



EGYPT'S MILITARY CUSTODIANSHIP

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MARINA OTTAWAY: OK, good morning, everybody. Welcome to the Carnegie Endowment. I am Marina Ottaway, a senior associate in the Middle East program here at Carnegie and it's my pleasure this morning to introduce to you Yezid Sayigh, who comes to the Carnegie -- is a senior associate in the Beirut Center in the Carnegie Middle East Center located in Beirut.

And he came to Carnegie after a distinguished career at -- I'm going in reverse order -- King's College in London, at Cambridge University, the International Institute for Strategic Studies.

He works on a variety of issues but his main interest right now is really on the Egyptian military, a topic that could not be more timely given the role that militaries have been playing in the Arab uprisings, and particularly in Egypt, and that's what he is going to talk about today. So without further ado, we'll turn it over to Yezid.

YEZID SAYIGH: Well, thanks, Marina, for the introduction and thanks to all of you for showing up at short notice so early in the day. And I'm looking forward to hearing from you in the discussion. This is very much a work in progress. And I want to start immediately with -- by tackling the big question that everyone asks, which is will the military hand over power to civilians or not.

And I'll answer that by saying yes, they will. I think they genuinely want to hand over power. It's been a big headache. I don't think they wish to be in this particular position of directly ruling the country. The real question, of course, is under what terms do they exit or hand over power.

Do they hand over power in a way that allows a genuine -- transition to genuine democratic process in the future with, you know, genuine civil -- civilian oversight and control of the armed forces, or what we call democratic governance in which, in other words, parliament as a representative of the people exercises meaningful scrutiny over military affairs, starting with a budget but then extending on in other areas.

Or do we end up with something in between which in effect I've called military custodianship in which the military presents itself forever as the guarantor of the state, of the system that sets itself up as the institution that best represents the true interest of the Egyptian nation that is best placed to define what that Egyptian nation is and what its true interests are and that therefore claims for itself in perpetuity the right to intervene when civilians get it wrong, which is of course a very typical model we've seen elsewhere, in Pakistan, in Turkey and in quite a few other countries of course around the world in the past.

So I'm going to start -- I'll come back to those two scenarios as it were. What would be involved in a genuine democratic transition, what the requirements are versus on the other hand the other scenario, a less optimistic one in which we end up with custodianship, military

custodianship of the Egyptian state. And for anyone who actually follows the Egyptian press day-to-day, then you'll see that there's constant evidence that seems to suggest one and then the other

Most recently, the evidence has been negative. Mohamed ElBaradei, who was one of the possible -- well, we know he was going to present himself as a candidate for the presidency sometime later this year -- has just announced that he's pulling out of the race and his office has also just denied that he's even going to set up a political party to continue direct engagement in politics, which personally I think is a very sad thing.

And what I saw of his statement was that he felt that it was impossible to engage in a true -- truly -- in a truly democratic presidential race given the military council's sort of attitudes and behavior that was making this impossible. So that's some evidence that he at least is not convinced that it is -- that the military council will allow a genuine transition.

Other recent news is that the Muslim Brotherhood is in talks with the government and with the Supreme Council of the Armed Forces with American blessing according to, you know, typical thinking, conspiracy thinking, to work out -- to concoct a deal in which the military and the Muslim Brotherhood are allowed to take power, to form a government, not maybe the very next government but once everything is complete, the presidential elections have been held, there's a new constitution.

And that in return for being assured that they will have the opportunity to use the majority they won in parliament, that in return they have equally assured the military that it can exit power with immunity from prosecution for any past behavior and, more than that, with a number of perks and privileges and prerogatives into the future.

Now, that is an example of the second type of scenario I was talking about; in other words, one where the military does in fact acquire with the civilians' blessing, a long-term role in running the state's affairs, at least at key moments on key issues.

So what I'm going to do now is talk a little bit about sort of how I think the military sees itself, sees its role, how this sort of came about and where some of the difficulties lie in disentangling the military from civilian power or the state in Egypt and I'll refer in some cases to some of the obvious analogies -- Turkey and Pakistan are the most cited -- in order to get a bit more insight into what does or may not apply in the Egyptian case.

The first thing I want to say is that what I find interesting is that the military has been forced over the last year for the first time in a very long time to start thinking about its relationship to power, to state power in formal terms. De facto, the army has always been extremely important in Egypt's life. It formed the Egyptian republic in 1952, and clearly it was an important pillar of Mubarak's regime over the past 20 years.

And I'm emphasizing the past 20 years because I think that's a very important turning point in which the earlier demilitarization of the bureaucracy under Sadat was reversed under Mubarak. And 1990 was important because it was the Gulf War, the writing off of part of

Egypt's debt, the repositioning of Egypt in the Arab League and in relation to the U.S. but also the start of the Islamic jihadist insurgency in the 1990s, the move towards a securocratic state in Egypt in which internal security services became the regime's primary instrument of dealing with society and with the opposition and so on and where the army took sort of a rear position.

Still important as a last resort guarantor of the regime -- of the regime's survival but where it was sort of outside day-to-day politics. It didn't run the country strictly speaking. And we ended up with a sort of rather muddy or ambiguous hybrid, I think, of a military state in which the military actually didn't have to think too much about social policy, economic policy, whatever.

It sometimes objected to things, especially from 2000 onwards -- liberalization, some of the particular cases of privatization of state-owned assets. But it didn't have a clear ideology about these things, unlike, let's say, the Turkish or in certain respects the Pakistani military who had pretty clear ideas about a lot of things in life, about labor, business relations, about capitalist development, about what civilians should or shouldn't do.

The military in Egypt stopped bothering with all this because their role was to serve autocratic presidential power. The president was the key power-holder and the military were sort of pulled into that system.

And I want to say a little bit more about this. So, on the one hand, we have an Egyptian military that has a strong corporate identity. The Egyptian military sees itself as having existed for a long time. It points to a history going back to Muhammad Ali. It belongs to a state that also has a great deal of identity.

The Egyptian state is unlike some of the other states in the Levant where the relationship between society, the state and the military is much more diffuse, sort of fragmented and is much more societal capture of bits of the state and bits of the army. That's different in Egypt clearly. And one can say that the Egyptian military has held -- upheld certain broad propositions about Egypt.

A certain concept of the Egyptian state as a secular entity -- not a nonreligious entity but something that is not clearly an Islamist state, that is somehow above religious politics, a general notion of the state's obligation to provide basic social welfare. This is a bit of the Nasser legacy. And residual commitment therefore to a certain degree of public ownership or control of or management of the economy.

These are sort of the instincts of the Supreme Council of the Armed Forces and at least the older generation of officers in the Egyptian military today. But these are very broad sort of sensitivities or sensibilities because in fact if you look at the record, the army never sought -- even at the height of its power in the '50s and '60s -- to disassociate the state from religion, i.e. from Islam.

There was no deliberate attempt to enforce that separation and make it a conscious one. The army also stood by as Sadat rolled back land reform and, you know -- and therefore a key

element of social -- of the social justice redistribution of the '50s and later the '60s went out of the window where the army just did nothing. And finally also, when it came to neoliberal economic policies of the '90s and intensifying in 2000 onwards, the army we know was sort of not happy with part of this.

But it also stood by while neoliberal economic policies led to a widening income disparity, the descent of something like 40 percent of the population to or below the poverty line and therefore, again, social welfare and a commitment to this broad Nasserite legacy didn't mean much.

