whose rebirth Sadat had reluctantly permitted, had struck a responsive chord throughout the country; its growing popularity could, if unchecked, eventually threaten Sadat's own center party. The situation was exacerbated by the freewheeling, critical debates in the National Assembly, particularly the attack launched by Wafd delegates in April alleging corrupt activity on the part of the center party.

(The executive branch was accused of making new, subsidized apartments available to center party officials.) Newly established newspapers of the official leftist and rightist parties (*Al Ahali* and *Al Ahrar*, respectively) joined in the attacks on the regime and met with a warm reception. *Al Ahali* was particularly well received in intellectual circles, and its criticism of the government's domestic policies and of Sadat's peace initiative was influential. The mounting criticism in turn provoked complaints from Sadat's supporters that he was losing touch and allowing the government to drift under the inept leadership of Prime Minister Salim. (c)

Sadat might have been prepared to live with the criticism had his dramatic overture to Israel—his trip to Jerusalem in November 1977—been successful. But that trip, applauded in the West and bewailed throughout the Arab world, failed to achieve the breakthrough Sadat sought. Negotiations bogged down and the specter of stagnation loomed, despite US attempts to maintain the momentum. Sadat was vulnerable on this issue. He could not give his critics a free hand to generate popular pressure against him, lest this restrict his freedom to negotiate. [redacted]

25X1

His counterattack began with the seizure on 1 April of an issue of *Al Ahali* containing a hard-hitting antiregime interview by Muhammed Hassanayn Haykal—the prominent Nasirist and former editor of *Al Ahrar*. Sadat next used the occasion of his May Day speech to serve notice on opposition groups. Referring to the Wafd, Sadat said that there would be no return to the corrupt practices that existed before 1952, when “5 percent of the populace ruled Egypt.” He castigated the leftists, in turn, as “agents of Moscow seeking to reestablish centers of power”—Sadat's code word for the group led by Ali Sabri which he had disposed of in May 1971. He hit out against the papers of the left and right, particularly *Al Ahali*, for attempting to “destroy the social peace.” His strongest criticism, however, was reserved for the “dismal” level of recent parliamentary debate. Although he gave lip-service to parliamentary immunity, he called for reform of the Assembly statutes so that members of parliament would bear personal responsibility for accusations against individuals. [redacted]

25X1

In mid-May Sadat issued the text of a referendum that the people would be asked to endorse on 22 May. It banned from positions of influence anyone guilty of "defaming religious law"—something particularly applicable to Communists. Anyone holding a Cabinet position before the 1952 revolution or playing a leading role in any prerevolutionary political party (with carefully drawn exceptions designed to protect several people close to Sadat), was forbidden to belong to a political party—a measure directed against the three key leaders of the Wafd. The most far-reaching measure provided that anyone convicted of corrupting political life or even "considered" to have broadcast false reports would be banned from public life. (The targets here were Egyptian journalists who published critical comments in foreign media.) The referendum would also create a "socialist public prosecutor" with authority to investigate atheists, pre-1952 leaders, and writers [redacted]

25X1

Passage of the referendum was never in doubt, although the regime presumably inflated the figures; the announced 98.29 percent in favor seemed unlikely in the face of sparse voter turnout. A bill was promptly drafted to carry out the provisions of the referendum and just as promptly passed. A certain amount of due process was retained. The socialist prosecutor was to submit his cases to the appropriate authority—the prime minister in the case of government officials, the Higher Press Council for journalists, the trade unions for labor officers, the ASU parties committee in the case of political parties, and the Assembly in the case of prerevolutionary politicians. Politicians had 10 days to rebut the prosecutor's case; everyone else had the right of appeal to an ad hoc judicial body. The referendum and its implementing legislation served notice on the Egyptian body politic that it was free to operate only within narrow limits. Now that Sadat had engineered the regime's right to rein in opponents, however, he no longer perceived the need to exercise it. The powers provided by the new legislation were, for all practical purposes, never invoked—although of course they remain on the books, probably sufficient deterrent in itself. [redacted]

