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When Capitalists Collide: Business Conflict and the End of Empire in Egypt. By Robert Vitalis. Berkeley: University of California Press, 1995. 282 pp.

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With this book, Robert Vitalis has made an important and novel contribution to the literature on newly industrializing countries. The novelty of his approach is reflected, first of all, by his decision to focus on investors as political and economic agents, and second, by his presentation of an alternative model for analyzing interest conflict and industrial development.

As Vitalis notes, most scholars of developing countries have assumed a zero-sum clash of imperialist and nationalist business interests. In addition, many scholars have assumed that the classic European developmental pattern, with its significant intersectoral (rural vs. urban interests) or class fraction-based confrontations, serves as an important guide for understanding the developmental path of late developers. For example, in the case of Egypt the common heretofore accepted wisdom (the work by Anwar Abdel-Malek [1968] is perhaps most noteworthy in this regard) has been that industrial development was blocked by British imperialist interests, that a private Egyptian challenge to those interests appeared in the form of the Bank Misr group in the 1920s, but that Bank Misr types ultimately proved incapable of playing the expected, classic role as builders of national capitalism and democracy, and were forced to take on stronger, Western imperialist partners. This, in turn, left the country languishing under the authoritarian rule of large landed interests, headed up by the monarch, who was backed by British imperialist guns. More “serious” attempts to industrialize Egypt could not occur until both the king and the British yoke had been removed, objectives that were realized in the aftermath of the 1952 military coup.

Vitalis succeeds in debunking this common vision of Egypt's developmental record, greatly improving upon the solid efforts by Davis (1983) and Tignor (1984). Though

Vitalis provides useful insights to Egyptian development prior to 1922, he has devoted most coverage to the period from 1922 to the mid-1950s: i.e., the period during which Egypt was under a quasi-limited-pluralist monarchical regime and, from 1952 on, a military authoritarian regime. He begins by noting that local or Egyptian-based capitalists were organized in rival investor coalitions or “business groups” during this period. Taking them as his major unit of analysis, he argues that they were among the most powerful private institutions governing Egypt's political economy (p. 11). While recognizing that much of the earliest industrialization activity in Egypt was undertaken by foreign or Egyptianized (*mutamasriyun*) business groups (e.g., Cassel, Soares, Salvago), Vitalis asserts that, over time, Egyptian or Egyptian-based interests ('Abbud, Bank Misr) were able to become the preeminent actors in the fields of industrial and commercial development. Importantly, in contrast to the “classic” European developmental pattern, these rival groups' interests were almost always cross sectoral, combining rural agricultural and urban nonagricultural activities.

Vitalis is at his best in documenting the profit-motivated, rent-seeking behavior that was at the heart of the competition between these groups whose leaders needed the Egyptian government's approval and assistance for their projects. This need produced the complex interplay between the business groups and political powerholders: the king, influential cabinet members, major political party leaders, and key British and American embassy personnel. As Vitalis reveals, businessmen like 'Abbud were ready to embrace radically different political partners, whether liberal democrats or monarchical authoritarians, in attempting to enhance their competitive advantage. Equally important was their readiness, not to mention their need, to form joint ventures with foreign companies that possessed the capital, technologies and expertise to ensure many large-scale projects' feasibility. Even the Bank Misr group, long painted as the quintessential representative of the national bourgeoisie, is revealed as having been consistently eager and willing to take on foreign partners to advance its group interests.

Egypt's slowed development cannot be chalked up to a deficit of ambitious and able entrepreneurs ready to lead Egypt's industrialization. Instead, what Vitalis presents is an image of numerous powerful business conglomerates, virtual oligarchs, whose intense rivalries with one another, combined with shifting foreign competition and partnership, significantly slowed the pace of Egypt's industrialization. Delayed industrialization was a particularly prominent and damaging outcome in those key areas of the economy where the stakes were especially high: electrification and the development of fertilizer production.

The biggest problems with this book, in my opinion, are as follows. First, it is of great importance to Vitalis's argument to define local capital in the most inclusive fashion possible. For Vitalis, local capital “refers to investment originating inside Egypt by investors whose relevant horizons are primarily the Egyptian market” whereas foreign capital is used “to refer exclusively to investment originating outside Egypt's borders by investors whose relevant horizons are not primarily the Egyptian market...” (p.13). By these definitions, as Vitalis is well aware, individuals with Armenian, Greek, Italian, Jewish, Syrian and Lebanese identities, many of whom held foreign passports even if they or their ancestors had been born and raised in Egypt, are classified as local capitalists. And because many individuals from these communities were indeed powerful economic actors, especially in pre-1956 Egypt, their inclusion as local capitalists makes it appear as though local capital was the large, vibrant group that Vitalis describes--a group well capable of leading capitalist development in Egypt. The problem with Vitalis' inclusivity is twofold:

first, some of these individuals were every bit as Egyptian in their hearts, and in their national sentiments, as anyone else in the country claimed to be, but others were not; second, most of these individuals were perceived by the bulk of the population as being foreigners (*khawagat*), no matter how long they or their families had resided in the country.

