

Structural Adjustment and the Dismantling of Egypt's Etatist System

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(ABSTRACT)

This study focuses on the economic and political transformation of the Egyptian state after it applied neoliberal structural adjustment policies in May 1991, as the International Monetary Fund (IMF) and the World Bank had required in return for foreign debt restructuring. It demonstrates how the Egyptian state was transformed from the *etatist* system that had characterized it since the 1952 revolution. Using the *etatist* system as a basic concept for understanding the Egyptian state since 1952 aids comparison among the historical periods that followed, in that the two distinguishing components of this system are a domestically-oriented development strategy and social welfare programs.

The key hypothesis guiding this study is that the application of structural adjustment programs has been a factor powerfully transforming the *etatist* systems of the Nasser and Sadat periods. The study shows how this particular "post-*etatist*" state has withdrawn considerably from such social welfare policies as subsidizing food and other basic goods, and providing health and other social services. Similarly, continuing a trend that began with the *infitah* (partial economic liberalization) policies of the Sadat period, the Egyptian state has abandoned its active role in economic development, leaving it to the domestic private sector and to foreign investors. The present research shows how this state has withdrawn to a great degree from ownership of business enterprises, and has substantially reduced regulation of private enterprises.

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