25X1

The most significant effect of the antiliberal legislation was the result of self-censorship: the new Wafd Party—probably the most vital component of the Egyptian political scene—dissolved itself, and the legal

leftist party "froze" its activities, although it remained in being. The Wafd presumably chose not to operate if it could not do so with its old leaders; in addition, it probably hoped to dramatize Sadat's failure to adhere to his own enunciated principles. Sadat, nevertheless, was undoubtedly delighted to see the primary thorn in his side vanish in such a cooperative manner, particularly since in subsequent speeches he was able to stress that his opponents had taken their own decisions to dissolve or lie low; they had not been shut down by the government [redacted]

25X1

The Aftermath: Striking a Balance

Sadat seems to have launched his liberalization process in a genuine effort to bring a degree of democracy to Egypt, but he clearly never intended to permit full democracy in the Western sense of the word. Probably he believed, naive as it sounds, that his popularity would soar in the eyes of a grateful populace. He had always seen himself as uniquely able to understand the "soul" of the "true Egyptian"—by which he meant the devoutly religious villager, not the intellectual who was likely to be a leftist and a chronic complainer. He therefore did not expect to have to contend with the storm of criticism that mushroomed in Egypt's newly liberal atmosphere. Just as he had accelerated the liberalization process against the advice of his closest advisers, even in the wake of the January 1977 riots, so when he decided a correction was in order his actions appeared unnecessarily abrupt and harsh. In his own mind they did not constitute a withdrawal of democracy since, in his view, the criticisms were not the acts of a responsible opposition but incitement of the masses to turn to violence. Even so, many of the gains of the period of liberalization were left intact. What died was the spirit of exuberance with which Egyptians went about uncovering flaws in their own institutions; Sadat was not prepared to countenance the rough-and-tumble of democratic dissent. Perhaps he was correct in gauging that he could not afford to do so. [redacted]

25X1

The more repressive features of the crackdown were ignored. A half-formed attempt to create a national "code of ethics" that might have injected still more restrictions into public life never got off the ground; instead, in a speech in July 1979, Sadat called on each party, union, syndicate, institute, and organization to formulate its own code and apply it to its members. Sadat nevertheless clearly decided that something had

to be done to deal with the criticisms that had surfaced earlier in the year, particularly of his government's economic policy and the allegations of corruption. His plan was threefold: a new cabinet would be formed, in order to bring a new look into the handling of economic policy; many of his former close associates would be summarily dismissed, bringing new faces to the fore—either to do a better job than the old crew or to deflect criticism from Sadat himself; and a brand new official party, complete with a brand new opposition, would be launched—yet another attempt to inject some vitality into Egypt's political life, while confining that activity within strictly controlled channels. The unprecedented aspect of the plan was Sadat's decision to place himself at the head of the new party. [redacted]

25X1

Sadat announced his intention to form the party, with himself at the head, in July 1978, but nothing was done to organize it for some months—possibly a result of Sadat's preoccupation with his languishing peace initiative and, in September, the distraction of Camp David. An overwhelming majority of the Assembly members—238 out of 360—signed the new party's application for legal status, submitted in late September. In a speech in October, however, Sadat promised that the massive majority of the new party—now baptized the National Democratic Party—would not be used to stifle the opposition; he did not intend a return to one-party rule. [redacted]

25X1

The firings of several of Sadat's closest advisers and other key aides began almost immediately after Sadat's return from Camp David. Minister of War Jamasi, considered to be unswervingly loyal to Sadat, was dumped early in October; his replacement, former intelligence chief Kamal Hassan Ali, took Jamasi's seat at the peace negotiations with the Israelis in Washington. Prime Minister Salim, who had been the target of much of the freewheeling criticism earlier that spring—possibly as a surrogate for Sadat—was replaced by Mustafa Khalil, an economist untainted by the charges of corruption and inefficiency that brought down Salim. Sadat's close confidant, Ashraf Marwan, [redacted] was removed as head of the Arab Organization for Industrialization, possibly as a symbol that the regime's crackdown on corruption was serious. A few days later, Speaker of