Now, the other element I want to bring in here in terms of understanding how the Egyptian military thinks and where it might go next is to bring in the analogy with Turkey and Pakistan and I think arguably with many Latin American countries, Algeria, Indonesia, maybe Nigeria -- I don't know it as well. I think the analogy helps to illuminate the differences as much as the similarities.

In most of the other cases, certainly in the Latin American cases and in Turkey and I think even in Pakistan, arguably, the military rule involved some sort of dialogue or alliance with key sectors of the political establishment, the state bureaucracy, the religious right or the religious parties, in Pakistan anyway.

In Turkey, there was definitely a very close relationship between the military, the state bureaucracy including the judiciary and the political establishment of the -- you know, the secular parties of the '60s onwards. And these relationships were never devoid of tensions.

For instance, the Turkish military having restored civilian government in 1983 had a very tense relationship with Turgut Ozal. It was never a totally comfortable one. And he went in several respects on religious freedom, on liberalization, on a number of different things and even on encroaching on military prerogatives beyond what the military were truly comfortable with but they ended up sort of tolerating this.

Clearly when it came to Necmettin Erbakan, they forced him to resign in 1997. That was clearly that limit. But my point is that in all these cases -- I'm not saying the relationship has always been stable. If we look at Pakistan today, again we see a moment -- a critical moment where the military may be positioning to take power again.

And in Latin America, too, these processes went up and down and they took many years to negotiate the new deal. In the cases of Chile, for instance, or Brazil and elsewhere in Latin America, the army eventually handed over power mainly to center-right governments and to the business class or to political parties that were allied with local business classes. And even that took 10 or 12 years to do.

I mean, it wasn't as if they were in any hurry to hand over to civilians and it took a long time and even once they'd handed over power, of course the military retained a lot of residual privileges and protections which I'm going to come back to later.

So my point here is that in Egypt in contrast that the autonomy that the military acquired under Sadat and under Mubarak, the deal of sort of pulling out of politics, pulling out of direct civilian government in return for a lot of autonomy in dealing with their professional affairs and with their finances -- the budget -- and increasingly from the 1980s onwards with their private military economy -- a legal, formal economy but nonetheless one that became a private enclave.

The way this unfolded in Egypt meant that there was much less intermeshing of agendas between the military as an institution and its interlocutors in, say, business classes or in parliament or in the state bureaucracy.

I mean, there wasn't a need to have a dialogue to negotiate certain issues and agendas and policies and so on. Ultimately, the military, like all these other sectors, served presidential power and there was less need for this sort of horizontal dialogue. Moreover, the fact that so much of this relationship was centered on the presidency meant that especially from 1990 onwards the army was co-opted into the crony system.

I think it's very -- it's a very interesting question to ask just why Field Marshall Tantawi remained as the minister of defense from 1991 onwards -- I mean, 20 years, that's -- if you go back -- if you go to the Egyptian army's website and look at their list of past defense ministers -- I think it's on the Egyptian army website -- I forget.

But anyway, I've got the URL -- they list all the defense ministers almost from the time of Muhammad Ali, but certainly from the time of the Khalifa. And it was -- I didn't know this. Almost none of them served for more than a year. I mean, this is apparently a very long tradition in Egypt. Defense ministers never last for more than a year. They may come back many times, but always for about a year or two, very few exceptions to this.

Tantawi is the huge exception to this. And so under Tantawi, military-presidential relations stabilized as the entire senior command basically were tied into this relationship, very personal one in which all of them became assured of moving on after retirement immediately into plumb jobs in the state-owned enterprises even after they were privatized as directors and sitting on boards of directors and as armed force delegates to these companies, et cetera, ensuring much greater salaries and ensured sort of job security after retirement from the army.

So the Egyptian military evolved in a very different way over the past 20 years in comparison to, say, its Turkish or Pakistani counterparts. And I also want to add here that I don't want to suggest a complete separation of the military from the civilian sector in other ways. I've just referred very briefly to their involvement in the state-owned enterprises and privatized companies -- i.e., the economy, but they also have a very extensive presence throughout the civilian bureaucracy as well.

This was typical under Nasser. It retreated under Sadat. But it's become an extremely extensive phenomenon since around 1990 clearly where you commonly see references in the media or an analysis to how many governors come from a military background. Egypt has at the moment I think 27 governorates. This is how its local government structure is made up.

But what we overlook is the fact that beyond the governor -- the deputy governor and the head of his office and the secretary-general of the local council, because there's a parallel structure of councils, and then going down the entire chain of local government to the district level, city level, urban neighborhood and village level -- there are all these tiers.

At every one, the same structure is replicated of having a head and deputy and secretary-general and head of the office and then heads of different departments and because this is local government, so they are involved in services, social services, development, infrastructure, utilities, mining quarries, anything in each local government. And the number of officers in all these positions is enormous. So -- and this gets replicated in other sectors of the civilian bureaucracy.

Certain select agencies, certain select departments are very heavily staffed by former officers, in some cases by serving officers as well. So my point being that in order to move to real democratic transition, we're not just talking about the highest level of formal power and the transfer of, say, power to decide whether or not to declare war, which is one of the concerns of the military.

They don't want, for instance, some, you know, wild Islamist to become president and then to tear up the treaty with Israel and declare war on Israel. They want to be able to stop that. That's important at sort of the high politics level.

But what I'm trying also to paint is a picture in which the military are now so deeply intermeshed in the economy and in the bureaucracy that democratic transition doesn't just mean handing over top-level decision-making to civilians.

It also means somehow disentangling the military from this whole web of relationships and interests which have become not just institutional interests but also have become what I think the officers sense as personal entitlements.

And that's a very different type of thing that needs careful negotiation and careful studying. And if you look at other experiences of transition, Spain is my favorite example. The Spanish army nearly took power again in 1980 I think when soldiers entered parliament.

And Spain suddenly realized that this was an unreconstructed, unrepentant Francoite army which still thought in entirely the same terms as it had developed over 30 or 40 years under Franco and that what was needed -- and this was the great success story of the new defense minister who sat down and worked out in very intensive and extensive negotiation and discussion with the officers, et cetera, to find out just what it was that made them tick, what they wanted, what they needed, what their concerns were.

And of course a big question -- and here's where I start to move into the second part of my comments -- the big question is whether the civilians, politicians, political parties in Egypt grasp these matters and have the understanding as well as the maturity and the sustained stamina to tackle this at all levels.

And here therefore is where I want to come to the question of so what comes next. Well, as I said at the outset, I think that the Supreme Council does want to hand over power. But the question is, of course, with what terms.

And here we have broadly two scenarios. It's clear, I think, that the military wishes to retain certain residual sovereign powers over declaration of war, to be able to ensure certain foreign policy which in term, by maintaining peace with Israel, secures also continued receipt of U.S. foreign military assistance which is extremely important for the army.

And beyond that, the army wishes to retain its exclusive control over the defense budget, the military economy and all its profits and incomes and turnover, et cetera, and its discretionary power over the funds and assets at its disposal, which include the budget and the military economy but also other assets.

And it's clear we know that this is what they want because several times in the past year the Egyptian armed forces have directly or indirectly through, say, the previous government of Essam Sharaf have promoted the drafting of documents among some of which were intended to provide supra-constitutional principles -- in other words, principles that would be above the constitution and therefore would be permanent and unchangeable, that would define Egypt and define basic rights and so on.

