Ι

# Introduction

The existence of electoral competition, at times fierce and expensive, seems paradoxical in an authoritarian context, where the selection of regime leadership has already been made. Yet nearly all autocrats hold some form of elections, and hegemonic party regimes – such as the one in Egypt – represent one of the most common forms of dictatorship in the world (Magaloni 2006). This book seeks to unravel a series of interrelated puzzles about elections in Egypt: In what ways does the authoritarian regime benefit from holding elections? Why do candidates spend scarce resources to run for a seat in a parliament that does not make policy? Why do citizens engage in the costly act of voting in such a context? And do we observe patterns of economic change surrounding autocratic elections that resemble the trends observed in democracies? The answers to these questions are critical to understanding the mechanics of authoritarian survival, both in Egypt and elsewhere. I argue that the authoritarian regime in Egypt has endured *not despite* competitive elections, but, to some degree, *because* of these elections.

A number of themes run throughout this project. The first is that the authoritarian regime in Egypt has made increasing use of competitive, market-style mechanisms to mediate political relationships over time. Second, economic change and a generalized withdrawal of the Egyptian state from its hegemonic economic role in society have both had an impact on the nature of relations among the regime, elite, and citizenry. Finally, although electoral authoritarianism in Egypt is currently stable, the by-products associated with this equilibrium – such as institutionalized corruption and budget-cycle–induced inefficiencies – have the potential to undermine its stability over time.<sup>1</sup>

I

<sup>&</sup>lt;sup>1</sup> Greif and Laitin (2004) argue that an institution can endogenously affect aspects of a political, economic, or social situation apart from the behavior in the transaction under consideration. For Greif and Laitin, such factors should be considered as variables in accounting for the self-reinforcement (i.e., long-term stability) of that equilibrium. They are thus quasi parameters.

CAMBRIDGE

2

Elections and Distributive Politics in Mubarak's Egypt

#### I.I THE ARGUMENT

The central argument here is that competitive parliamentary elections in Egypt represent a rational, and perhaps even best, response for an authoritarian regime that faces a number of political challenges.<sup>2</sup> A primary reason for this is that elections ease important forms of distributional conflict, particularly conflict over access to spoils within Egypt's broad class of elite, that represent an important source of support for the regime.<sup>3</sup> The easing of distributional conflict is not, however, the only benefit of a competitive electoral market; elections institutionalize dominance through formal channels, provide important information for the regime regarding the performance of party leaders and rank-and-file cadre, offer a focal point for the redistribution of wealth to state employees and the citizenry,<sup>4</sup> provide a façade for high-level corruption, and enhance the international reputation of the autocrat while strengthening his political hold. This is not to say that holding elections is without risk for the authoritarian leadership. There exists a trade-off between intra-elite peace and other benefits I describe, on the one hand, and costs related to the ways that elections exacerbate state-society relations, particularly relations between the state and supporters of the Muslim Brotherhood, on the other hand. Yet even given the escalation of such state-society tension, I argue that the benefits of elections to the authoritarian leadership exceed the costs.<sup>5</sup> All significant political actors in Egypt prefer the existence of competitive parliamentary elections to the elimination of these elections in both the short and medium term. In fact, the elimination of elections would represent a utility loss for nearly all major actors and societal groups that have come to rely on competitive electoral institutions. Elections, then, have a distinctly functional utility that