25X6

the Assembly Sayid Mari, for years one of Sadat's most trusted advisers on domestic affairs, was dismissed. The change of faces at the top was accompanied by the replacement of virtually the entire military command—probably an attempt by Sadat to forestall potential disaffection from that quarter rather than a move against known dissidents. The result was the creation of a new team—one that could preside over a new era in the country's affairs, if the projected treaty with Israel were completed smoothly. At the very least, the changes would give the public the illusion of motion, the feeling that some of their earlier criticisms had been taken seriously. Perhaps the key advantage, in Sadat's eyes, was the likelihood that his remaining advisers would think twice before disagreeing with any of his proposed courses of action. [redacted]

25X1

The new Cabinet was announced on 5 October, shortly after the selection of Mustafa Khalil as Prime Minister. The change was heralded as bringing to the fore a "new generation" of politicians, although the new faces—21 out of 31 Cabinet members—did not differ greatly from their predecessors. In an effort to give the impression that the regime was moving promptly to deal with economic grievances, Sadat ordered Khalil to assign top priority to food production, improved public services, and reorganization of the bureaucracy—a charge similar to that given the preceding Cabinet. Some of the changes made were largely cosmetic but did represent an effort by Sadat to ease popular fears that his liberalization policy was to be reversed altogether. For example, the Ministry of Information and Culture—which had been providing official guidance to all media and to cultural organizations—was abolished. Statements by Sadat and the new prime minister stressed the government's desire to strengthen freedom of the press by putting radio, TV, and newspapers under newly created "autonomous agencies. It was announced at the same time that the press was to be supervised by a Higher Press Council—a body already existing but with little real power [redacted]

25X1

Sadat's new party attracted so much support among members of the Assembly that it appeared for a time that no opposition party could be successfully formed.

There was talk of lowering the legal requirement for forming a party from 20 sponsoring members to 10—a move the regime resisted, since it could have opened the door to the formation of “undesirable” parties. Instead, Sadat intervened personally to encourage his own political supporters to join the ranks of the budding Socialist Labor Party, no doubt assuring them that they would not be left devoid of patronage to dispense. Sadat may have made clear his determination to establish a “loyal opposition” on the Western model, but as its formation from the ranks of his own supporters suggests, the differences between the two parties are imperceptible; the Socialist Labor Party is perhaps slightly to the right of Sadat’s NDP. Indeed, the maneuver creating the new opposition was presumably greeted with considerable cynicism by the politically aware—damaging Sadat’s credibility as a leader.

25X1

Only two members remain of the old legal leftist party, the Progressive Unionist Grouping. There are perhaps 40 or so Independents—the real political opposition in Egypt—a figure that includes about 27 former center party members. The old center party has been assimilated by the NDP.

25X1

In an address to the People’s Assembly in November, Sadat stressed his determination to implement “full democracy” in Egypt. Describing himself as the “father of the Egyptian family”—a description that capsulizes Sadat’s basically patriarchal approach to governing, an approach not strictly compatible with democracy in the Western sense—Sadat avowed his intention to treat his own party and the opposition equally. In order to establish “full democracy,” Sadat called for the early passage of constitutional amendments to reflect the abolition of the ASU (Sadat had not waited for the amendments to effect the change), facilitate the establishment of a multiparty system, and redefine the role of the press.

25X1

As 1979 dawned, Sadat began to strike a new theme in his speeches—his intention to inaugurate “government decentralization,” which he hailed as ushering in a new era of democracy. The new policy, as Sadat described it, is supposed to mean a transfer of authority to each and every citizen—marking a turning point in Egyptian history, which has seen more than 4,000 years of centralized government.

