

# Population Review

Volume 50, Number 1, 2011

Type: Article pp. 1-20

## Stratification and Mobility in Contemporary Egypt

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### Abstract

The objectives in this statement are to characterize and explain the patterns of change in stratification and mobility in Egypt, over the last half century, by placing them within conceptual, explanatory, and historical contexts. First, literature relevant to the primary concepts of “class” and “status”, is reviewed. Second, four institutions whose influence is fundamental in shaping these patterns are identified to form an explanatory context: family, polity, economy, and education. And third, an historical account is presented to demonstrate the interplay of these institutions and their consequences for stratification and mobility. For this, four periods are identified that are marked by change in the dominance of institutions and their corresponding influence on stratification and mobility. In addition to data available in relevant literature, this analysis utilizes primary data generated through a national probability household survey.

### Keywords

Stratification, Mobility, Class, Status, Institutions, Egypt

## **Introduction**

Stratification and mobility are universal features of human organization. Their significance is not merely one of intellectual curiosity; they are of crucial importance in the daily lives of individuals and collectives. History is filled with competing ideologies surrounding these issues, and with related experimentation with political and economic regimes. They are among the most powerful forces that shape the motives underlying individual and collective actions as well as governmental and intergovernmental policies. Concern in this statement is with describing and explaining the dynamics of these features in the organization of contemporary Egyptian society.

## **Conceptual Overview**

The analytic foundations of stratification and mobility derive from two theoretical orientations that surround the concepts of “class” and “status”. The main, and powerful, architect of the first orientation is Karl Marx to whom “the basis upon which stratification systems rest is the relation of aggregates of men to the means of production” (Coser 1977:49). The major classes are “the owners merely of labor power, owners of capital, and landowners, whose respective sources of income are wages, profit, and ground-rent”, (Marx translated by Bottomore 1964, and quoted in Coser 1977:49). Classes are not simply categories of people; there is consciousness of similarity of positions and awareness of commonality of interests and destinies. A category becomes “a class as a self-conscious and history-making body only if they become aware of the similarity of their interest through their conflicts with opposing classes” (Coser 1977:49).

Unlike classes which are based on material and economic differentiation, “status groups” are determined “by a specific, positive or negative, social estimation of *honor*” (Henderson and Parsons 1947, quoted in Nisbet 1966:214). Weber rejected communal action on the part of classes but attributed to status groups commonality in life styles. “Linked with this are expectations of restrictions on social intercourse with those not belonging to the circle and assumed social distance toward inferiors” (Coser 1977:229). The incorporation of “status groups” and the symbolic aspects of honor, prestige, and authority which define them, laid the conceptual foundations for the interpretation of pluralist multidimensional stratification systems. Conflicts can arise along a multiplicity of lines of classes and/or status groups. Nisbet (1996) points out that the “distinction between political power, economic class, and social status is brought to full theoretical explicitness in Weber’s work” (p.212). “Weber suggested that societies were stratified along various non-material as well as material lines, and that although the different forms of inequality tended to correspond, certain systematic discrepancies between them did occur” (Parkin 1971:17,18).

As to the role of “power” in stratification, the fundamental issue revolves around the foundation and exercise of authority vested in the political and legal institutions. Marx saw the form and power of these institutions to be determined by the distribution of material and economic possessions, with their authority generally directed to serving the interests of owners of means of production in their class struggle with workers. This notion of economic determinism was rejected by several major scholars. They saw a large expansion of the power bases and independence of political and legal institutions in industrial democracies because of broadening suffrage, expansion of the middle classes, centralization of power, development of political parties, circulation of elite, professionalization and strengthening the authority of bureaucracies, the spread of education, and growing emphasis on individual achievement (e.g., Tocqueville 1945; Weber 1968; Tonnies 1957; Simmel 1964; Pareto 1935).

Recent literature exhibits emphasis on status attainment of individuals, the centrality of occupations, and the importance of career and intergenerational mobility (e.g. Duncan 1961, Sewell, Haller, and Portes 1969; Haller 1970; Featherman and Hauser 1978). Also based on Weber’s multidimensional perspective, an insightful approach to the analysis of stratification was elaborated by Benoit-Smullyan (1944). It involves a configuration of rankings on multiple hierarchies such as educational attainment, occupational prestige, power, influence, income, family background, and others valued by society. In addition to the vertical dimension expressed by the elevation of positions on each of these hierarchies, a profile introduces a horizontal feature to stratification—the relative elevation of positions on the various hierarchies. Several terms have been used in identifying this dimension such as congruency, consistency, crystallization, and profile. This framework has been used to explain social participation and isolation (Lenski 1956), balance between investments and rewards (Homans 1961), dilemmas and contradictions in social interaction (Hughes 1945), stress (Jackson 1962), reactions to status threats (Nagi 1963), suicide (Gibbs and Martin 1964), voting behavior (Lenski 1967), and fertility behavior (Houseknecht and Nagi 1995). This approach was further developed, and given empirical grounding by Landecker (1981). It adds significantly to understanding stratification and mobility in Egypt.

