The Use of an Image
America’s Egypt and the Development Industry
by
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Studies of Egypt’s agricultural development invariably cite land shortage and overpopulation as major stumbling blocks. But while the image of more than 50 million Egyptians crowded into the Nile Valley has great visual power, Egypt’s current inability to feed itself results not from the constraints of geography and nature but from political and social inequalities. Many of these are rooted in the policies of foreign aid agencies which use the image in an attempt to conceal their active role in Egyptian politics.

Open almost any study of Egypt produced by a US or international development agency and it will probably start with the same simple description of the narrow fertile valley of the river Nile which is surrounded by desert and crowded with rapidly-multiplying millions of inhabitants. A 1980 World Bank report on Egypt provides a typical example:

“Although the country contains about 386,000 square miles . . . only a narrow strip in the Nile Valley and its Delta is usable. This area of 15,000 square miles — less than 4 percent of the land — is but an elongated oasis in the midst of desert. Without the Nile, which flows through Egypt for about a thousand miles without being joined by a single tributary, the country would be part of the Sahara. Crammed into the habitable area is 98 percent of the population . . . The population has been growing rapidly and is estimated to have doubled since 1947.”

The visual simplicity of this image combines with the arithmetical certainty of population figures, surface areas and growth rates to lay down the logic of the subsequent analysis: the obstacles to Egypt’s economic development are those of geography and demography. These apparently “natural” boundaries shape the solutions that follow: improved management of resources, and transfer of technology to overcome natural limits.

Yet the apparent naturalness of this imagery is misleading. The assumptions and figures on which it is based can be examined and reinterpreted to reveal a very different picture, the limits of which are not those of geography and nature but of powerlessness and social inequality. The solutions that follow from this picture are not just technological and managerial, but also social and political.

Too Many for What?

The basic images used to describe Egypt are those of land shortage and overpopulation. It is seldom clear, though, what the prefix “over” refers to. Despite the visual power of an image of more than 50 million Egyptians crowded into the Nile Valley, there is no immediate evidence for the oft-made conclusion that Egypt is “overpopulated” in terms of its not being able to produce enough food for its people.

Certainly, Egypt has been a net importer of agricultural commodities since 1974. But this does not automatically mean that Egypt’s growth in population over the last few decades has outstripped the country’s ability to feed itself. Between 1965 and 1980, according to World Bank tables, the population of Egypt grew at an annual rate of 2.2 per cent. During the same
A grain silo complex at Minya. Although domestic production of grains has increased in recent decades, much of it goes towards feeding livestock. Imports make up the difference for human consumption.

period, agricultural production grew at the even faster rate of 2.7 per cent a year. During the 1980s, the population growth rate increased to 2.7 per cent a year, and agricultural growth continued to keep ahead. In 1991, food production per capita was 17 per cent higher than at the beginning of the previous decade. Why, then, has Egypt had to import ever increasing amounts of food?

Official statistics might suggest that it is because Egyptians consume relatively large amounts of food. Although Egypt is near the bottom of the World Bank’s list of middle-income countries, the country’s daily calorie supply per capita is higher than all except four other middle-income countries — and indeed higher than a majority of the world’s high-income countries. The daily protein supply per capita also far exceeds that of most middle-income countries and rivals that of many high-income countries.

Yet Egyptians suffer from high levels of malnutrition. A 1979 study by the Massachusetts Institute of Technology and Cairo University found that in Lower Egypt, 83 per cent of children up to five-years-old were malnourished; 27 per cent of these were severely malnourished. Another study in Cairo found anaemia (probably caused by the interaction of malnutrition and infection) in 80 per cent of children under two-years-old and in 90 per cent of pregnant women. The figures for calorie and protein supply clearly do not reflect the actual calorie and protein intake of many Egyptians.

What the calorie and protein supply figures do reflect, however, are high levels of consumption among better-off people, and a shift in their consumption towards more expensive foods, especially meat, and a significant diversion of food supplies from humans to animals.