- <sup>2</sup> Parliamentary elections exist within the context of a broader electoral structure in contemporary Egypt. In addition to lower-house elections, upper-house, municipal council, and, beginning in 2005, multicandidate presidential elections all take place. This is in addition to elections for the leadership of professional syndicates, sports clubs, and for leadership of other nonpublic institutions. Although most of the arguments of this book refer primarily to lower-house parliamentary elections, many of the processes are present in other types of elections as well.
- <sup>3</sup> Although conflict over the distribution of resources is not the only dimension of political relevance in contemporary Egypt, it is, perhaps, the most important and remains the focus of a number of prominent studies of how and why autocracy persists (Boix 2003; Acemoglu and Robinson 2006).
- <sup>4</sup> Schelling (1960) describes a focal point as a solution that individuals will converge upon in the absence of communication because that particular solution seems to be natural or relevant. Whereas a focal point typically refers to an individual's expectation regarding the actions of other individuals, here, individual and regime convergence on a common action based on their mutual expectations is intended. In timing government giveaways, election season has come to be seen as a natural and relevant time for such giveaways to take place.
- <sup>5</sup> For some authoritarian regimes, the benefits associated with competitive elections do not exceed the costs. This is particularly the case in weakly institutionalized autocracies that hold elections primarily as a result of external influence. In such contexts, the destabilizing effects of competitive elections often outweigh the functional benefits. See Levitsky and Way (2010) for more details on the impact of elections for such regimes.

3

complements the preferences of a variety of different actors.<sup>6</sup> The counterfactual claim implicit in this work is that, absent elections, the regime would not be so durable. A main reason for this is that the rent-seeking elite – which emerged as the regime's key constituency under former President Anwar al-Sadat and has remained so under Hosni Mubarak – has required a system of resource allocation that minimizes the potential for destabilizing distributional conflict.<sup>7</sup> Elections are a public, and credible, way to commit to such allocation. Managing concerns over access to material enrichment, in fact, lies at the very core of the regime's stability.

These ideas build on a number of existing scholarly works, yet stand in contrast to both the dominant explanations for authoritarian persistence in Egypt and alternative theories regarding the functional role of elections in autocratic regimes. For example, this book expands on the important work of Geddes (2005), who has argued that dictators expend scarce resources on parties and elections - despite the risks - because these institutions help regimes solve problems. As a result, parties and elections are a central part of an "autocratic survival strategy" (Geddes 2005).8 Geddes primarily emphasizes the use of parties and elections as a counterbalance to the military or factions within the military. Although I concur with her general conclusion about the use of elections for solving intraregime conflict, my research focuses on the importance of elections as a mechanism for distributing rents and promotions, as a focal point for economic redistribution to the citizenry, and as a source of information for the autocratic regime, rather than the use of parties and elections as a balance to the military. In addition, my argument is distinct from that of Brownlee (2007), who finds that it is effective parties, not elections, that matter for solving intra-elite conflict. Although parties may be important venues for negotiating the role of elites, this book finds that the electoral process *itself* serves as a key mechanism for containing intra-elite competition as elections aid in the distribution of both rents and coveted positions within the regime, among other functions. This argument also complements, but is distinct from, the findings of Lust-Okar (2006), who focuses primarily on the distributive benefits of elections from the nonelite perspective, particularly how local constituents have come to expect parliamentarians to deliver pork and

<sup>&</sup>lt;sup>6</sup> Elster (1982) criticizes the use of functional explanations in social science, arguing that all social phenomena can be explained in terms of the goals, properties, and behaviors of individuals. Giddens (1982) suggests that the "weak" functionalist paradigm is probably not worth regarding as a form of functionalism. The weak paradigm, consistent with the discussion of authoritarian institutions described in this book, states that a pattern of behavior may have consequences that – although unintended or unforeseen by those initiating the pattern of behavior – confer some benefit. According to Giddens, Elster's real objection was to the "strong" functionalist paradigm, in which patterns of behavior have a function and this function explains why behaviors exist in the first place, a tendency particularly apparent in Marxist and radical social science.

<sup>&</sup>lt;sup>7</sup> See Hinnebusch (1988a) and Springborg (1989) for more on the importance of the rent-seeking elite to the regime.

<sup>&</sup>lt;sup>8</sup> Also see Lust-Okar (2006), Magaloni (2006), and Greene (2007). See Gandhi and Lust-Okar (2009) for a review of the literature on authoritarian elections.

CAMBRIDGE

4

Elections and Distributive Politics in Mubarak's Egypt

other benefits.<sup>9</sup> My argument joins an increasingly well-established view that dictators create powersharing arrangements with their "loyal friends" and that parties and elections help serve this role (Magaloni 2006; Boix and Svolik 2007; Magaloni 2008).