But also, that would state that the military had exclusive control over these things -- the budget, et cetera, over the right to declare war and that these things could never be touched and that the military also would be the ultimate guarantor of the constitutional order, therefore giving itself -- enshrining its power always to intervene at certain moments in the political process.

And this is what triggered the big clashes of November -- the attempt to -- well, the release of the so-called Selmi document at the beginning of November which basically provided text for all this. Now, we have two scenarios.

One is the -- I'll think of it as the positive one in which the military is rebuffed on all these issues, where the political parties or the most important political parties stand firm on these matters, openly or privately -- I don't think that's a big issue -- object to these and make it clear to the military that the military must understand that in the future -- I mean, the rules in the future will change, that the defense budget has to come under parliamentary scrutiny.

It has to come under civilian control. The army has to be obedient to civilian authority, et cetera, et cetera. Now, we have some indications that some of the political parties do seem to understand this. This Muslim Brotherhood, through the Freedom and Justice Party -- its political arm that competed in the elections -- has made several statements through various of its senior leaders indicating these things.

I mean, I've read statements that say there's no question that the budget has to come under civilian control, under parliamentary control and the economy -- the military economy, all these things must be brought under civilian control. Some of these statements are extremely clear and concise.

On the other hand, what the Muslim Brotherhood has also done in some -- especially recently over the past month or two -- has been to make statements, and they're not alone in this. Some of the other political parties or figures have also said the same thing, which is to assure a safe exit for the Supreme Council from power.

In other words, that in relinquishing power, the members of the Supreme Council in particular or other commanders aren't laying themselves open to prosecution for any of the violence that took place over the past year. It may be that immunity from prosecution also actually is intended to deal with a bigger iceberg that's hiding behind the tip of the events of last year.

In other words, the involvement of officers in shady practices in the economy, since as I described earlier they were co-opted into Mubarak's crony system and they were no longer alone in it and they were facing stiff competition from Gamal Mubarak's business community or elite. And they were very unhappy about this.

But at the same time, they also became part of that system and sought advantages and opportunities where they could. And it's very revealing that back in June, I think it was, Tantawi, the defense minister, acting president and head of the Supreme Council, issued a decree that made -- that made it possible to prosecute military officers, serving and retired, only in front of military courts.

And this came in the wake of some of the -- you know, the post-Mubarak trials on corruption issues. So this was -- so in my reading of it, this was as much related to -- at that time, in June, there hadn't been the sort of deaths in which the military were implicated as has been happening since October and November where more and more Egyptians think that the Supreme Council itself is implicated in violence towards protestors.

In June, this wasn't the case. So I think that the decree -- the timing is very curious, that in the midst of all these other trials that were ongoing against Ahmed Ezz and, you know, Mubarak and Gamal Mubarak and so on, that Tantawi thought of protecting the military in perpetuity, i.e. post-retirement, from prosecution.

And the protection is that by placing them in front of a military court, of course, obviously there is much more control in military hands over the process and what happens and what the charges might be and so on. So the Muslim Brotherhood have said that part of the deal for safe exit -- I mean, safe exit is immunity from prosecution.

My own feeling, honestly, is that this is a reasonable deal. I mean, the expectation that there will be a transition from a system which was presidential autocracy from day one in the 1950s, for 60 years, and that we're then going to move directly into a system in which the army is a totally depoliticized and obedient institution under full civilian command and scrutiny, that's not going to happen.

There is no other instance I can think of in the world where that transition has occurred so simply, so easily, so quickly. I mean, I think the core values and the correct relationships have to be asserted, stated and asserted and worked for. But how you make the actual transition today is significant.

And there is a risk, I think, that if the Supreme Council feels that it's going to be put on the block, then it will resist and it will block further transition and there are, I think, at least some elements, some commanders who have been accused, among other things, of the increased violence towards demonstrators in the last few months.

These are people, I think, who would say, well no, we draw the line here and we'll impose military rule or some variation thereof. I don't think that's impossible and at least they're going to fight hard for it.

On the other hand, I think that we've seen very clearly that the Supreme Council lacks a master plan. They don't have a blueprint. They still, after a year in power, or nearly a year in power, don't really have clear ideas or very real preferences on most issues dealing with social policy and economic policy and so on.

They've got conservative reactions which are that we want to protect what we've got and we don't really like change too much. I mean, they are sort of instinctively fearful of reform and change. But I don't think they're totally determined to block any type of change and reform. So they can be challenged. And I think we've seen on various occasions that they can be pushed back.

The real question is is the other side -- the civilian political parties and in secondary position, the United States -- going to present a firm front and state very clearly whatever the rules were in the past the new rules are the following -- you know, everything comes under civilian control and oversight, full stop.

In the future, there is no immunity from prosecution for this and that and the other, human rights abuses or whatever. You have immunity for, you know, up to today. But that's it. That's the deal. That I think is a deal that frankly is reasonable and would -- you know, I'm just hoping that the political parties stand firm on that.

My concern is that the political parties may compromise too much and produce what I think of as a bad compromise in which they do accept the military's premise that the defense budget should be kept secret, it's to do with national security, we can't let the outside world know this and that about our procurement, our arms, our capability, our qualitative capability, et cetera, as if Israel didn't know this already and the U.S. didn't know this already.

But that's the argument. There are many people who don't like the Muslim Brotherhood who accuse it of opportunistically seeking to strike a deal with the military in order to ensure that it will get to enjoy the fruits of its electoral success and that therefore it'll give too much. And the recent report I alluded to at the beginning of the talk says exactly that, that they're agreeing

something that allows the military to maintain a lot of its perks and privileges and exclusive control into the future. That remains to be seen.

But if that happens and if the U.S. also sends mixed messages or an unclear message or sends a message that basically says we're comfortable with the status quo, which is I think the message that was being sent over the last year or at least was being understood by the Supreme Council last year, that the U.S. while preferring a civilian president and democracy and all these nice things, wasn't particularly fussed to push deep in the democratization process in a way that meant genuine, real and absolute subordination of the military on all issues to civilian oversight and control.

I don't think that was the message of the U.S. the Egyptian military were getting from the U.S. So in any case, if the military gets to retain these various privileges and so on, then I think if it retains any of them, then it effectively retains pretty much all of them.

In other words, if the issue were just preventing civilian president from being able at will to declare war on Israel, then maybe there'd be a way to formulate text to protect against that, to make that one issue, for instance, subject to agreement between several key authorities in the country, several, you know, constitutional authorities, fair enough.

But my feeling is that's only one aspect and that by claiming one sovereign power, the military actually wish to hold on to a basket of sovereign powers.

And that I think will then mean that we'll have the potential risk of suspension of judicial protection of civil liberties and rights under certain conditions which is, after all, what is still in force in Egypt, the emergency laws. The immunity of officers from prosecution in civilian courts for anything at all and equally the continuing, so far, possibility of trying civilians before military courts.

And it's not clear what text would prevent that absolutely in the future. You know, the whole notion of political crimes, insulting the army, all these things that are punishable under Egyptian law and under all regulations in force at the moment -- counterterrorism which provides the executive and the military with immense leeway and may continue to do so in the future.

As I described earlier, the extensive penetration of the civilian bureaucracy by officers which is still seen as a personal and institutional entitlement, and again, how do you deal with that.

And the whole issue, of course, again -- once again -- of control over massive amounts of funding in the form of budgets, U.S. foreign military assistance and other discretionary sources which are totally within the discretionary power of the armed forces to dispense with, as we've also seen several times in the past few months.