A 1974-5 consumer budget survey showed that the richest 27 per cent of the urban population consumed almost four times as much meat, poultry and eggs per year as the poorest 27 per cent. For a brief period between the late 1970s and mid-1980s, when the oil boom in the Gulf States provided millions of Egyptians with work abroad, most people’s incomes increased. This income growth, together with massive US and Egyptian government subsidies, encouraged a broader switch from eating legumes and maize (corn) to diets of wheat and meat products. From 1970 to 1980, while crop production grew in real terms (taking inflation into account) by 17 per cent, livestock production grew almost twice as much, by 32 per cent. In the following seven years, crop production increased by 10 per cent, while livestock production rose by almost 50 per cent. To produce one kilogramme of red meat requires 10 kilogrammes of cereals. Feeding these animals has required an enormous and costly diversion of staple food supplies from humans to animals. Protein in the form of animal products costs Egyptians in real terms (discounting subsidies) about 10 times the price of eating it in the form of beans and lentils.

Fodder for Peace

This switch to meat consumption required a dramatic increase in food imports, particularly of grains. From 1974 onwards, Egypt began to import enormous and ever-increasing quantities of grain, becoming the world’s third largest importer after Japan and China.

Egypt did not import animal feed, however, but diverted domestic grain production from human to animal consumption; human consumption of maize (corn) and other coarse grains (barley, sorghum) dropped from 53 per cent of domestic production in 1966 to 6 per cent in 1988. Supported by large US loans for Egypt to purchase US grain, the Egyptian government further encouraged this diversion by subsidizing the import of staples for human consumption, heavily taxing the domestic production of such staples, and subsidizing the production of meat, poultry and dairy products. Even the smallest farms have been forced to shift from self-provisioning to the production of animal products and to rely increasingly on subsidized imported flour for their staple diet.

In terms of the commitment of land and labour, the priority is now towards meat, poultry and dairy products. Cotton, an annual crop, today occupies only about one million of Egypt’s six million feddans (just over six million acres/2.5 million hectares). The other major year-round industrial crop, sugar cane, occupies a little over a quarter of a million feddans (some 100,000 hectares). Of the remaining four and three-quarter million feddans (two million hectares) of agricultural land, more than half is now used to grow animal fodder — principally Egyptian clover (berseem) in the winter and maize and sorghum in the summer and autumn. Egypt now grows more food for animals than for humans.

Human supplies of grain have been made up with imports,
largely of wheat for bread-making. To pay for these imports, the Egyptian government has borrowed money, contributing to the country’s total external debt, which reached $50 billion by the end of 1988, equivalent to 42.5 per cent of Egypt’s GNP or five times the value of its exports of goods and services.\textsuperscript{19} Egypt began to default on its debt and required large loans to keep up interest payments on earlier loans. To meet this crisis, the US used the pretext of Egyptian support for the 1991 war against Iraq to write off Egypt’s $7 billion military debt and to reduce and reschedule its other debts.

As a condition of this refinancing, the International Monetary Fund (IMF) and USAID insist on a further shift towards producing export crops, away from staple foods, so as to generate more hard currency to pay off the debts.

That Egypt does not grow enough food to feed everyone in the country is thus not the result of too many people occupying too little land, but of the exercise of power by a certain section of the population, supported by the prevailing domestic and international regime, which has shifted the country’s resources from staple foods to more expensive items of consumption.

\textbf{A Question of Land}

Similarly the contention that land shortages result from millions of overbreeding people crammed into a narrow strip of fertile land sidesteps the issue of access to and ownership of the land.

A 1976 USAID study discussing The Economic Status of the Farmer stated that:

“The average size of a holding is two feddans, 94 per cent of all owners have less than 5 feddans each, and only 0.2 per cent have at least 50 feddans each.”\textsuperscript{20}

This picture of a countryside made up of millions of tiny parcels of land attempts to persuade us, once again, that if Egyptian farmers find it hard to feed themselves, it is because there are just too many of them for the space available. Once again, we should reexamine the figures.