Magaloni (2008) considers the role of authoritarian institutions and argues that both parties and elections mitigate "the commitment problem" that exists between a dictator and his ruling coalition. She argues that autocracies with parties and elections are more stable because of their ability to establish "powersharing deals," in which these institutions serve as the contract between the dictator and his coalition.<sup>10</sup> Parties and elections, then, can serve as a contract between an autocrat and his coalition of elite supporters via institutions that are negotiated over rights to intangible, often economic, forms of property.<sup>11</sup> Competitive parliamentary elections, and the informal norms that have developed surrounding these elections, commit the regime to a decentralized mechanism for patronage sharing with the politically relevant elite.<sup>12</sup> Elections are a credible mechanism of selection because canceling elections would entail significant costs for the regime, both domestically and internationally.

In addition to the importance of elections as an institution, this book also builds on an emerging literature that argues that elections are important sources of information for the regime. Magaloni (2006) makes two important contributions to this literature. Referring to the overwhelming electoral victories of the Partido Revolucionario Institucional (PRI) in Mexico, Magaloni argues that elections communicate information about the regime's strength, discouraging defections from the hegemonic party. To achieve huge margins of victory,

- <sup>9</sup> Lust-Okar (2006; 2008; 2009a) argues that elections are best understood as an arena of competition over access to a pool of state resources, or what she calls "competitive clientelism." She argues that citizens vote for candidates who can provide them with *wasta*, or mediation, and tend to be individuals from their families, clans, or tribes. The hope is that, by electing a candidate with whom they enjoy a personal tie, the voter will gain access to a government job and discretionary funds (Lust-Okar 2006, 459). One factor left unexplained by the Lust-Okar explanation involves why citizens vote when only some relatively small fraction of voters will enjoy a benefit from their participation.
- <sup>10</sup> Boix and Svolik (2007) make a related but slightly different point; they argue that legislatures provide the forum within which notables exchange information, and elections serve as a signal of the influence of individual notables. There is some question regarding a) the extent to which notables need a separate forum within which to share information, as they may already have overlapping social networks, and b) why a public forum, like a legislature, would be preferable to private fora for communication between notables.
- <sup>11</sup> According to North (1993), institutions are constraints that structure human interaction, reducing the uncertainty arising from that interaction.
- <sup>12</sup> Although formal institutional rules are openly codified, Helmke and Levitsky (2003) define informal institutional rules as those "socially shared rules, usually unwritten, that are created, communicated, and enforced outside of officially sanctioned channels." Pioppi argues that limiting analysis to just the formal sector would suggest corruption and clientelism are signs of state weakness, whereas instead they should be viewed as "indicative of the efficiency of a system of power" (2007, 140). This is consistent with others who have argued that, in Egypt, informal norms and political institutions are as significant as formal institutions and key to the authoritarian regime's survival (Blaydes 2005; Koehler 2008).

5

the PRI had to produce high turnout as well as high levels of support, even though this process was quite costly.<sup>13</sup> Second, elections provide information about supporters and opponents of the regime.<sup>14</sup> Using information about the geographic distribution of dissent, the PRI in Mexico was able to reward supporters with access to government funds, as well as to punish defectors. Magaloni writes that "elections are employed as means to distribute power among lower-level politicians. Autocratic regimes reward with office those politicians who prove most capable in mobilizing citizens to the party's rallies, getting voters to the polls, and preventing social turmoil in their districts" (2006, 8). In this book, I argue that elections serve a very similar purpose in Egypt, where they reveal information about the competence and loyalty of both bureaucratic officials and party cadre, providing the authoritarian leadership with what is perceived as an even-handed way for the autocrat to decide who should receive party appointments. In addition, I find evidence to suggest that there also exists a "punishment regime" in Egypt, namely areas that supported the regime's political opposition group were subsequently neglected when decisions regarding critical infrastructure distribution, like water and sewerage lines, were made.