I'm going to stop there in order to have a discussion about this meet any challenges and hear from you if you've got anything that would help me with more insight.

MS. OTTAWAY: OK. Thank you very much, Yezid. Since we have some time and there is no discussant, I'll use the prerogative of the chair to put some issues on the table too. And one of the reasons why we don't have a discussant is that it's difficult to find anybody who knows as much about the Egyptian military as Yezid does. So it's difficult to find an expert. And I certainly don't claim to be one.

But there are some issues that I think come very much to the attention of anybody who is following the drama that is unfolding in Egypt.

And the first question that I want to raise is that of the relationship between the military now and the secular parties, those parties that have not done well at all in the elections and who have, in a sense -- there are many indications that they have sought the protection of the military, that there has been some pressure on the military not to give up power too soon in fact because they want -- they want to make sure that the constitution is not unduly influenced, at least in their mind, unduly influenced by the Islamist parties that were seeking the military protection for a longer period of time so as to have the time to organize.

So I think there is a very ambiguous relationship there. People talk a lot about the collusion between the Muslim Brotherhood and the military, accusing the Muslim Brothers of opportunism. But there is another issue concerning the secular parties. The second question that I'm going to -- that I'd like to pose is what do we know about, you know, the officer corps in the military. Who is the military? Who are these people?

And in particular, let me tell you first a small anecdote that I think explains it. A few years back, I was trying to -- this was when Mubarak was still in power. It was quite a while ago essentially. One of the questions that everybody asked about Egypt was, you know, how much influence does the military still have because there was a lot of speculation. The military at the time was operating behind the scene and there was a lot of speculation that are they still as important as they were or are they less important than they were and so on.

And I was discussing this with an American diplomat -- who shall remain unnamed in part because I really have forgotten who it was -- (Laughter.) -- so it's not just discretion on my part -- who said that his perception was that the military was losing influence because the military career was no longer something that you inherited from your father. In other words, that his impression was that top ranking officers who 10 years earlier would have certainly encouraged their sons to pursue a military career were no longer doing this. In other words, that this kind of hereditary officer corps was disintegrating.

I don't know whether this is true or not. I don't know whether you have, you know, any information there. The other question, which is probably to me most important, is we know that Egypt is a very divided society at this point. You look at the election results. You read the comments on the election results.

You have 50 percent for the Muslim Brotherhood, which is clearly the center. You have 25 percent -- roughly 25 percent of the vote for the Salafists and 25 percent for the secular parties -- liberal, leftist, secular. They don't know how to call themselves, but essentially for that part of

the spectrum. Where does the officer corps fall in this? Are they part of the secular establishment? Are they part of -- I think of the rank-and-file of the military since this is a conscript army there's bound to be a lot of Muslim Brothers.

They are no different from the rest of the population. But do we know anything about where the officer corps falls? And I realize that this is a very tough question because the military is not exactly a transparent organization. But it's -- you know, any light that you can shed on those issues I think would be very good.

MR. SAYIGH: Thanks. Yeah, those are tough ones. On the first question on the sort of role of a liberal, secular parties and so on, which you discuss in your own article about a month or so ago, it's clear that the way the dynamic has been unfolding over the last few months in Egypt has involved sort of two levels of negotiation and contestation, one involving the formal political parties which have now become parliamentary parties such as the Freedom and Justice Party with the military or with the government, et cetera.

And then there's the extra-parliamentary forces that operate in the streets such as the youth movements, April 6 and the Revolutionary Youth Union, which includes also the Muslim Brotherhood youth and so on. But also groups on the other side which have none of the same street presence but clearly represent sort of shadowy networks of, you know, old regime interests.

There is, God knows, nearly 20 sort of self-styled silent majority coalition and the whatever who tried to organize a counter-rally in Abbasiya against one of the Tahrir Square protests towards the end of the November clashes on the eve of the first round of elections.

And these people are also associated with the Tantawi for president campaign. So they're an example of an attempt to form some sort of grassroots counterforce which hasn't been able to represent itself in parliament directly but nonetheless is also there.

Now, I don't think there's a real organized force there. But what I think is also -- what is also interesting is sort of the question of what do 80 percent of the Egyptian people really feel. I mean, everyone throws this around.

And you have a lot of people, including some of the retired officers who appear on TV as sort of sycophantic propagandists for the military who will tell you that the people of Egypt -- you know, not these protestors in Tahrir Square but the vast majority of peasants and workers and poor people and so on -- need stability, they want stability. For them, it's the armed forces which will provide. I think that's not entirely wrong.

And there is probably a very large number of people the further you get out of urban centers, certainly, or even out of Tahrir Square and into poorer areas, there probably is a lot of feeling that these people are poor. Their conditions have worsened over the last year and for them the one institution they really know is the armed forces.

And the armed forces have for many years but also especially for the last year worked very hard on presenting themselves as benevolent givers of help. They give out “shantat ghadhiyya” (in Arabic) -- sort of food baskets basically, you know, on “Eid” (in Arabic) -- religious holidays.

They set up bakeries, butcheries, clinics in low-income neighborhoods. They loudly announce that they have donated land and 2 billion Egyptian pounds from their own funds to construct social housing throughout the country.

These things are all timed, of course, to have maximum impact on the perception of the people of the armed forces and to improve their image. So what I’m trying to say is that, yes, there are the liberal forces which are relatively organized either at the grass roots level or represented by some of the remnants of the parties or even some of the so-called liberal parties like Free Egypt, which don’t really know where to go because on the one hand they are liberal up to a point, some of them at least.

But equally they are really nervous about the Islamists and the Muslim Brotherhood and they’re worried about the consequences of being, you know, under majority rule of a different kind and they don’t know -- they don’t really want to let go of the army as a counterbalance. But then the real question, I think, really is going to be what about the 80 percent.

And that’ll be important if matters reach a point where either the military end up putting someone forward for president. I think that Tantawi, Ahmed Shafik, the former prime minister, a number of other officers who have either declared themselves in the case of Shafik -- and I forget the name of this guy from intelligence -- and Tantawi who hasn’t declared himself but where clearly I think he’s probably toyed with the idea, if they were -- any of them were to run or if some figure we don’t yet know were to run, then I think that’s where the 80 percent will make a difference. Then we’ll find out how they really feel about this.

On the second question on the officer corps and who are the officers, as you said, this is an extremely difficult one. We know very little for sure and WikiLeaks is one source. There was a very interesting piece in The Guardian about two weeks ago.

Their correspondent spoke to an officer who gave a very interesting inside, very personal view of what it was like for him in the army, in camp and so on and which seemed to me to be genuine. Let me -- I mean, there’s lots of facets to this.

One is that since you raised the sort of sociological question of, you know, inherit military families who from generation to generation -- and I know this is also the case in this country and in Britain and in most countries that have an army -- that from grandfather to father to son to grandson, et cetera. There’s always someone who’s in the army.

On my mother’s side, we had that sort of family back to the 19th century, in fact until the early 20th century. In Egypt, you still have that. It’s becoming very much a class thing. Let me put it this way. Nasser changed the basis -- the social basis of the armed forces in that people from extremely modest backgrounds, such as Tantawi and most of -- many of his colleagues in

the Supreme Council and in the top command positions -- their fathers were corporals in the army or drivers or workers.