Holdings of less than five feddans (a little over five acres) are not necessarily “small”. With Egypt’s fertile soils and year-round sunshine and irrigation water, the country is like a vast open-air greenhouse. High yields can be obtained from two or three crops a year, a 5-feddan holding producing between 10 and 15 feddans of crops each year.

In fact, five feddans is about the maximum area a family of five people can cultivate on its own, working full-time, without having to hire labour.\textsuperscript{21} The minimum farm size required for such a family to feed itself, assuming an annual consumption of 250 kilogrammes of grains (or equivalent) per year and state taxation of 30 per cent of production, was estimated in 1982 at 0.8 feddan.\textsuperscript{22}

While the 1976 USAID report stated that 94 per cent of landholdings were of less than 5 feddans, it did not mention that the remaining 6 per cent of landholders from 5 feddans up to the legal limit of 50 feddans per individual (or 100 feddans per family with dependent children), accounted for 33 per cent of the country’s agricultural area.\textsuperscript{23} Since the mid-1970s, the number of these large landholdings has increased; by 1982 they represented 10 per cent of holdings and controlled 47.5 per cent of the country’s cultivated area.\textsuperscript{24}

Even these figures, however, under-represent the concentration of landholding because they are based on village land registers. Studies of actual landholding in individual villages frequently reveal a much greater concentration of ownership because farms of more than 50 feddans are registered under several different names to stay within the legal landholding limit.\textsuperscript{25}

Nor do these limits apply to agribusinesses. For instance, Bechtel International, a US multinational conglomerate, manages a 10,000-feddan estate in Nubariyya in the northwest Delta which is owned by an investor from the Gulf states.\textsuperscript{26} The Delta Sugar Company, 50.3 per cent owned by the Egyptian state sugar company and 49.7 per cent by a group of Egyptian and international banks, owns a 40,000 feddan estate on irrigated land in the north-central Delta.\textsuperscript{27}

If Egypt were to carry out land reform comparable to that of South Korea and Taiwan, landlessness and near landlessness could be eliminated. By setting a ceiling on landholding at 3 feddans (almost 5 times the minimum required to support a family), at least 2.6 million feddans of land could be redistributed.\textsuperscript{28} If it was distributed to the landless and near landless, no agricultural household in Egypt would have less than the minimum 0.625 feddan required to feed itself. Total agricultural production might also increase, as small landholdings produce larger yields per feddan than large ones.\textsuperscript{29}

The possibility of radical land reform, however, is simply never raised in studies of the obstacles to Egypt’s further economic development. Thanks to the powerful image of millions of Egyptian peasants squeezed into a narrow river valley, the assumption that holdings are already as small as is practicable is readily accepted: instead solutions are sought which focus on overcoming the “natural” limits of geography and demography through the forces of modern technology, on the one hand, and more efficient management, on the other.
A Technical Fix

In promoting technological modernization, the international development industry relies once again on images of Egypt which serve to justify a chosen solution. The country’s agriculture, for example, is portrayed as a system which has remained essentially unchanged since antiquity and which has only recently discovered the West — or its synonym, the twentieth century. The 1976 US Department of Agriculture report states:

“The Nile Delta and its lifeline, the Nile river Valley extending southward some 600 miles, is one of the oldest agricultural areas of the world, having been under continuous cultivation for at least 5,000 years.”

This prepares the reader to accept the idea that “in many respects, Egypt entered the twentieth century [only] after the 1952 Revolution.”

These statements and images are highly misleading. They ignore hundreds of years of far-reaching economic and political changes in Egypt, such as the growth in the Middle Ages and subsequent decline of a network of world trade passing through the Nile Valley. The consolidation in the nineteenth century of export-oriented agricultural production based on the new institutions of private landownership involved transformations in Egyptian villages arguably at least as important as those of 1952.

Ignoring these developments gives the impression that Nile Valley poverty is the “traditional” poverty of a backward peasantry, rather than a product of the political and economic forces of the twentieth century.