Hermet, Rose, and Roouquie have argued that elections in authoritarian countries provide a rare opportunity to analyze the public manifestation of a regime's attempt to perpetuate its control (1978, 9). The authors ask: "Are elections, considered as one of the most significant fields of analysis in Western multi-party states, so deprived of meaning in other regimes that they are not worth studying" (1978, 8)? This book finds that elections in an authoritarian context convey a great deal about the functioning of that regime and should be analyzed more for what they can tell us about the perpetuation of autocratic governments than as an indication of democratic transition. In fact, the elections solve political problems that have nothing to do with democracy. In Egypt, politics revolves around the complex interaction between a number of important societal actors, where elections have important implications for all.

<sup>13</sup> This theory makes particular sense in the Mexican setting, where the electoral contest of interest was the presidential race. Because no president could serve more than one six-year term, the PRI was forced to choose a new candidate every election cycle. Political entrepreneurs interested in someday competing for high office would recognize the invincibility of the PRI and choose not to defect. Although the idea is broadly applicable to a wide variety of cases, its focus on the dynamics of presidential elections makes this aspect of the theory less relevant for authoritarian countries with competitive parliamentary, but not presidential, elections. For example, multicandidate presidential elections were not introduced in Egypt until 2005, although competitive parliamentary elections have been in place for a much longer period. Do supermajority victories on the part of the hegemonic party deter challengers and defections at the parliamentary level? Not in Egypt, where both hegemonic party defectors and independent candidates associated with the Muslim Brotherhood often fare well in parliamentary contests.

<sup>14</sup> Keshavarian (2009) makes an interesting and related argument that, in Iran, the regime uses elections to gather information about the popularity and viability of allies.

CAMBRIDGE

6

Elections and Distributive Politics in Mubarak's Egypt

## 1.1.1 Actors and Preferences

This book analyzes the triadic relationship between the leadership of the authoritarian regime, the rent-seeking elite that represents a critical pillar of support for this regime, and the broader Egyptian citizenry. In particular, it considers how both formal institutions – such as elections and the rules governing the prerogatives of parliamentarians – and informal norms mediate these relationships. Other relevant actors include the opposition Muslim Brotherhood and foreign actors such as the United States.

The Ruling Regime. Defining what constitutes the ruling regime in an authoritarian setting is a potentially treacherous undertaking, particularly because it is impossible to precisely identify the core of individuals who make up this body. The ruling regime in Egypt refers to those individuals who "exercise power"; this includes some actors who are not part of the formal state apparatus, and, conversely, there are many agents of the state who are not part of this elite grouping (Kienle 2001, 6). The regime in Egypt consists primarily of the president, his close family, and the small cadre of "super" elite that surround him, including selected senior military, party, and intelligence officers. This book will show that promotion decisions within the party and state structure are made on the basis of performance and revealed competence, and core membership in the regime elite is based on family ties, established loyalty, and personal connections. It is also noteworthy that the president serves as "patron-in-chief"; Kassem argues that the president's powers combined with the patronage he can bestow on others has created a clientelist structure that renders him the "ultimate patron" (2004, 168). The National Democratic Party (NDP), created and re-created by the regime, helps maintain this network of clients (Kienle 2001, 8).

The relationship between the regime and the state is a complicated one, particularly given the fact that the Egyptian state is large, porous, and has a tendency to promulgate policies that appear to contradict each other.<sup>15</sup> This suggests that the regime in Egypt sometimes finds itself in conflict with the very institutions that it has created (Bianchi 1989). At the start of my fieldwork for this book, I was troubled by this contradiction and concerned with the question of the intentionality of institutional selection. In other words, why would an authoritarian regime create or delegate power to institutions that either did not share its preferences or could not guarantee its preferred outcome? Over time, I came to realize that the policies put forth by the Egyptian regime, although they sometimes appeared ad hoc, represented a rational response to

<sup>&</sup>lt;sup>15</sup> Poggi defines the modern state as "a set of complex institutional arrangements for rule operating through the continuous and regulated activities of individuals acting as occupants of office. The state, as the sum total of such offices, reserves to itself the business of rule over a territorially bounded society" (1978, 1). An important goal of the state as an institution is to make allocation processes "relatively predictable and stable," thus reflecting "consensus among all participants" (Poggi 1978, 2).