Nasser made it possible for these people to enter in the military academy, partly through improving and universalizing education and access to universities and so on. But there's been a shift over the past probably two decades -- maybe more, I don't know exactly. And what I'm being told is that increasingly it's middle, upper middle class people who come into the army, into the officer corps.

And why -- because demanding certain educational standards at a time when public education is declining, as it keeps doing everywhere else, what this means is that the families that can afford private tutoring or to send their kids to better schools -- private schools or universities -- are the ones whose sons can perform better in the educational tasks and therefore are more likely to get into officer corps, into the academy.

So you have a de facto filtering process that screens out the poorer people and lets in the upper middle class. And this is a phenomenon I heard also in Tunisia, for instance, where equally the army has this republican image and spirit and there's no de facto -- there's no actual policy of keeping out certain people of certain backgrounds. But by simply insisting on certain educational performance, then you de facto filter out. So there's that.

Now, what does that translate into exactly, who knows? I mean, does that make them more liberal, more autocratic, more what, we don't really know for sure. One thing that seems that I was told and that seems plausible is not just the conscripts who are representative of the general, you know, profile of the society, but that officers -- junior officers up to the rank of major may be political and belong to a range of political currents and the command doesn't mind about that, up to major.

But then there's a glass ceiling. From thereon, you don't keep going up if you belong to a political current or especially one that is, you know, not desirable. So you may well find there are a lot of Muslim Brothers or others up to the rank of major but not beyond. And once you're beyond that, you're into the crony system, as it were.

Now, the one other thing I'll add -- there's more I could say, but I think just to go back to the issue of military families -- I've come across several cases just by accident as I was searching of families where the father's a major general in this and his son Mohammed something is a major general in that and his son Abdul Halim is a major general in the other.

And it was fascinating to discover these families and how, you know, at every generation level there's more officers. These are probably families that have modest means. And because the moment you get into families that are better plugged in and are, you know, wealthier, you have a different dynamic. So I think that's partly -- I mean, it's an interesting sociological question and I'll leave it open.

But the only other thing I was going to add on this issue of the officer corps was to say that the other thing that I was looking out for and that intrigued me was whether 30-odd years of

association with the United States through training in the U.S. or training in the region, joint exercises and everything that comes with this -- you know, spare parts, training for technicians and the whole deal -- what sort of socialization process occurred, had this made officers more democratic-minded, more liberal-minded, did they like the American way.

I mean, you know, could I find evidence of this too, in order hopefully to say that whatever the old generation who are now ruling the army and the country -- all of whom were trained and graduated and took their officer rank prior to the relationship with the United States - - in other words, under the old -- either they were trained by the Soviets or at least trained in the Egyptian system when it was still very Soviet influenced, which incidentally it still is in terms of doctrine and so on.

And I thought, well, maybe the middle ranking or junior officers have had much more exposure to the U.S. system at an earlier formative stage in their careers and therefore are -- you know, think differently. They're the Facebook generation. They may be more liberal or democratic. Maybe they're unhappy with their command. And you get some stories about this. But broadly, the impression is that the Egyptian military have been very insular.

And the people come and get trained here, except maybe the very, very top commanders who go out and have dinner in Washington, D.C., with their counterparts. But otherwise, officers on training seem to keep to themselves and are monitored and actually very little rubs off. And if anything, there's a tendency in the Egyptian army to sideline officers who are seen as too American. And that's a very interesting and telling comment on a 30-plus year relationship.

MS. OTTAWAY: OK. Thank you very much. With that, I think that -- I'm sure there are a lot of questions out there. We'll open it up. Please identify yourself and wait for a microphone. And we'll start here.

Q: My name is Graeme Bannerman. I'm with the Middle East Institute. I just have a couple of questions on the background. Have you spent any time in the military or with Egyptian military officers? The reason I ask is anybody who's had any discussion with senior Egyptian military officials would have a very different view of how the American training had gone.

MR. SAYIGH: I'll take them one-by-one?

MS. OTTAWAY: No, let me take -- let me take another one, back there?

Q: Hi, I'm Zack Gold from the Saban Center at Brookings. I just had a question about the relationship between the military and the interior ministry, state security and such and I was wondering if sort of the military would allow the dismantling of state security in order to keep their own prerogatives.

MS. OTTAWAY: OK, why don't we take these two and then we'll reopen it up.

MR. SAYIGH: Well, on the first question, I realize that you in particular will know -- and you'll have a lot of the sort of information you're questioning me about -- and I've sat with Egyptian non-active officers, I mean, quite a number of them and also spoken to a number of Americans who are on the other side. And so this is the impression I've got basically.

I mean, the Egyptian officers I've met -- and often you -- you know, you talk to people maybe who's cousin is an officer and who is in the U.S., et cetera. So I mean, you know, there are a number of different angles through which you can gain access to this.

And this -- so what I'm saying is the impression I'm getting from them is that -- or the impression they wish to portray, to present -- is that the U.S. training, whatever it's done technically or professionally, it hasn't resocialized them in clear or strong ways or consistent ways.

I think a factor there also is that the officers who come here for training in any case, tend to be of a certain rank and above and not below. And I think this is a problem that the U.S. has often faced when training, say, in Iraq or elsewhere where the U.S. military certainly believe that in order to change an army's way of thinking or behaving or fighting, et cetera, you need to do something such as for instance create a new NCO corps, you know, noncommissioned officers, which was an important element in retraining the Iraqi army.

And the problem is that that then collides with how the officer corps in Iraq viewed itself and viewed NCOs and was very reluctant to accept that sort of change. And I think the same sort of dynamic -- and you know, I've discussed this with people who are in the know -- sort of seems to also be the case in the Egyptian case.

Now, if there's anything you can help me with, I'd be very pleased to hear that. But I mean, that is principally my sense of the socialization issue.

We sometimes hear -- again, to go back to the issue of whether there are differences within the officer corps in Egypt, whether some of the younger officers might be more unhappy with their senior command -- I mean, there was this famous WikiLeaks cable everyone quotes in which we're told that -- and I've heard this from other sources -- that many of the lower ranking officers dislike Tantawi or dislike the command.

They feel that they've run them into the ground. They haven't -- but then as a colleague and friend of mine has pointed out to me from the U.S. military, you'd hear the same thing from the American officers about their command. I mean, this is a typical complaint. How you judge these things here, it's difficult.

But anyway, that's my sense of it. On dismantling state security, do you mean the state security apparatus, the SSI?

Q: (off mic) With the level of oversight of the national security budget in the form of the interior security apparatus...(inaudible).

MR. SAYIGH: Right, because of course those are separate sectors and separate budgets and everything. I mean, my sense is that the military is concerned to protect its own domain, its own professional affairs, certainly appointments and promotions, et cetera, but also the budget and these other issues, the other sort of discretionary issues.

I don't -- I haven't come across anything that suggests they have a strong view on the interior ministry or its budget or whatever. The only thing I'd add there is that what has been striking, and I think the -- one of the biggest if not the biggest failure of the Supreme Council over the past year, has been that it made no real attempt to restructure or reform the interior ministry.

It had a great opportunity to do that. I think the one area where it had the power to make a difference was internal security and policing. I mean, tackling the Egyptian economy, solving and meeting economic challenges is almost beyond anyone's ability. And I think for the military Supreme Council to have dealt with that was understandably, you know, not realistic.

What they were able to do, they had the power to do -- the authority and the popular backing to do, I think, would have been really to deal with the whole issue of policing in Egypt. Now, there are immense problems there. You've got maybe 1.4 million people involved in all areas of internal security and the police and so on. How do you deal with salaries, pensions? I mean, if you want to retrain them, who's going to pay for that?