The image of a traditional static rural world implies that if Egypt “is to fully enter the modern world,” the impetus and the means must come from outside. New capital investment, new irrigation methods, improved seed varieties, mechanization, and a switch to export crops such as vegetables and cut flowers to bring in the foreign capital required to finance such technologies are the principal means to achieve a “qualitative transformation” of Egyptian agriculture.

Thus the Agricultural Mechanization Project, funded by USAID between 1979 and 1987, aimed to purchase equipment from the United States for field trials and demonstration programmes in Egypt, to finance centres to service the machinery, and to send Egyptians to the US and other countries for training in “the techniques of technology transfer.”

The contract for this $38 million project was awarded to Louis Berger International Inc. of New Jersey. The company’s final report on the mechanization programme explains that:

“continued investment in traditional inputs will produce very little in terms of an additional income stream. Consequently, the transformation from traditional agriculture is an investment problem dependent on a flow of new high-payoff inputs: the inputs of scientific agriculture.”

Mechanization has also been heavily funded by the World Bank and the Japanese Agency for International Cooperation. These external funds required large additional contributions from the Egyptian government, which was already providing farmers with subsidized loans to purchase seeds and fertilizers and subsidized fuel. Consultants hired by USAID, however, claimed that this “high-payoff” solution to Egypt’s problems would shorten the interval between crops and increase crop yields by as much as 55 per cent.

This claim contradicted evidence from other countries which suggested that higher crop yields occur as a result of mechanization only in exceptional cases, and certainly not under conditions of intensive land use as in Egypt. It also contradicted existing experience in Egypt where “there is no evidence that tractor farms have higher yields or cropping intensities than unmechanized farms.” A 1986 study showed that, indeed, no increase in yields had occurred.

Whilst mechanization failed to increase yields, however, it served to increase profits for the new machine owners and their foreign manufacturers. It also benefited large landowners, among whom the demand for mechanization had grown in the 1970s because of a supposed shortage of agricultural labour which lasted into the early 1980s. This “shortage” took the form of a temporary rise in the wages of male agricultural labourers, particularly in regions close to large cities, caused by the higher wages available for urban construction work during the building boom of that period and by labour migration to the oil-rich Gulf countries.

Agricultural wages, having averaged only one-third of the average real wage for all economic sectors during the first half of the 1970s, began to catch up with a rise in urban wages. The true cause of the labour “shortage”, in other words, was the unequal distribution of land into large farms requiring hired labour, and the low agricultural prices imposed by the state.

Rather than addressing these problems, the state, large farmers and international development agencies turned to mechanization. The demand for rural male labour was reduced and the inequalities between agricultural labourers and landowners kept in place. It is these inequalities that mechanization and other “high-payoff” inputs consolidate, inequalities which depictions of “traditional” agriculture in the Nile Valley and the need to transform it keep hidden.

Inequality and State Management

Another aspect of rural inequality in Egypt which the historical and “traditional” image of the Nile Valley tends to naturalize is the transfer of wealth from the rural population to the state through central government policies.

Since 1952, the majority of farmers have been subject to the central government’s compulsory cropping requirements, requisitions and price policies. Even taking into account state investment in irrigation and subsidies of farm inputs, the net effect of government policies between 1960 and 1985 was to appropriate 35 per cent of agricultural production. Small farmers suffered more than large landowners, who could invest in more profitable areas such as fruit, vegetable and dairy farming.

The appropriation of wealth from the countryside tends to be ascribed by the development industry to a “tradition” of “strong central government” stretching back to Pharaonic times, rather than to state policies reflecting a complex of dominant (although not always coherent) social interests — those of the governing elite, the state-supported private sector and larger rural landowners. The coordinator of a USAID-funded programme providing management training put it thus in a history lesson to Egyptian local government officials:

“For centuries, Egypt has been governed as a political system with a highly-centralized decision-making process. Although there have been a few minor exceptions, this statement is valid for the period since the unification of Upper and Lower Egypt was accomplished late in the fourth millennium BC — i.e. for at least the past five thousand years.”

