1975
Fu’ad Mursi, 'The Economic Opening' (Excerpts)

Citation:

"Fu’ad Mursi, 'The Economic Opening' (Excerpts)", 1975, Wilson Center Digital Archive, Fu’ad Mursi, Hadha al-infitah al-iqtisadi (The Economic Opening) (Jerusalem: Manshurat Salah Al-Din, 1977 [original: Cairo, 1975]), 138-141. Original contributed by Relli Shechter; translated and annotated by Cyrus Schayegh.
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Summary:

Fu’ad Mursi (1925-1990), the author of the text printed here (an English excerpt translated from an Arabic-language monograph), was an Egyptian economist trained in Alexandria and the Sorbonne. While in Paris, he joined the French Communist Party. Back in Egypt, he in 1949 co-founded al-Hizb al-shuiu‘i al-misri, or the Egyptian Communist Party (ECP).

Born 27 years after a communist party had first been opened in the country, the ECP, also known as Rayat al-sha‘ab (The People’s Banner) after the title of its organ, was the smallest, most clandestine, and most intellectual communist group then operating in Egypt. It favored a two-state-solution to the Arab-Israeli conflict, was opposed to Egyptian President Gamal Abdel Nasser (1918-1970), and in 1958 initiated the merger of Egypt’s communist parties (under the condition that Jews would be excluded), a story told e.g. in Joel Beinin’s Was the Red Flag Flying There? Marxist Politics and the Arab-Israeli Conflict in Egypt and Israel, 1948-1965 (1990). Nasser’s regime, which from the start had a difficult relationship with domestic communists, turned to open repression in 1959, locking up many party members in brutal desert prisons until 1964. The next year the party dissolved itself under pressure from the regime, which, however, also co-opted some individuals. Mursi was one of them.

Moreover, after Nasser’s death, Mursi early on continued a government career under the new president Anwar Sadat (1918-1981). In 1971, he became director of the state Industrial Bank and member of the Central Bank board, and in 1972 Minister of Supply and Domestic Commerce. The following year he resigned, however. Still a Marxist, he disagreed with Sadat’s policy of economic opening, infitah. While prepared from 1971, this policy became official in 1974—a story whose classic treatment is John Waterbury’s The Egypt of Nasser and Sadat: The Political Economy of Two Regimes (1983) and whose social dimension is told by Relli Shechter’s The Rise of the Egyptian Middle Class: Socio-Economic Mobility and Public Discontent from Nasser to Sadat (2019).

The text printed here reflects a key component in Mursi’s analysis of the infitah. He

diagnoses a cooperation between private Egyptian capitalists—who were now on the rise again after the decline of Nasserite state capitalism (aka socialism)—and foreign capitalist colonialism that, while not any more occupying Egypt, again wishes to exploit the country

Original Language:

Arabic

Contents:

In order to fully and conclusively secure its class privileges, [Egypt’s] big capitalism is resorting to an alliance with foreign capital, that is with global capitalism. This is the objective source of the danger that [Egypt] loses [its] economic independence and that foreign control returns, for the alliance between local big capitalism and global capitalism constitutes the very essence of the new colonialism.

The new colonialism is an attempt, by the global capitalist system, to maintain capitalism as a global system, either by supporting developing countries to be within the global capitalist market, or by encouraging capitalist development inside the developing countries themselves. In truth, although the developing countries are politically liberated, the battle for economic liberation continues, under new, very specific conditions. The imperialist countries’ past economic exploitation of developing countries still exists and in some cases has even deepened.

Imperialism continues to enjoy many means for affecting the developing countries’ economies, which are exploited in this system of international economic relations that was created in the past. It is not any more the forces of military occupation or the instruments and system of political oppression that are put in charge of imposing the colonialist tax.[i] Rather, this mission is in the hands of laws submissive to the global capitalist economy. To uphold [a developing country’s] economic subordination, it is sufficient to have a financial, industrial, and commercial framework that prepares the conditions for [such a] subordination to global imperialism. Hence, the desire of global capitalism to develop and in some cases even create capitalist relations in the developing countries, and hence its emphasis on the characteristics of capitalist development and its desire for big capitalism in those countries.