Do you get rid of half of them in order to improve the performance of the other half? But then what do you do with the first half? There are any number of big problems there that I guess they didn't want to have to tackle, and especially in a sort of sister institution.

It may be a factor that a lot of the senior commanders, certainly in the state security -- the Mabahith -- and I think also in the police, a lot of the top commanders come from the military, often are delegators seconded from the military. So there may be all sorts of close relationships there.

But I haven't really come across anything that points to a strong institutional investment that feels that, you know, anything that affects them affects us and therefore we can't allow this. I don't really get that sense.

I'll also add that the way the system has evolved over the last 20 years, especially as I described the importance of the security apparatus under Mubarak, meant that the security also -- the security agencies -- the Mabahith in particular -- also developed their own companies and their own -- a lot of the civilian bureaucrats who are former officers aren't former army officers. They're former police or intelligence officers.

Sometimes it's a bit difficult to tell them apart but often you can see the distinctions. And sometimes they tend to congregate or concentrate in particular parts of the civilian bureaucracy whereas the Mabahith or the police congregate in some other parts. So it's interesting to see how these things have evolved. But I think the military won't fight for the others. The question is what the others will do on their own behalf.

MS. OTTAWAY: OK, thank you. You had a question there?

Q: Arnaud de Borchgrave, CSIS. A two-part question, have you been able to determine what percentage of the Egyptian economy today is owned by the military? And two, going back to 1952 and Nasser's coup, was that motivated primarily by the Muslim Brotherhood or the fear of the Muslim Brotherhood as a result of what happened on Black Saturday in January of 1952 or was it just to get rid of the monarchy?

MS. OTTAWAY: OK, yes, right behind there?

MR. SAYIGH: Joel, you might answer the second question better than I could. (Laughter.) You're the historian.

Q: OK, the answer is no, the Muslim Brothers had nothing to do with the coup. Joel Beinin from Stanford University. I wonder, Yezid, if you would say something about the military's relationship with social forces and social movements beyond the realm of high politics.

For the decade previous to Mubarak's ouster, there was a strike movement of millions of workers -- over 4,000 strikes and collective actions. It received very little attention until the actual ouster of Mubarak and it's continued at a pace roughly double the highest year in the previous decade. There were something like 629 strikes and collective actions the first half of 2011 and the statistics for the next three months are equally high.

And to deal with that, the military passed military decree 34 in March of 2011 making it illegal to engage in strikes and demonstrations that threaten production. They enforced that against only five workers and then really backed down by giving them a year suspended sentence.

No one else has been charged or convicted and strikes have occurred in really key institutions like Egypt Telecom, the subsidiary companies of the Suez Canal, Cairo Public Transport and the SCAF seems to have nothing to say or do about this thing.

MS. OTTAWAY: OK, we'll take these two. Well, that's three questions actually.

MR. SAYIGH: Well, I mean, on the coup question, I really just don't have that. I'm not, you know -- don't have that historical knowledge. I mean, '54 onwards is sort of for me the more interesting part. But on the percentage of the economy owned by the military, I guess you've all, you know, at one point or other come across something somewhere that says, you know, it's 5 percent, 8 percent, 20 percent, 30 percent, 40 percent.

And the numbers are thrown around and most of the time they're recycled and the examples of the military economy -- you've all heard of the bottled water that the military produces or whatever else and Nasser Company. And there are a few that, you know, keep cropping up.

And bluntly, I think first of all talking in terms of percentages doesn't get us anywhere because percentage of what really -- I mean, of turnover, of assets, how do you measure the assets, profit, a share of -- you know. And in many cases you see part of -- for instance, what the army is involved in and whether it's making the income or someone else is, but -- is land.

So if you've got a piece of desert land, its value is next to zero or is actually zero in real terms, in economic terms. The moment, however, you set something up in it, whether it's a tourist resort or an American university in Cairo or whatever, then the value of all the land around it, that's when it gains value.

And whether the army then, as it's accused sometimes, it's sort of -- people write about the army owning most of the land in Egypt. It doesn't own it but it certainly controls and it has to give its approval for infrastructure or for housing or factories or whatever to be established on land just as the air force and aviation have to provide approval because of height issues.

So there's a lot of room for, of course, extracting some sort of advantage from that. But I think what's more important is that once a piece of land has something important on it that's valuable, the question is who then gets all the contracts related to the project to build infrastructure, to lay electricity, to, you know, provide telecommunications.

Whose companies are they? Are any of these private companies or state-owned companies on the boards of which sits an officer or maybe the son of an officer or maybe the private company that belongs -- is registered in the name of a wife of an officer.

Now, you hear about this and I've certainly been told about this. I haven't been able to confirm certain aspects of this. What I can confirm, though, is the very extensive involvement of army engineering, the army water department, along with the housing ministry, along with the central apparatus for construction, along with the new urban communities program or whatever it's called. There are a number of key departments and agencies in the state, outside the state, in the army, et cetera, that get involved in a lot of these big projects.

And it really all depends on who actually owns the companies that then get all these contracts that are generated by placing a farm or a tourist resort or a residential city in the middle of the desert.

And whoever controls the land around it, if that land now is starting to come into demand at a higher price because developers come in and start wanting to build residences or other resorts or other facilities around the initial project, then whoever, you know, controls that also is going to start making a profit.

So I'm not saying that necessarily that's how the army makes its money or that it necessarily gets any income or not out of this; this really needs more research. I'm simply saying that you've turned something that a moment ago had zero value into something that now has a great deal of value. So you know, which is the percentage you should use -- how do you,

you know, evaluate in market terms the value of the assets that someone controls or owns at any given moment.

So I think the percentages game is a bit of a red herring. It doesn't really take us anywhere. What's more interesting is you've got a formal military economy.

There are a number of factories, farms and other things like clubs and resorts and so on that belong openly and legally to the armed forces and which produce things from bread and uniforms and bottled water and so on to military equipment, to jeeps, to whatever, some of which, like the jeeps, are subject to sort of arrangements with the U.S. because the U.S. funded the original factory.

My feeling is that the value and the turnover of the formal military economy -- these openly registered factories and things that are part of the military -- is not so great. I mean, this is my hunch is that it's much more modest than people make out.

Where you get into a grey area is that military -- there are officers throughout a lot of the state-owned enterprises, including ones that have been privatized, but it's a particular kind of privatization which leaves most of them in actual state ownership, although they are formally commercial entities. And a lot of these have military men as their directors or are sitting on the board. Now, does that make these companies owned by the military? No, I don't think so. They're still owned by the state. They're still subject to other sort of authorities and there what we see is a sort of sinecure that assures that these officers move on from a command position into a good, highly paid job after retirement.

Now, I think all this gets lumped together as the military economy. And when some of the reporting is very loose, it sort of lumps all this together and assumes it's all military control and therefore military ownership, and I really question that.

But I equally think that's sort of the formal position that we only -- you know, we have Nasser and we have Queen Services and Wadi el-Nil -- well, Wadi el-Nil is Mukhabarat. The Wataniyya gas stations or the bottled water, most of these are actually not vast. They're not enormous.

You have to drive for miles to find a Wataniyya gas station. It's not as if they've cornered the market in Egypt. So I think we have to sift out the exaggeration, but then identify where the rest of the picture really is. And I think there is more to be found out there.