25X1

So far, however, governors are still appointed by Sadat (most recently last November), although a special point is supposed to be made of selecting men who are native to their areas, and the local assembly delegates are consulted to “guarantee” the governors’ acceptability to the populace. The primary effect of the decentralization program will apparently be financial, not political. The governors and local councils are to be given the right to decide on the use of funds provided them for development projects—under guidelines established by the central government. The result will hardly be a step forward in the development of grassroots democracy, although the program may give the people a sense of being in somewhat greater control of their own destinies. The government apparently hopes to institute direct election of provincial governors at some point—but there is no sign that the step will be soon in coming.

25X1

The Latest Moves

The signing of the peace treaty with Israel in March 1979 thrust Egyptian foreign policy into totally new channels. Although the treaty was greeted with widespread enthusiasm in Egypt, there were dissident voices—including some within the Assembly itself. Several of the most respected independents were particularly outspoken in their criticism, both within the Assembly and in press conferences. Although the Assembly ratified the treaty by a massive majority early in April, Sadat was apparently infuriated by the 15 negative votes and 25 abstentions—out of a total of 360. As usual, sure that he knew what was best for the country and unwilling to tolerate the “carping” of intellectuals divorced from the mainstream of the people, Sadat decided that his critics had to go. He obviously figured that he could capitalize on the overwhelming support for the treaty throughout the country to ensure their removal in a way that would appear democratic.

25X1

The day after the Assembly vote, Sadat announced a referendum at which the public would not only approve the treaty but also endorse the dissolution of the People’s Assembly and call for a new election. The sweetener, enabling him to portray the exercise as a step toward greater democracy rather than the reverse, was his announcement that the requirement that there be 20 Assembly members among the founders of any new party would be dropped—though the concession was

Secret

hedged with other restrictions that guaranteed ultimate government control. The founders of any new party still had to number at least 50, half of them workers and peasants; its program had to be submitted to a seven-member "parties committee"—the obvious point of government interference, enabling it to be sure it could tolerate any parties formed; the party program had to be different from those of existing parties, thus ensuring against a proliferation of small and virtually indistinguishable parties; and the "basic principles of the state"—social justice, national unity, and the absence of religious, racial, and other discrimination—had to be followed. The government was thus able to continue existing bans against rightwing Muslim parties (which could be considered religiously discriminatory) and Communist parties (considered to advocate a totalitarian system). [redacted]

25X1

Sadat's decision to dissolve the Assembly was, needless to say, unpopular among Assembly members, who would have to pay for a new campaign and face the possibility of losing their seats. It also aroused concern on the part of some middle-class Egyptians, basically convinced of Sadat's commitment to political liberalization but nervous about the future of their newly gained freedoms. Some regarded the maneuver as capricious; after all, the Assembly had just overwhelmingly ratified the treaty with Israel. Others, with little sympathy for Sadat's left- and right-wing critics, merely considered the step unwise, believing that the Assembly needs a true opposition to act as a brake on the government and that Sadat's scheme, while constitutional, established a dangerous precedent a successor could use to reverse Sadat's liberalizing changes. [redacted]

25X1

The referendum, held on 20 April 1979, resulted in near-unanimous support for the peace treaty and Sadat's planned reorganization of the government. The stage was therefore set for new elections, scheduled to take place on 7 June. One prospective party promptly applied for legal status: the National Front, basically the informal coalition of leftists, rightists, and independents existing in the previous parliament and led by an outspoken independent. The National Front's application has obviously irritated Sadat, and a week before the election the regime still had not approved the application. [redacted]

25X1

There is little doubt that Sadat's NDP will win big in the coming elections. The government will take care to put up strong candidates to run against the offending leftists and independents and will make it clear that a vote for the NDP is a vote for peace, patriotism, and Sadat. As of late May, back-room deals had already been struck with a view to ensuring that the results of the election are acceptable to the power brokers. The leaders of the Socialist Liberal Party—the tangible opposition created by Sadat to avoid the appearance of a single-party state—claims to have reached an agreement with the NDP to "reserve" as many as 40 seats for his party in the coming Assembly; the NDP is supposed to accomplish this by fielding extremely weak candidates in certain districts. This estimate may be optimistic, but the government will presumably do its best to preserve a credible (and tractable) opposition. [redacted]