7

the day-to-day political events it was facing.<sup>16</sup> As political actors work to solve problems, a series of short-term decisions accumulate into a set of policies and institutions.<sup>17</sup> It also appears that the regime has engaged in a mixing of strategies, or what Magaloni, Diaz-Cayeros, and Estevez (2007) describe as a "portfolio diversification" of authoritarian tactics. The result is what Wedeen might characterize as "strategies without a strategist" (1999, 153), and, in many ways, the regime has used a process of trial and error in the creation of the formal and informal political institutions that have come to characterize its rule.

Although the challenges facing the authoritarian regime in Egypt have changed and continue to change over time, since the mid-1970s, certain political exigencies emerged that resonate to this day. First, there exists a relatively large class of rent-seeking support elite, in which many individuals have a quasi-legitimate claim to state spoils.<sup>18</sup> This class emerged in the period following Sadat's open-door economic policies and grew in size with increasing economic liberalization. Second, the regime faces the challenge of millions of underemployed, poor citizens whose economic insecurity encourages a preference for small, targeted economic rewards immediately over the discounted value of programmatic benefits in the future.<sup>19</sup> This comes in the context of a generalized withdrawal of the Egyptian state from its dominant role under President Gamal 'Abd al-Nasser and growing income inequality. Third, the regime faces the challenge of a popular Islamist opposition movement with a desire to express its support for political change. Channeling and neutralizing this movement, while simultaneously using elections as an occasion to gather critical information about popular support and cadre competence, provide both a challenge and an opportunity for the regime. Finally, Egypt increasingly exists in an external environment that encourages competitive elections.<sup>20</sup>

Why do elections represent a rational response for the regime given the challenges it faces? Competitive parliamentary elections are a cornerstone of the regime's political process and provide a myriad of benefits. It is not my contention that competitive elections were introduced for the purposes described

<sup>&</sup>lt;sup>16</sup> This is not unlike the way Barkey describes Ottoman leaders responding to the challenges they encountered (1997, 57).

<sup>&</sup>lt;sup>17</sup> As Pierson points out, "we should anticipate that there will be sizable gaps between the ex ante goals of powerful actors and the actual functioning of prominent institutions" (2004, 15).

<sup>&</sup>lt;sup>18</sup> Of course, the implicit comparison in this statement is to other regimes of this type rather than to the size of the elite in Western democracies. Thanks go to Jorge Dominguez for making this point.

<sup>&</sup>lt;sup>19</sup> See Desposato (2006) for a full description of this argument in the Latin American context. Levitsky (2007) further argues that, in contemporary Latin America, clientelist linkages are highly compatible with market-oriented economic reforms; one reason for this is that, in environments of large informal economies and widespread unemployment, clientelist links are particularly effective for winning votes.

<sup>&</sup>lt;sup>20</sup> See Levitsky and Way (2005) for a description of the increasing cost of authoritarianism given a changing international environment.

8

Elections and Distributive Politics in Mubarak's Egypt

in this book.<sup>21</sup> Rather, the benefits of competitive electoral institutions became apparent and evolved over time. Many of the benefits of elections are related to the distributive choices faced by the regime in the context of a financially stretched, postsocialist Egyptian state. In particular, elections contribute to regime health by removing some aspects of social control from the hands of the regime and delegating them to the electoral market. The institutionalization of these difficult allocation decisions creates what Huntington would call an adaptable and coherent political system that can be "effective, authoritative [and] legitimate" (1968, 2).