Joel, on sort of labor and social movements and so on, I think, you know, you've given a very good example of the -- my view that I don't think the Supreme Council has sort of a clear idea on all these issues. It's got conservative instincts. The military responded to sort of labor unrest with the feeling that this is going to be bad for the economy, bad for income and revenue. We have to stop this.

And of course the regime for 20 or 30 or 60 years has been controlling and regulating labor. And so it's not as if they're doing anything new. This is what everyone's been doing for

forever. And so in most cases the Supreme Council has fallen back on existing policies and practices and existing instruments. I mean, another side example of this is that when the Supreme Council took over and the military moved in, they lacked eyes and ears on the ground in intelligence terms.

I mean, who did they get their information from and their analysis? Military intelligence, who knew nothing about sort of the nitty-gritty of day-to-day street politics in Egypt, of who's who. I'm told stories by interlocutors of members of the Supreme Council that some of the generals they spoke to didn't even know the difference between a Muslim Brotherhood member and a Salafi, which is a huge difference.

You know, you all know the difference but the generals didn't because they'd been so insulated and isolated from all this. And they have no real idea of poverty trends, of economic issues. And so they ended up bringing -- I mean, ultimately, I think, de facto, needing to start relying once again on state security to provide analysis and so on because military intelligence just didn't have the means and was giving sort of paranoid assessments.

And I think the same applies in all other areas, that they don't have a clear policy, they don't have predetermined sort of -- I don't know -- anti-labor views. I mean, they're torn, I think, if anything between these bits of residue from the Nasserite legacy of we're for the people, we're of the people and we believe in a fair deal for the ordinary working man but then translating that into so what do you do about a strike in a factory and a strike maybe in a military factory because there have been those as well.

There was a strike -- there were protests in certain -- I forget which neighborhood, which region where local farmers protested that three new factories that had just been launched and inaugurated by Tantawi a few months earlier were spewing out toxic fumes that had totally destroyed their harvest.

I mean, you know, there are issues of that sort. But I just don't think that the military needed -- unlike, say, the Turkish military -- has clear ideas and views on all these social issues.

In 1980, the Turkish military took power after several years of rising labor activism and right and left wing paramilitary violence in which the whole labor scene was spinning out of control and becoming very militant and very polarized.

And the Turkish military said this is bad for our concept of capitalist development in Turkey, stepped in, introduced new laws and regulations regulating labor and the government and this and that.

The Egyptian military doesn't have that capability. They've never thought like this and they haven't developed that way of thinking over the last 11 months. And that, again, is partly why I think they do want to get out of power. They don't want to stay in power. They don't want to have to deal with all these headaches.

But the problem is squaring the circle of how do they exert power and hand over without having to worry about what a future powerful civilian authority -- whether it's presidential power, parliamentary power whatever -- will do on foreign policy issues but also vis-à-vis the Egyptians -- or the military's main sort of interest and preserves. And they've clearly attempted to formalize that constitutionally.

And their fallback may be to try and ensure that a president comes to power who will be amenable to them. But how can they assure that that will always be the case unless it's written into something? And I think this is a very -- you know, they're caught between these two things. My feeling is that if they're faced, as I said earlier, with a firm front, they will back down and will accept a more genuine transition.

I don't think they will fight that all the way. But they need to be confronted by that. And so I think what labor has been doing, what the youth movement has been doing, these are all parts of the contestation process that has helped every time to sort of push the military back.

And the fact that they passed a law, but then haven't, as you've described, been really applying it, is hopeful. There is always the risk, of course, that once that law is on the books, then it can be activated and used in the future which is always the trend in authoritarian systems.

But it's also a reflection of the somewhat paternalistic mindset, I think, in the top leadership at least and in the Supreme Council of -- "antu al'ayyal" (in Arabic) -- you're, you know, children or dependents, the Egyptian colloquial term.

I think this is how they regard civilians, is how they regard labor. This is how they regard their own soldiers. There is this sort of benevolent paternalism that we know best and that I think can be problematic. But they keep, you know, sort of veering back and forth between these.

MS. OTTAWAY: OK, thank you very much. Just so that you know, concerning the military economy, Yezid is working on a paper -- not to put any pressure on him to finish it -- (chuckles) -- but we will have -- actually, we are going to have soon two papers on the military, one dealing with essentially the issues that he discussed in the presentation but then there will be a second paper on the military economy. So stay tuned because there is going to be more. OK, let's take another round of questions. Over there?

Q: Hi, Susanna Cunningham from POMED -- Project on Middle East Democracy. There was a publisher -- an Egyptian publisher who said -- who started to take a stance that Tahrir and protests were no longer positive because what they wanted most was for the military not to get a taste for politics.

And the military has had, you know, a background in trying to maintain -- there's Stephen Cook's book "Ruling but not Governing" -- always having power but never ruling. They didn't want to get involved. They wouldn't want to get involved in restructuring the interior ministry.

They wouldn't want to get involved in social programs outside of economic benefit. I do know that there is a redline and the recent NGO rates -- one of the non-foreign-affiliated NGOs was one that looked into the oversight -- wanted to look into oversight of military budget and they published it just a week before the raids in Masry Al-Youm

I wonder if that comment by the Egyptian publisher was actually true, that it's advantageous if the military doesn't get a taste for politics, even in lieu of not doing internal interior ministry restructuring or in dealing with social movement strikes.

MS. OTTAWAY: OK, other questions? OK, yes, over there?

Q: Jerry Hyman at the Center for Strategic and International Studies. I wonder if you could say anything about the relations between this third group of civilians, the non-MB, the non-Salafis, split as they are, not secular, who knows what to call them exactly -- and the military during this last 11 months.

Has there been any outreach by either side to the other? What would -- you know, what's the dynamic in a way between that third group of civilian actors and the military, if any?

MR. SAYIGH: Sorry, the third group, neither the Islamists nor --

Q: Nor the MB.

MS. OTTAWAY: The secular -- the secular -- the liberal, secular, whatever --

Q: Yeah, the secular groups, whatever word you want to use for this melange of interests.

MS. OTTAWAY: OK.

MR. SAYIGH: I mean, on whether the army's -- the military's acquired a taste for politics or for power, well, the short answer, I think, is I don't see anything still so far that suggests that they have. I mean, they seem still just as ambivalent as when they took over.

They still seem to come and go, to come forward and to move backward. You know, we haven't seen any initiative they've taken on any issue of public policy that suggests or indicates that finally certain views or ideas or goals have crystallized and are starting to get articulated and translated into particular programs.

They still operate in the old style, like -- I don't know, sort of setting up the fund to compensate the victims of the violence of the last year is about as far as they've got into social welfare policies, you know, as Joel described earlier on labor issues, which they ended up not really doing much with. So, I mean, that's sort of the short answer.

What I want to add there is that in my view, it's not just they didn't govern previously. I don't think they ruled either. I mean, Steve Cook and Robert Springborg who has very strong

views on this matter -- I mean, he sort of feels -- I think it's fair for me to quote Bob on this -- that his view is that the military, you know, never stopped ruling Egypt. I mean, it's a military state. I don't agree with that.

I mean, I think that especially the last 20 years, from around 1991 through Mubarak, something did change quite fundamentally in which the military remained very important. They were given all sorts of access and opportunities but which increasingly translated into personal benefit and opportunities and so on and no longer reflected corporate or institutional agenda-making.