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Such centralized power is, in turn, explained in the familiar geographical and demographic terms describing the Nile Valley.46

Depoliticized in this way, the state's role in agriculture ceases to be a question of power and control over people's resources and lives, and becomes instead an issue of management. State intervention has resulted in "dis-equilibrium": a natural balance between the forces of agricultural supply and demand ("the market") has to be restored by a process of "readjustment."47

To restore equilibrium, USAID has promoted in rural Egypt a gradual dismantling of the role of the state under the slogans of "decentralization" and "privatization." Although weakening the power of the central bureaucracy might be a positive benefit for many rural Egyptians, the actual political outcome of such decentralizing efforts depends on the distribution of resources and power at the provincial, district and village levels to which authority and funds are transferred. When "decentralization" transfers resources to an existing system of inequality, it can reinforce that inequality. Profits go to large farmers and local state officials while the poor receive, at best, only certain opportunities for wage labour. Village councils, if they have any role at all, are frequently controlled by powerful village landowners and local officials.

A USAID review of decentralization projects in eight different villages found that funds had gone to improvements in infrastructure and to income-producing projects such as milk refrigeration units, animal husbandry, poultry, bee and silk-worm raising, date packaging, olive canning, carpentry and furniture making, and the purchase of trucks, tractors and taxis. The report notes that "naturally, not all villagers have savings that enable them to invest" in these projects; the profits accrued to those in "middle to upper bracket income groups more than poor folks."48

An olive pickling and canning project in a village in Fayyum in Middle Egypt, for example, provided employment for 200 villagers but served the marketing needs of just five wealthy farmers because only they could afford to grow olive trees. Likewise:

"only the wealthy villagers can hope to raise bees, because the economic success of such an enterprise requires raising at least 20 beehives, which is a large investment. Village officials such as agronomists often enter into partnership with such farmers and undertake such projects on their own."49

The USAID report acknowledges that "the better off, the more educated and expert officials benefit more than ordinary villagers," but argues that this is "developmentally advisable." The relationship between rural capitalists and wage earners should not be called exploitation but "differential advantage," that is, "the variable ability of individuals or groups to make better use and reap greater benefits than others from available opportunities."50

A sure way to "reap greater benefits" from an investment is to pay lower wages to those employed. This "ability" is based on a distribution of land that leaves many villagers with no resources besides their labour; on the absence of an enforced minimum wage; and on a system of patronage, policing and surveillance in rural Egypt that restricts poorer people from protesting or organizing to change their condition.

**Agencies Above and Outside**

Setting Egypt's economic development in terms of the "natural" geography and demography of the Nile Valley also removes from sight the participation of development agencies such as USAID in the dynamics of Egyptian political and economic life. The self-contained object, Egypt, introduced by reports of organizations like USAID evokes an entity "out there." The organization itself stands above the map and image of Egypt to measure and make plans for it — USAID is not on the map.

Development discourse thus practices a necessary self-deception", without which it "could not constitute itself,"51 To plan effectively, a discourse of rational planning must map out every significant aspect of the reality with which it is dealing. A miscalculation or omission may cause the missing factor to disrupt the execution of the plan. Its calculations must even include the political forces that will affect the process of execution itself. Yet, despite being a central element in configurations of power within Egypt, USAID and other development agencies imagine themselves as a rational consciousness external to the country. They can thus never describe their own place in the configuration of power.

USAID's decentralization programme is illustrative. It was designed to reduce the role of the state and encourage "democracy and pluralism" by channelling funds to private initiatives at the village and district level. Yet far from encouraging the "private sector" in opposition to the state, such programmes made the state (and its employees) an even more powerful source of funds and site of patronage. The new accumulations of wealth are never more than semi-private, because they are parasitic on a strengthened state structure.

These results are not simply a fault in the design or execution of the programmes. USAID itself is a state agency, part of the "public sector." By its very presence within the Egyptian public sector, it strengthens the wealth and patronage resources of the state. USAID is part of the problem it has stated it is aiming to eradicate. Yet because the discourse of development presents...
itself as a rational, disinterested intelligence existing outside its object, USAID cannot diagnose itself as an integral aspect of the problem.