25X1

No other party is likely to make much of a showing against the NDP. The leader of the tiny right-wing Socialist Liberal Party (the remnant of the old rightist *minbar*, which became a party in 1976 but held only two seats in the last Assembly) also claims to have been allocated 25 to 30 seats by the NDP, but his estimate is probably unrealistic. The leftist National Progressive Unionist Grouping will field several candidates, but the government will probably go all-out against them, possibly leaving Khalid Muhi al-Din as the only successful candidate. Assuming that the National Front is allowed to form, its candidates—which will probably include representatives of the Wa'id and the Muslim Brotherhood—will undoubtedly run into strong opposition from the NDP. Perhaps three or four will prove successful, leaving Sadat with something like four critics out of a total of 392. [redacted]

25X1

Conclusions

Sadat has inaugurated impressive changes in Egypt's political life since he assumed power in September 1970. He has virtually eliminated the oppressive atmosphere that predominated under Nasir. His performance indicates that it is not in his nature to solidify his position by resorting to widespread imprisonment, torture, or intimidation. Even potentially dangerous opponents, like the Muslim Brotherhood, have been given a surprising degree of latitude to organize and criticize the government. [redacted]

25X1

Egyptians enjoy a degree of freedom not found in neighboring Arab states, but Sadat is no democrat in the Western sense of the term. He sees himself as the father of his people, responsible, like a father, for maintaining discipline and inculcating mature, correct behavior. His "children" overstepped their bounds early in 1978, abusing the freedoms he had granted; very well, they had to be corrected. Sadat equates "democracy" with the freedom to pursue responsible policies, and sees no contradiction in the fact that he alone is given the right to define which policies are responsible. [REDACTED]

25X1

Given this approach, a freewheeling, no-holds-barred democracy is not likely in an Egypt ruled by Sadat. The only questions are where Sadat chooses to draw the lines—which opposition groups will be given a limited amount of free activity and which will be forced underground; whether the amount of freedom allowed will be enough to release popular pressures, give politically sophisticated Egyptians a feeling that they have some control over their political destiny, and avoid the kind of volcanic eruption that overtook Iran; or whether, conversely, the controls will prove so slack that Sadat will ultimately go down before a well-organized, broad-based opposition. Sadat is trying to give Egyptians a sense of possessing a political stake in the continuation of the existing regime—but without himself surrendering any meaningful power. The effort may prove impossible. [REDACTED]

25X1

So far, Sadat has walked the tightrope successfully. By retaining a legal leftist party he has given the left an outlet of sorts, but he is currently preventing publication of the leftist newspaper—which proved dangerously popular—and his crackdown in 1977 seems to have thoroughly disrupted the activities of the Egyptian Communist parties. His officially sanctioned opposition party is conservative—to the extent, admittedly marginal, that its policies differ from Sadat's own party—but he foreclosed a resurgence of the Wafd Party that might, in time, have grown large enough to threaten the Sadat regime. [REDACTED]

25X1

Sadat's decision to allow the Muslim Brotherhood a significant degree of freedom to operate may contain the seeds of future trouble. There are obvious parallels between the devout Muslim fundamentalism exhibited

by the Brotherhood in Egypt and the emotional following commanded by the Ayatollah Khomeini in Iran. There is, however, one difference that may prove critical—the Muslims in Egypt so far lack a single leader capable of focusing their energies toward political ends. Sadat, who is a deeply religious man himself, has a certain sympathy for the Brotherhood's point of view. Indications are that the Brotherhood does not reciprocate, regarding Sadat as a hypocrite who has in the past shown his willingness to trample on their convictions, but they at least seem to see Sadat as the best they are likely to get as things stand. Their repression under Nasir is still fresh in their minds, and they have shown no inclination, so far, to challenge the regime in ways that might threaten their current privileges. Should they do so, the likelihood is that Sadat would take strong action against them; he has already taken some preliminary measures intended to serve as a warning. Meanwhile, Sadat has evidently judged that a degree of legal activity is preferable to forcing the Brotherhood underground and perhaps encouraging its radicalization, along the lines of splinter groups like the *Takfir*. [REDACTED]