Although authoritarian regimes like the one in Egypt are typically described as "rigid and inflexible," it is increasingly clear that such regimes have the capacity to adapt in politically meaningful ways (Heydemann 2007b, 21). The existing institutions in Egypt enjoy a type of equilibrium yet are not static. Rather, change over time is in important part of the narrative as particular types of institutions, particularly ones that encourage a competitive political market, prevail.<sup>22</sup> At the same time, there exist endogenous by-products of this equilibrium that have the potential to undermine its stability over the long term.

*The Rent-Seeking Elite.* Writing about authoritarian regimes in general, Egyptian commentator Ayman al-Amir describes the logic of authoritarian survival for the regime in the following way:

Autocracies perpetuate themselves in power through a supporting, beneficiary elite. This is not the standard electorate that votes governments and presidents in and out of office in decent democracies. Rather, they consist of exclusive special interest groups and include security officials, business tycoons, regime propagandists and self-serving political aspirants. To guarantee loyalty, the elite have to be awarded special privileges and lucrative incentives. They often stand to lose everything, and risk legal prosecution, should the alliance of interests collapse. So they are bonded to the regime and become its main apologists.<sup>23</sup>

In Egypt, the rent-seeking elite includes influential family heads, tribal leaders, successful businessmen, and senior bureaucratic appointees, referred to by

- <sup>21</sup> Mahoney, for instance, has argued for the importance of distinguishing between the circumstances that led to the creation of an institution and the process by which that institution persists (2000, 512). Gandhi and Lust-Okar (2009) suggest that the factors associated with the emergence of a particular set of institutions do not necessarily explain their functioning over the long term and that, in fact, the institutionalization of elections and parliaments frequently preceded the development of ruling regimes.
- <sup>22</sup> A primary critique promoted by Elster of functionalist explanations is that they do not deal adequately with the dynamics of change. Berger and Offe, however, argue that the extent that "social arrangements can be compared to biological selection mechanisms, as is certainly possible in the case of market competition, functionalist explanations in the strict sense (that is, without any actor-related qualifications) appear to be perfectly admissible" (1982, 523), and, in fact, are beyond the scope of Elster's critique.
- <sup>23</sup> Al-Ahram Weekly, April 10–16, 2008.

9

Baaklini, Deroeux, and Springburg as the loyal "foot soldiers" of the regime (1999, 237–8).<sup>24</sup> One editorialist deems them the "intermediates" (*taḥtāniyîn*), or the level of people between the ruling regime in Cairo and the citizenry.<sup>25</sup> This class of elite is a critically important base of support for the ruling regime because the elites mediate the potentially contentious relationship between the regime and society.

The various iterations of hegemonic party structure that have emerged since the 1952 Free Officers' Coup have provided important venues for the interests of this elite.<sup>26</sup> Egypt's hegemonic party has drawn supporters as a result of its "inextricable ties to the state and the latter's control of vast resources," where "material interest and opportunism" are the main draws (Beattie 1991, 42-3). Beattie (1991) asks a powerful question: What happens to this support network when state resources dry up? Writing in the early 1990s, he predicts that support for the party would also evaporate (Beattie 1991, 42-3). This seems entirely reasonable given the experience of countries like Mexico, where single-party dominance as an equilibrium was unsettled by changing economic conditions (Magaloni 2006; Greene 2007). Yet even in the context of a postsocialist Egyptian state, the ruling regime in Egypt has been able to adapt and secure the continued loyalty of the rent-seeking elite. Competitive parliamentary elections, particularly elections that provide opportunities for competition within the NDP, emerged as the primary mechanism by which the authoritarian regime in Egypt makes difficult decisions about the allocation of spoils in the context of a broad, rent-seeking elite support base.