Subsidized Deception

This difficulty reflects a much larger deception among the development industry. The prevailing wisdom of organizations such as the World Bank, the IMF and USAID is that the economic development problems a country such as Egypt faces stem from restrictions placed on the initiative and freedom of the private sector.52 The programme of "structural adjustment" these organizations have attempted to impose on Egypt aims to dismantle the system of state subsidies and controls. Prices Egyptians pay to consume, or receive for producing, food, fuel and other goods are to reflect prices in the international market.

Yet world prices for many major commodities are determined not by the free interplay of "private" market forces but by the monopolies or oligopolies organized by states and multinational corporations. Oil prices are determined by the ability of producer states to coordinate quotas and price levels. The price of raw sugar, a major Egyptian industrial crop, whose volatility is more than twice that of any other commodity monitored by the World Bank, is determined largely by US and other government price support programmes. Only about 14 per cent of world production is freely traded on the market.53 The international market for aluminium, one of Egypt's major heavy industries, also operates under extensive state controls.

The most significant example is the world grain market. One of the arguments against Egypt producing the staple foods it needs to feed its people is that it cannot compete in the world market against the low grain prices of US farmers. Yet these prices are the result of subsidies and market controls. US agriculture operates under an imperative of constant growth and has come to be dominated by giant corporations that supply the inputs to farming and process and market its products. Over three-quarters of the US farm supply industry is controlled by just four firms. Six corporations, all but one of them privately-owned, control 95 per cent of US wheat and corn exports and 85 per cent of total world grain trade.54 Squeezed by these monopolies at both ends - inputs and marketing - US farmers have to grow ever larger quantities of crops merely to survive, investing constantly in new technologies and getting increasingly into debt.

To mitigate the system's effects, the US state has instituted massive subsidies — price supports and crop controls of the New Deal programmes in the 1930s, the subsidized exports of the post-war Marshall Plan, the Public Law 480 programme (which financed up to 58 per cent of US grain exports during the 1950s and 1960s), and President Nixon's 1972 New Economic Policy (which further subsidized exports and boosted prices by paying farmers to take six million acres out of production, an area equal to ten times the total cultivated area of Egypt).

As a result of these policies, by 1982 US grain was being sold at prices 40 per cent below estimated average production costs, while keeping farmers afloat was costing $12 billion a year in state subsidies. Despite low producer prices, moreover, consumer prices remain so high that 40 million US Americans require government subsidies to purchase food, costing a further $27 billion a year in government funds.55 Government export subsidies pay for middle- and upper-
class consumers in non-Western countries to shift to a meat-centered diet, thereby expanding the market for US feed grains. The largest site in the world to be incorporated into this system of state-subsidized US framing has been Egypt: the arm of the US state that has organized this incorporation is USAID.

An agency such as USAID which devotes itself to dismantling subsidies and promoting the "private" sector is itself an element in the most powerful system of state subsidy in the world. Almost every cent of the $15 billion budget for "economic assistance" to Egypt since USAID operations began there in 1974-75 has been allocated to US corporations. Just over half the total (51 per cent) represents money spent by Egypt to purchase US goods: the PL480 Food Aid programme and the Commodity Import Programme, totalling about $7.7 billion up to 1989, enabled Egypt to purchase grain, other agricultural commodities, agricultural and industrial equipment, and other US imports.56 About half the commodities were paid for in dollars, with the US providing low-interest long-term credit. The other half were paid for immediately or on short-term credit in Egyptian pounds.

A further $1 billion of the total aid (seven per cent) was paid directly to the US, by the US government itself, in the form of so-called Cash Transfers, used to keep up payments on Egypt's military debt.57 Thus a total of $8.7 billion, or 58 per cent of all US economic assistance to Egypt between 1974 and 1989, was spent directly in the United States rather than on development projects in Egypt; most of this "US aid" in fact represents money paid by Egypt to the US.

