

### **The Political Economy of Reforms in Egypt: Issues and Policymaking since 1952**

by *Khalid Ikram*

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This book is an outstanding work on several fronts. It is not only a book on political economy of reforms in Egypt, rather *it is the only book* available that has tackled economic reforms in a comprehensive manner. The author is not only stating facts and analyzing them in a prudent professional manner but also revealing insights, for the first time to be put forward, on the politicians' opinions and decisions. The effort put into such book is conspicuous and the author is the sole person who has been able to write it down, building on the comparative advantage he enjoyed from his former position in the World Bank responsible for Egypt's office, and using his expertise as an renowned economist to explain economic problems from a neutral professional perspective, while providing the political economy context for all the incidents, based on strong academic understanding. *It is a book that tells history from a lens of an expert who was privileged to have access to decision makers at different periods of time covered by the book.* Moreover, the book serves a wide audience ranging from policymakers to academics to students and laymen. The level of sophistication, despite high in dealing with complex economic terms, has been diluted by a smooth language catering prudently for the economic jargon and telling a story in an extremely simple and interesting way. The book is unique in that respect. It deserves to amount to a testimony on Egyptian political economy history in the past decade.

The author focuses on the time period of 1952 till present where he explains how the interaction of economics, politics, demography, foreign influence and domestic hardships has led to one decision or another. *His capability of bringing the different threads of several*



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*aspects in one scene and explaining how the interaction of such threads led to a certain outcome or another is unprecedented.*

Moreover, his ability to explain to the readers how the international financial institutions (IFIs) deal with needy countries asking for their help and how the political interests drive the donors into helping a country, or not, explains a lot of what happens in the closed rooms and is never revealed to the public. Reading such a book does not only inform its readers about the Egyptian context but also explains as well how the global politics functions and how it affects the destiny of a country whether for good or bad. The book is also unique in linking the history to present to the future of Egypt allowing the reader to understand why certain decisions were taken and anticipating what can happen in the future and why.

The book starts with a survey of the economic reforms undertaken in the Egyptian context since 1952 till present. It provides the reader with a framework of how and why reforms were undertaken while bringing in the political economy theories in perspective and explaining how the relationship between Egypt and the outside world, as well as the domestic politics, played a vital role in explaining the outcomes. This part presents a compact rigorous analysis to the policy reforms undertaken in the Egyptian recent history.

The second part of the book provides a review of the major macroeconomic and socioeconomic trends in the Egyptian context. The aim is to set the scene for the reader to understand how the economy is performing while identifying the major challenges and opportunities over a long time spectrum. This part is the least interesting part for the reader, yet of vital importance. It is the least interesting as there are no stories told by the author to explain the trends, and of vital importance, as it is necessary to have a long term neutral view of the economic trends in the Egyptian economy.

The author then moves to discuss the political economy of the periods of the three former presidents of Egypt, namely, Nasser (1952-1970), Sadat (1970-1981) and Mubarak (1980-2011). He discusses in details the main features of each era including for example, the land reform, Suez Canal nationalization, construction of High Dam in the Nasser era, *Infitah policy*, 1977 bread riots and war with Israel in the Sadat era, through economic reform and structural adjustment program (ERSAP), and rise of crony capitalism in Mubarak's era. From my point of view, those are among the most interesting parts of the book. The author's ability in bringing his knowledge, expertise, analytical skills plus his personal insights into unrevealed stories, is unprecedented. His way of bringing all such ingredients to the reader and allowing the reader to live history from a different perspective based on new facts and analysis cannot be underestimated. His analysis of how and why reforms and economic decisions were undertaken in a certain manner while explaining the politics (domestic and foreign) that led to specific actions allows the reader to have a fresh look on the history of Egypt, not following the stereo type stories and the conventional wisdom that used to prevail.

The last part of the book deals briefly with the status of the Egyptian economy since 2011 till present. It provides a short overview of the challenges facing the Egyptian economy in the aftermath of 2011 revolution. This part represents the weakest part in the book in terms of being short and not insightful as former parts. The author might not have had the same access to information and people as in the former parts of the book. Yet, it remains important in linking the former parts with the "The Tasks Ahead" which represents the last part of the book where the author concludes and provides his own perspective based on his expertise on how should Egypt proceed. In the "Tasks Ahead" part, the author brings new ideas while comparing the different path roads that Egypt can use to continue in its endeavor for economic reforms. His comparison with the South East Asian countries brings

new insights that were never discussed before whether in terms of limitations of why Egypt cannot follow the same suit or opportunities that Egypt can still grasp to excel.

The book is a unique work; it cannot be classified as an economic, political or historical book. It is a book that brings all the fields together accompanied by sound economic analysis and insights that were never revealed from “behind the closed doors” discussions to explain the historical path of Egypt and anticipate its future. It is an indispensable source of knowledge for all readers who want to know Egypt from a neutral unbiased lens.

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