Competitive parliamentary elections – in contrast to lotteries, queues, or other allocation mechanisms – serve this purpose quite well. Highly contested elections in Egypt closely resemble an all-pay auction, with bidders (parliamentary candidates) paying for a shot at the prize (the parliamentary seat). The bid that candidates pay is the cost of the electoral campaign, which is not financed by the hegemonic party. Rather than payment going to the regime directly, however, the largest expense associated with a campaign involves side payments to supporters as part of election mobilization. In this way, the cost of popular mobilization at election time is passed on to elite office seekers, who are required to construct their own local support networks to win office. From the perspective of the authoritarian regime, this is a positive externality created by electoral competition that lotteries, queues, and other allocation mechanisms would not generate. From the perspective of the rent-seeking elite, allocation

<sup>&</sup>lt;sup>24</sup> This is not to say – quite cynically – that all family heads, tribal leaders, bureaucrats, and successful businessmen in Egypt are concerned only, or even primarily, with rent seeking. Many are motivated by status, prestige, and the desire to effect political change and improve living conditions of the poor. The importance of rent seeking as a political activity among individuals of this class is important enough, however, that it is a focus here.

<sup>&</sup>lt;sup>25</sup> Al-Masry Al-Youm, March 19, 2008.

<sup>&</sup>lt;sup>26</sup> My use of the term "hegemonic" party is not intended to make a statement about a regime's use of power, rather than force, to achieve its political goals. Rather, I adopt the expression in continuity with previous scholarly work.

то

Elections and Distributive Politics in Mubarak's Egypt

decisions are made according to established norms and expectations; individuals who engage in the largest amount of redistribution within their districts are given the opportunity to reap the benefits of membership in parliament. Elections, then, are a decentralized distribution mechanism that aids authoritarian survival by regularizing intra-elite competition, while at the same time outsourcing the cost of political mobilization and redistribution.

What kinds of benefits can one expect as a result of holding office? Holding a parliamentary seat in Egypt does not afford one the opportunity to influence policy in a meaningful way. Rather, the benefits of holding a parliamentary seat come from the informal access and preferential treatment given to legislators, particularly Egypt's high guarantee of parliamentary immunity, which protects parliamentarians from arrest, detention, or charge of criminal activity. In other words, holding a seat in parliament offers important opportunities for rent seeking simultaneously with protection from charges of corruption.<sup>27</sup> This arrangement is more credible than simply investing the elite in graft. In order for parliamentary immunity to be lifted, two-thirds of the assembly must vote to do so, and most parliamentarians, given the state of their own financial dealings, are reluctant to lift their colleagues' immunity in all but the most egregious cases. As a result, members of the rent-seeking elite spend a significant amount on their parliamentary campaigns. In 2005, the average campaign was reported to cost more than LE 12 million.<sup>28</sup> As one opposition journalist put it, parliamentary hopefuls spend millions to reap billions.<sup>29</sup>

Much of the competition for these seats takes place within Egypt's hegemonic party as NDP official candidates compete with NDP independents, who rejoin the party upon winning their seat. Independent candidacy has become exceedingly common, particularly for NDP-affiliated individuals who are not able to secure a place on the official party list. In 2005, 85 percent of all candidates running were independents, many of them affiliated with the NDP (Teti, Gervasio, and Rucci 2006).

By investing members of the rent-seeking elite in corrupt or, at the very least, below-board economic activity, members of this class become vulnerable to charges of economic crimes either under the current regime or under some future democratic or authoritarian government. As a result, current and former parliamentarians who engage in semi-licit or illicit activity find it harder to defect against the ruling regime, which maintains an extensive apparatus for collecting information on the dealings of these individuals. Thus, in the context of the declining role of the Egyptian state in the economy, the ruling regime has – to a large, but not total extent – substituted distribution of state largesse for

<sup>&</sup>lt;sup>27</sup> A parliamentarian earns benefits that are a function of his effort and skill at taking advantage of the opportunities afforded by holding office. This is not unlike Akerlof's description of the "rat race" (1976), where there are wage differentials for workers who are able to work more quickly or under more difficult conditions.

<sup>&</sup>lt;sup>28</sup> *Egyptian Gazette*, February 5, 2007; the exchange rate at the time was about LE 6:US\$ 1.

<sup>&</sup>lt;sup>29</sup> *Al-Wafd*, September 20, 2005.