The remaining 42 per cent of US economic assistance funds to Egypt, totalling $6.3 billion, were earmarked for development projects within the country, falling under the headings of water/sewerage, energy, local government, agriculture, human resources, infrastructure, industry and science/technology. Yet the entire amount seems to have been spent in the US itself, or on US contractors in Egypt — corporations such as General Electric, Westinghouse, Bechtel, Ferguson International, Caterpillar, John Deere and International Harvester. Hundreds of millions of dollars went to US universities and research institutes to provide training in agricultural sciences, management and technology transfer.58

Many of these projects also required payment within Egypt in Egyptian pounds. In 1988, such local implementation costs were estimated to amount to about 200 million Egyptian pounds annually, equivalent then to just over $100 million — about 10 per cent of annual US dollar aid for development projects.59 Such payments are not made from US dollar funds: local currency funds, paid by the Egyptian government to purchase US imports under the Commodity Import Program, are used by USAID in Cairo to pay for all local costs.

Policy Leverage

Millions of Egyptians have benefited from this economic assistance, at least in the short-term. The supply of power stations, sewage networks, telephone exchanges, drinking-water plants, irrigation systems and numerous other basic infrastructure projects and services has improved the physical fabric of the Egyptian economy.

But these benefits have entailed a dependency on imports of US food, machinery and technology. In the 1980s, the US
The $15 billion of USAID spending for "economic assistance" covers only about one half of US aid to Egypt. A roughly equal amount takes the form of assistance to the Egyptian military — largely grants to purchase US weapons. Since 1985 alone, military aid to Egypt has provided a further $7.7 billion of subsidies to US industry.

The Egyptian military, with the support of US funds, has developed into a major presence within the country's economy. Its arms industries, which receive state subsidies but whose income goes into military rather than national accounts, comprise the country's largest manufacturing sector, producing exports estimated to be worth about three times the total of all other non-textile manufactures. The army has also moved into civilian manufacturing, symbolized by the deal it negotiated with General Motors in 1986 to manufacture passenger cars. Under pressure from the US Embassy, USAID pledged $200 million from its aid budget to subsidize this project.

Agriculture is another sector in which the military has become a dominant presence through the acquisition of reclaimed land and the development of food processing industries, particularly in meat, fruit and vegetables. Its Food Security Division represents by far the largest agro-industrial complex in the country, producing 488 million Egyptian pounds worth of food in 1985-6, or almost one-fifth of the total value of Egyptian food production.

The military has also played a major role in constructing bridges, roads, telephone systems and other infra-structure projects. Together with the construction of its own housing, hospitals, shops, resorts and elite training colleges, such developments have transformed the military into "an almost entirely autonomous enclave of middle-class modernity in an increasingly impoverished and marginalized Third World economy."

Despite its massive presence in the Egyptian economy, the large proportion of government funds it consumes, and its even larger proportion of total US support, the military receives almost no attention in the literature of organizations like USAID and the World Bank. Given the supposed objectives of developing the private sector and pluralism, the silence of this discourse is astonishing. A systematic enquiry into the economy and power of the Egyptian military would reveal its relations to US military industries and the system of state subsidies on which those industries depend — and thus to the larger object of US aid programmes.

became the largest supplier of Egyptian imports. This dependence, and the debt that goes with it, has given the United States a powerful position of influence within the Egyptian state. USAID conducts "cabinet-level dialogue" on macroeconomic policy with the Egyptian government. Acquiring this sort of "policy leverage" at every level of the Egyptian bureaucracy has now become the principal criterion according to which USAID development projects in Egypt are evaluated.60

All this has been achieved by a programme whose larger effect is to provide vast subsidies to the "private" sector in the United States, both directly through the purchase of billions of dollars of its products and indirectly by converting Egypt into a future US market.

Thus USAID operates as a form of state support to the US private sector, while working in Egypt to dismantle Egyptian state supports — and while pretending to stand outside Egyptian politics, conducting merely a "dialogue" at the rational, detached level of "policy".