This latter perception, or misperception, deeply affected the political attitudes of those Egyptians with regard to those “foreign” or “Egyptianized” individuals. For example, completely missing from Vitalis' discussion is any reference to the Young Egypt (Misr al-Fatat) party; nor is there much attention paid to the Muslim Brotherhood organization. Yet both of these organizations acquired their mass followings. The Brotherhood's, of course, dwarfed that of Young Egypt, in large measure due to their xenophobic outrage over foreign control of the Egyptian economy--and they weren't thinking about just foreign capitalists as defined by Vitalis. Indeed, this xenophobia directly informed (I would argue misinformed) Egypt's post-1952 regime leader's behavior vis-i-vis individuals from those communities. As one nonsocialist regime leader (Kemal al-Din Hussein) told me, the first rounds of nationalizations and sequestrations in the 1960s were still not upsetting to him and others of his ilk “because the names of those affected so clearly demonstrated the continued [post-1956] strength of foreigners in the Egyptian economy.”

Vitalis goes to considerable lengths to reject Waterbury's vision of an “exogenous capitalist monolith” dominating the pre-1952 political economy, terming it “extremely misleading” because investors were not organized along a line pitting “indigenous” members of the bourgeoisie against “foreign” members (p.13). His representation makes all kinds of sense in terms of validating his analytical argument; and Egypt itself might have been better off had xenophobic leaders not made such a distinction. But such a distinction was made, with all that portended for the Nasser regime's political-economic behavior.

Along these same lines, it must be noted that by concentrating almost exclusively on the behavior of the business oligarchs, the veritable captains of industry, some sight is lost of the lower-ranking members of the bourgeoisie who helped manage the big companies, ran businesses of their own, or provided professional and technical expertise in so many areas: people who made the “modern” sections of Egypt and Alexandria veritable “European” enclaves and thereby fostered the xenophobic reactions to their presence and their exclusive hiring practices. When regime leaders made Egypt an inhospitable environment for these individuals, who exited Egypt by the thousands in the 1950s, the country's developmental prospects were almost certainly as least as impaired by this than by the departure of the 'Abbuds.

Second, the pitfalls of limiting the scope of one's political analysis to the relationship between “big” capital and politics are clearly in evidence. Again, in particular, the growth of the massive Muslim Brotherhood organization, including the strengthening of Islamic capitalists, is largely ignored by Vitalis; yet the strength of that organization was among the most critical factors shaping both domestic and foreign political actors' behavior from the late 1940s until the mid-1950s. It would also be most intriguing, in light of recent developments in Egypt, to see how the emergence of Islamic capitalists affected the political-economic game in that earlier period.

Vitalis' research is highly commendable. He has painstakingly exhausted the written records for information to support his argumentation, having mined Egypt's National Library, National Archives, and major newspapers' morgues, as well as plowing through British and U.S. Foreign Service cables, U.S. presidential and ambassadorial documents,

and Sir Miles Lampson's unpublished diaries. He also conducted personal interviews, albeit on a fairly limited scale, with knowledgeable actors. Additional personal interviews might have provided him with a slightly different interpretation of matters insofar as local perceptions of foreign control is concerned.

All told, this well-crafted book is an excellent addition to the literature on political-economic change in Egypt. It also provides invaluable lessons and sets a fine, high standard for students of political-economic change in general.

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A notable accomplishment of the comparatively shortlived (1983-1989), yet far-sighted IUCN Ecology Commission's Working Group on Traditional Ecological Knowledge (TEK), was a special workshop held at the Australian National University in April 1988. This gathering, very likely one of the first multidisciplinary seminars to focus explicitly on the topic of TEK, or at least on its contemporary resource management applications, was also inspired by the 1987 Brundtland Commission report, *Our Common Future*, which among other things, drew attention to the potential contribution of indigenous groups to sustainable development.

IUCN subsequently directed its TEK Working Group to explore ways to implement this particular aspect of the Brundtland Commission's findings. The point was to go beyond documenting TEK for its own sake, or for cultural preservation, and to start to identify new outlets and uses for spheres of indigenous knowledge that had been ignored