In the same manner, this [situation] explains the desire of the local big capitalism to summon the new colonialism. This the reason why [Egypt’s] big capitalism is focusing on the necessity of opening the doors of Egypt’s economy to global capitalism. This global capitalism is now objectively prepared to export some of the world’s industries to the developing countries; these are the low-tech labor-intense industries, with incendiary social problems, and industries that pollute the environment. And global capitalism is ready to extend this measure of industrialization [in the developing countries only] within the framework of financial and technological aid that has two costly consequences. It has an economic cost: securing the flow of raw material, especially oil, that is strategic[ally important] for global capitalism. And it has a political cost: consolidating the traits of capitalist development in the developing countries. Thereupon, [this] relationship takes the form of a cooperation between foreign and local capital, so that the wanted [economic] development happens to the advantage of a special clique—big local capitalism and global capitalism. Hence, these are pushing for a revision of planning methods and of the lead role of the public sector [in the economy], in preparation of a reconsideration of the socialist [path] that [Egypt] chose as a whole.

Egypt’s return to the capitalist system may go hand in hand with very serious damage in the fields of economic and social development, economic independence, social progress, and even democratic development. At that point, foreign capital will, in its projects with big capitalism, form within [Egypt’s] national economy an autonomous economy that is exempt from all the [earlier] rules of [Egypt’]s socialist development stage. This [autonomous] economy may become the lead [economic] sector not by volume but by its quality and influence, and it may drain the country’s economic surplus and be an instrument for sneaking our resources out of the country. In consequence, it [this autonomous economy] becomes an instrument for consecrating [our] foreign economic subordination. At the same time, big capitalism can amass tremendous wealth that deepens the disparities between the classes and the manifestations of social difference, and without a doubt opens the path to reconfigure the very structure of [Egypt’s] politics.

Hence, our focus, here, on the issue of economic opening (*al-infitah al-iqtisadi*). This issue underlines the difference between big capitalism and national capitalism. Big capitalism sees [this] opening as a door to return Egypt to the fold of capitalism locally and globally. By contrast, national capitalism sees [that opening] as an attempt to tackle the crisis-ridden financing of [Egypt’s] economic development by attracting Arab and foreign capital while preserving [the country’s] economic independence. These are two directions hidden within the rank of [Egypt’s] local capitalism, which by all means need to be distinguished.

Hence, we welcome that President Sadat's message defined the economic opening. The message explained that the [economic] opening constitutes an "encompassing policy that mobilizes, unfetters and advances our proper resources, bringing [to Egypt] whatever foreign financing and expertise complements and adds to its activities, while understanding that the burden of development lies first and foremost on our own shoulders. Hence, foreign financing is merely an addition to our own resources.[ii] The message described the role of this foreign addition as "increasing national production according to the priorities determined by the plan."[iii] This is an exceedingly important specification. However, two important consequences necessarily follow.

First, the economic plan investments shall be financed first and foremost by our own resources; foreign resources shall not be the foundation of [that] financing. Hence, the first task has to be the search for and qualitatively mobilize [our] own resources, not only through taxes but also through all mobilizational measures.

Second, foreign resources shall finance only productive projects that feature in the plan and that are open to foreign participation. Thereby it will be felt that its partner is the public sector.

[i] The term used for tax is *jizya*, which historically was the head tax on free non-Muslims living under Muslim rule.

[ii] Mursi's text lacks an end of quotation mark here, or perhaps at the end of the previous sentence.

[iii] Mursi here refers to Egypt's ten-year economic plan, 1973-1982; the first such plans were the 1957-1962 Industrial Five-Year Plan and the First Five-Year Plan (1960-1964).