The military, for the last 20 years, had the comfortable position of not having to worry about most things because there was a president here who was doing all this and he was managing it all and balancing the different players and bringing certain people up and then bringing them down, et cetera.

And the military rarely had any comment on any of this stuff and basically just lived within the system and found their opportunities and went into them and were encouraged to do so, I think, by Mubarak. And when they started to get uneasy, for instance with the privatization of steel and how much of that -- the steel sector went to Ahmed Ezz with the cement factories' privatization and so on -- and then with the banks' privatization, they started to get uneasy.

And finally, on -- you know, having allowed some banks to get privatized, Tantawi put his foot down in cabinet and blocked the privatization of Banque du Caire -- of Cairo Bank. But what's interesting about that is how readily that happened, that they actually went to the extent of going from -- expressing misgiving and being unhappy with certain things to actually really pushing a particular agenda.

And what struck me for a long time, well before the -- you know, last year's events -- was, I mean, what does it mean to say the Egyptian military wants this or sees that or prefers the other. I mean, who are we talking about? The Turkish military has a council -- the national security council. It sits on has its own supreme council which debates policy issues in the civilian sphere.

They have real debates. They have information. They get into these things. The Algerian officers have a sort of shadowy council, board of officers that formally doesn't have this power but in effect has dealt with all the big issues in Algeria for the last 20 years. The Egyptian military didn't have this. The last year forced them to start grappling with all this.

And I think that the experience hasn't taken them further forward into sort of trying to institutionalize their role and to -- they haven't set up a studies center or research center or whatever -- advisory format, that will allow them in the future to think about education policy, food security, all these things.

They use these terms when they want to justify doing their own farming and providing all their own livestock for their own needs and maybe selling some off onto the civilians. But there isn't a developed idea of Egypt's food, you know, production and how the sector is structured

and what the policy issues are and how WTO will affect that. And, you know, they don't think about these things. And they haven't started thinking about these things. So I think they're very keen to get out of it while retaining, as I said, that residual ability to step in on certain key issues. On civil-military interactions, I mean, I hope Marina will say something.

If I've understood correctly which group you meant, well, I think it's -- what I can say about this is broad. I mean, it affects, I think, all civilian-political dialogue with the military -- is that this is gone through a number of phases. We had, for instance, the initial phase where it appeared that the Muslim Brotherhood and the Supreme Council were convergent, were sort of getting on well in the first month or two.

That ended after July. The Supreme Council has been in constant dialogue at different times with most political forces, including the liberals, the non-liberals, Free Egypt, the Wafd Party and others. Some groups it's been willing to talk to but didn't want to talk to it, like the youth movements who initially had dialogue with the military but then refused to have any more dialogue as other groups, the military hasn't been interested in talking to.

And they seem to have moved very broadly between a phase around, say, the first five months or so -- four or five months -- where the Supreme Council felt it needed the civilian sector. It needed the political parties and the various political figures.

It needed to talk to them because it needed their advice, their help, their guidance, their understanding, their whatever, because the Supreme Council didn't know what to do. It had to think through things like, you know, the transitional process, the elections, scheduling elections, what to have first, how to deal with the constitutional process, whether to have some constitutional amendments straightaway or not.

And they actually had a lot of discussion with the civilians over this. But then I think from around August onwards, certainly from September onwards, the military seemed to have reached the conclusion that the civilian political parties were hopelessly fragmented, chaotic. They couldn't get their act together. They were already by October spending most of their energy fighting over drawing up candidate lists, coalitions forming and then breaking apart.

And I think that from around September onwards, the Supreme Council came to the conclusion that actually the picture was reversed. The civilian political parties needed them more than they needed, you know, the political parties.

And this maybe encouraged them to start thinking about preparing for this supra-constitutional document that appeared finally on the 1st of November, which laid out in the most detailed form so far the precise powers and privileges that the military sought in the post-transitional order.

So that's, I think, one part of the picture. The other is that the military appeared around the same time to shift from talking to, say, several political parties at the same time to trying to talk to each political party or presidential candidate alone.

There was a moment around, I think, late September, was it, where all the serious presidential candidates, the top six, had a meeting in which they formulated a text in the form of a letter to the Supreme Council laying out what they saw as the principles that should govern the process and civilian-military relations and how the military should step out and so on and so forth.

The military said nothing for a while and then invited them individually to meet with the Supreme Council and refused to have a collective meeting with them all, which gives you, again, another sort of sense or flavor. The real issue I think that should be added to this picture is I'll draw on the analogy with Tunisia.

The real difference I think is that in Tunisia after the uprising, revolution, ouster of Ben Ali -- whatever you want to call it -- the military, which obviously played a key role in that process then was willing -- while protecting and overseeing the process, allowed a real civilian interim authority to emerge and formed a joint committee.

I mean, the civilians and the military formed a partnership to discuss the way forward, what to have first, elections, parliamentary elections, constitutional assembly elections and so on and so forth. All this was discussed in a formal setting in which the civilians had full partnership. The Egyptian military, however, didn't do this.

It's not just that they were handed power by President Mubarak and therefore they had full presidential and some legislative and executive power from the start. They could have then chosen to go into a partnership with the civilians. But they didn't. And what Egyptian civilian politicians will tell you, some of them at least, is that the Egyptian military's view is we don't do committees -- I mean, sort of shorthand.

I think that made for a critical difference. First, it tells you, of course, there was a critical difference in the two uprisings or revolutions. One resulted in the forcible ouster of the president. The other was a more managed process in which the president handed over powers and granted the military immense powers.

The fact that the military didn't choose to construct a partnership I think has had a huge impact on trust, on how the dialogue has proceeded, on the ability of the military or other parties to try and manipulate this process and has encouraged, of course, all manner of political parties, including extra-parliamentary -- i.e., street parties, as it were, movements -- to resort to contestation as a mode for negotiation, precisely because there was no institutional mechanism that all had invested in, or the main parties and players had invested in and committed to according to agreed rules and procedures, which is what happened in Tunisia and which has helped the Tunisian transition despite lots of social and economic challenges and problems, nonetheless to be a very hopeful one.

That hasn't happened in Egypt. Egypt still faces immense challenges and questions, you know, over -- I mean, you know, raising the minimum wage, for instance, which was very popular and of course needed and important socially but is bankrupting the Egyptian economy; refusing to take loans from the IMF or from Arab countries. If you talk to the former finance

ministry, you'll get one story of why that happened. If you talk to the Supreme Council, you'll get a different story of why that happened. The net result is, of course, that the hard reserves, hard currency reserve, foreign reserves have been dwindling, drawing down.

The military has twice injected money into the treasury, raising other questions about how come they have money lying around that they can do this with and is that something you want to keep in the future.

But anyway, the real issue here is that the partnership between the Supreme Council and the interim government it formed under Essam Sharaf and then under Kamal Ganzouri has not been a partnership and almost -- you know, many ministers who have resigned or who left from the first cabinet or even in the second cabinet or in the advisory council that was set up back in sort of the end of November, several members of the these councils or cabinets have subsequently complained that they've been blocked by the Supreme Council or that they put forward legislation soon but then the council sat on it for months.

This isn't a partnership -- whatever else might explain these problems, it might not have been bad intent but this was not a partnership. I think this has had a massive and sadly negative impact and has tarnished the army's reputation and image.

MS. OTTAWAY: OK, thank you. I think we are running out of time. So there are not going to be any more questions taken. Please help me thank Yezid for a very, very interesting presentation. (Applause.)

(END)