### **Explanatory Framework**

In the analysis of these features of society, we seek explanations through an institutional perspective. The literature reveals differing conceptions of institutions (Form 1990); it is necessary to clarify how the term is used here. Institutions are among the most basic features of both cultural and social aspects of society. At the *cultural* level, there are two central elements—values and norms. Using Sorokin’s definition, values stand for “the quality of being of use, being desired, being looked upon as good”. Thus, values “open the door to the whole universe of human action” (Cowell 1970:44).

On norms, we borrow from Williams (1988) who views them as “rules for conduct ... the standards by reference to which behavior is judged and approved or disapproved. A norm

in this sense is not a statistical average of actual behavior, but rather a cultural (shared) definition of desirable behavior” (p. 204). Compared to other rules, institutional norms are the object of greater consensus and are associated with sanctions of greater intensity. Norms do not interrelate at random but in particular patterns. At the cultural level then, an institution can be defined as a set of “norms that cohere around a relatively distinct and socially important complex of values” (Williams 1988:6). These patterns of values and norms are focused on the basic needs and functions of society such as addressed by the institutions of family and kinship, economy, polity, law, religion, education, health, and others.

At the *social or structural* level, institutions are manifested in organization and action. Institutionalized values and norms generate interests and goals, and regulate the ways people organize and act in pursuit of these interests and goals. They define status positions that give structure to organizations and communities, and roles that prescribe action expected of occupants of these positions. These organizations are involved in reinforcing and transmitting values and norms across generations, and in shaping their evolution over time.

Obviously, most if not all institutions influence stratification and mobility. In this analysis, we focus on four that are believed to be the most influential—family, economy, polity, and education. Within “family and kinship”, organizations are composed of various formations of nuclear families, and other layers of kinship that make up clans and tribes, all with reciprocal role relationships. They are addressed to the functions of procreation, socialization, mutual support, and inheritance, among others. Within the “economy”, there are various types of organizations attending to societal functions of finance, production and distribution of goods and services, and the distribution of resources. Within the framework of “polity” and governance, there are also different kinds of organizations concerned with the distribution of authority and other forms of power, and the management of conflicts. Examples include political parties, interest groups, different branches of government, and its bureaucracies. Education addresses societal needs for knowledge and skills. Related organizations include all levels of schooling, the press, and other formal and informal sources of learning.

There is considerable interdependence among all institutions; a comprehensive understanding of each can only be reached when placed within the context of the others. This interdependence is often challenged by inconsistencies in values and norms, between and within the institutions themselves. Consider tensions between self and collective interests, traditional and modern perspectives, emphasis on ascription versus achievement, particular versus universal application of standards, and other polarities in orientation (see Parsons 1951). These polarities are not only applicable to cultures but also to the institutions within them. To illustrate, family and kinship are characterized by ascription, particularity, and affect in contrast to impersonal emphasis on achievement, universality, efficiency, and instrumental rationality affecting behavior in economic institutions as well as in polity and governance. Important in this respect is the concept of “dominance or

hegemony” of certain institutions over others (see Williams 1955; Gouldner and Gouldner 1963; Pankhurst and Houseknecht 2000). Institutional dominance, or imbalance, is a symptom of lack of clarity in differentiation in function, in structure, and often in both.

Distinctions between well-articulated and hegemonic interrelations among institutions are revealed primarily in the needs and functions they serve and in the management of conflicts. These conflicts translate into contradictions in values and norms that, in turn, become dilemmas in individual and organizational behavior. In societies where institutions are clearly differentiated, and well articulated, behavior within the framework of each is shaped by the respective values, and norms. In the case of hegemony, however, there is a spillover from one institution to others. For example, in many societies, especially at developing stages, family values and norms influence governance and markets, which become riddled with nepotism and favoritism. And, the selection of people for positions of authority is determined more by loyalty than by competence. Significant tensions along these lines arise between the economy and polity (Grindle 1996; Evans and Stephens 1988), family and government (Houseknecht and Nagi 1996), and other pairs of institutions.