An analysis of Egyptian agriculture which examined the causes of the shift to meat production and the resulting shortages of food and growing indebtedness in the country would reveal the connections between these events, and the crisis in US farming together with its chosen remedy, subsidized food exports. Such an analysis would serve as a reminder that the discourse of development is situated within, not outside, such global relationships.

But development discourse wishes to present itself as a detached centre of rationality and intelligence. The relationship between West and non-West is constructed in terms of the West possessing the expertise, technology and management skills that the non-West lacks, a lack which has caused the problems of the non-West. Questions of power and inequality, whether on the global level of international grain markets, state subsidies, the arms trade or, at the more local level, of landholding, food supplies and income distribution, are not discussed. So as to remain silent on such questions in which its own existence is involved, development discourse needs an object that appears to stand outside itself. What more natural object could there be than the image of a narrow river valley hemmed in by the desert, crowded with rapidly multiplying millions of inhabitants?

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9. Calculated from Ikrar, K., op. cit., 1, tables 4-5 and 4-6.
14. Between 1960 and 1988, the population of Egypt grew by 75 per cent, domestic production of grains increased by 77 per cent, but total Egyptian grain consumption (excluding rice) increased by 148 per cent. Non-food consumption of grains (mostly animal feed, but also seed use and wastage) grew by 5.3 million tonnes, or 268 per cent. Grain imports grew by 5.9 million tonnes over this period. A small proportion of the increase in imports does reflect an increase in per capita human consumption, which grew by 12 per cent during this 22-year period. See USAID, *Agricultural Data Base*, Office of Agricultural Credit and Economics, USAID, Cairo, 1989, pp.209, 221, 224.
15. Ibid., p.209.
17. Livestock raising is concentrated on large farms of more than 10 feddans, where there are three to four times as many cattle per feddan as on farms of 1 to 10 feddans. See Commander, S., *The State and Agricultural Development in Egypt Since 1973*, Itacha Press, London, 1987, p.80, table 4-13.
20. USDA, op. cit. 3, p.172.
22. Ibid., pp.214,220,236.
28. Calculated from Springborg, R., op. cit, 24, table 1.
30. USDA, op. cit. 3, p.51.
33. USDA, op. cit. 3, p.25.
34. Ikrar, K., op. cit., 1., p.5.
42. Ikrar, K., op. cit, 1., pp.21, 22.
44. Since the mid-1970s, and particularly in the late 1980s, the compulsory cropping and price-fixing policies have been gradually altered to reduce the disadvantages to the rural population. But the changes benefited primarily larger landowners. Smallholders are disproportionately involved in cotton, rice and sugar cane production, where fixed prices and compulsory deliveries to the state have been retained.
46. Ibid., p.2.
47. Ikrar, K., op. cit. 1.
49. Ibid.
50. Ibid.
53. IPC, op. cit, 27, 1983.
56. The only exception that did not require a purchase was PL480 Title II Aid, which provided free milk and grain products estimated to be worth $179 million (about 5 per cent of PL480 aid and 1 per cent of total US economic aid) to voluntary child feeding programmes in Egypt. The programme was cancelled after Financial Year 1989.
57. United States law stipulates that all aid except food must be stopped to a country that falls more than a year behind in military debt repayments, as Egypt began to do in the winter of 1983-4. The US government responded to this threatened collapse of the entire system of subsidies to its own private sector by converting all subsequent military loans into grants, allocating the bulk of those grants for programs to adopt to itself on earlier Egyptian arms purchases, and instructing USAID in the meantime to circumvent the law by setting aside about $100 million a year from economic development funds as Cash Transfers, to be deposited in the Federal Reserve Bank of New York and then returned to Washington as Egypt’s monthly interest payments on its military debt. When congress discovered this illegal diversion of economic development funds for military purposes, USAID denied it was happening — and continued the practice. The law, a USAID lawyer later admitted, "was an academic question, since actual CT (Cash Transfer) expenditures were untraceable." 58. USAID, op. cit. 35.. 59. USAID, *Annual Budget Submission*, FY 1990, *Egypt*, Washington, DC, 1988, main vol, p.21.