25X1

As always, Sadat's Achilles' heel is likely to be the economy—not the degree of political expression he allows. His vulnerability in this area is a fact of life and will probably prove irreversible in Sadat's lifetime. Egypt's economy is affected by factors only marginally within the control of the government—relations with Israel, relations with Saudi Arabia and other rich Arabs, relations with the United States. As Sadat's signing of the treaty with Israel—despite the breach with his Arab patrons—has demonstrated, Sadat is perfectly capable of ignoring Egypt's economic self-interest in pursuit of what he sees as more important goals. [REDACTED]

25X1

It has so far been a truism to say that Sadat's regime is stable as long as he has the Army solidly behind him. Unfortunately, we have little information concerning currents of opinion within the Army and the strength of possible opposition to Sadat's policies. Our belief is that the Army probably mirrors the attitudes and criticisms existing in society at large—that the degree of support for the Muslim Brotherhood is fairly strong;

that any disaffection reaches its greatest pitch over economic issues; that the appeal of Marxist and Communist thinking is probably not widespread, particularly as compared with its appeal in student and intellectual circles. It would seem to follow, then—although the conclusion has to be tentative—that as long as Sadat keeps the economy from wreaking undue hardship on large groups and manages to restrain the more radical activity of the Muslim Brotherhood, his regime will be reasonably safe. One ominous development would be an alliance between the Muslim Brotherhood and Egypt's leftists; there are some indications that the left appreciates the enormous advantage such a linkage would give them, but the Brotherhood has so far refused to go along. [redacted]

25X1

Negotiations with Israel over the West Bank and Palestinian autonomy that failed to move Israel toward a solution acceptable to the Egyptians—a likely scenario over the coming year—could erode Egyptian support for the treaty with Israel and pose a new challenge to Sadat's liberalization program. A negotiating impasse would spark new activity on the part of both leftist and rightist groups, which would hope to capitalize on popular disaffection with Sadat's policies. Even the docile Assembly he will end up with after the June 1979 elections might be moved to protest. The regime's previous record suggests that such activity would be met with stern counteraction. Sadat would presumably use the familiar rationalization that his critics do not constitute a "responsible" opposition and thus forfeit their right to a democratic platform. [redacted]

25X1

The average Egyptian tends to give virtually automatic support to whoever is in power—a legacy of centuries of Pharonic rule. The bulk of the public will probably back Sadat in whatever he chooses to do, and as long as this remains true, Sadat can afford to retain a political system that allows a certain freedom of action and includes some democratic guarantees. The very fact that he pursues this course should enhance his popularity and the stability of his regime. [redacted]

25X1

There is little doubt that large numbers of Egyptians would welcome a greater degree of political democracy than they now possess, or than Sadat is likely to allow. Their enthusiastic response to the early stages of Sadat's political liberalization made this clear—in the dozens of *mtnbars* that were originally proposed, the vitality of the leftist and rightist newspapers, the hard-hitting debates in the Assembly. All of these channels of expression are currently closed, and although we have little evidence of it, it is reasonable to suppose that some resentment exists—perhaps more than if the wraps had never been lifted in the first place. There is no evidence, however, that resentment has reached a pitch that might threaten Sadat, or that revolution is likely to be launched with democracy as its goal.

Indications so far are that in the political realm at least, Egyptians compare their lot with that existing under Nasir and count themselves well ahead. Their economic well-being is another matter. Here the peace treaty with Israel has brought to the fore longstanding expectations. If they are dashed, leftist element—otherwise less appealing in the Egyptian milieu—could strike a dangerous response. [redacted]

25X1

Secret

Approved For Release 2003/10/23 : CIA-RDP80T00942A001100040001-8

Secret

Approved For Release 2003/10/23 : CIA-RDP80T00942A001100040001-8