### **Types and Sources of Data**

The analysis in this statement is based on two types of data: (1) information of explanatory and historical value that is available in existing literature; and (2) data generated through a national probability sample of households in Egypt, planned by the first author, and conducted between September 1995 and April 1996. For this survey, the country was divided into 100 primary sampling units (PSUs). Data were gathered from one adult randomly selected from each household, yielding a total of 6150. The rate of completion was 92%, and ranged from a high of 100% to a low of 84%.

### **Findings and Discussion: an Historical Account**

In attempting to explain change in stratification and mobility in contemporary Egypt, it is useful to examine the sequence of events that marked significant transformations in the four institutions mentioned above, and in their relationships to each other. In this historical review, trends and events will be roughly grouped into four time periods—before the 1952 revolution; from 1952 through late 1960s; the early 1970s and 1980s; and the 1990s and beyond (for an historical review, see: Marsot, 2007). It is important to note that change in such macro features of society often happens at slow pace, resulting in much overlap among historical eras, especially when measured in decades. The boundaries of these periods are more for heuristic value in explaining trends, rather than being definitive points at which transformations happened.

As will be further demonstrated, institutional dominance favored the family decisively throughout the first period. The second period was marked by the rise of the political/military institutions as well as the beginnings of the effects of access to education.

And, while the primary dominance of the political/military institutions continued throughout the following two periods, these periods saw a rise in the influence of the institution of the economy, along with an increasing influence of education.

### **The Pre-1952 Period**

From the turn of the twentieth century into the early 1950s, Egypt was basically an agrarian society with a highly skewed pattern of land distribution. Possession of land was heavily concentrated in the hands of a small proportion of owners—0.8% owned 34.2%, 5.3% owned 30.4%, and 95.3% owned the remaining 35.4% (Zaytoun 1982:300). There was consciousness of kind and awareness of commonality of interests among the landed aristocracy. They formed the stratum in which economic and political power coalesced. To maintain influence in the face of the circulation of power among parties, many prominent families had members belonging to different parties (Houseknecht and Nagi, 1995); they also frequently intermarried.

For several reasons, there was no evidence of tension, let alone organized class struggle, between the landed elite and those who worked on their estates. There were mutual obligations and responsibilities where the workers gave their loyalties and labor in return for support in the form of cash and/or the use of parcels of land, as well as for protection and mediation on their behalf when needing professional services, or having to interact with public or other bureaucracies. Most of these functions were performed by agents in the name of the landowners who themselves usually spent much of their time in large urban centers, especially Cairo. There was deep respect and a sense of pride in working for individuals and families who were accorded honor and prestige. Another important inhibitor of tension, between large land-owners and those who cultivated their land, is kinship and family relationships which often span the differences among strata. Usually, the landed aristocracy was composed of members of large families and kinship systems; among components of these systems were modest land-owners, and others who owned very little land. The poorer ones frequently worked in the estates of their wealthier kin. Because of their closer social proximity and direct interaction with other workers in these large estates, the strata remained interconnected in ways that prevented the development of a “caste” like system. In addition, the landed middle class also helped bridge the gulf between the landed aristocracy and the workers. Although not necessarily part of the kinship, they served as channels of information about needs from bottom up and of help and assistance from top down. These factors contributed to maintaining a sense of communal solidarity and cooperation within a highly non-egalitarian social structure.

Undoubtedly, there were exceptions to this pattern of relationships among strata in agrarian Egypt. Conspicuous among these exceptions were members of the royal family and other large land holders who were not rooted in the villages and hamlets where their estates were located. The management of these lands was usually in the hands of professional technical and administrative personnel who themselves were often outsiders to the localities. Under these conditions, more formal relationships prevailed. It is important to note that whether

or not the landed aristocracy was rooted into the social structure of the localities, differences among the strata were crystallized into consistent profiles along the various valued hierarchies of wealth, income, power, education, and ascription. No legal boundaries prevented upward mobility except for the distinctive titles held by members of the royal family and certain honorific titles bestowed by the monarchs upon others. However, rising to the stratum of landed aristocracy was rare. Government policies and actions served the interests of this stratum and made it difficult for the agricultural workers to organize in the pursuit of their interests even if they were so inclined. Furthermore, these workers lacked the awareness, leadership and resources necessary for organizing such movements. Thus, the absence of tension and conflict does not negate the widespread poverty, lack of education, and high rates of morbidity among peasants.

The emergence and growth of commercial and industrial wealth and power introduced influential interests that were not always in harmony with those of the landed elite. Major actors in trade and industry were comprised mostly of foreign firms, investors, and managers, of whom the great majority was from Europe. Tignore (1982) captures the place of this stratum in the country's social structure:

By the twentieth century, the Egyptian economy and polity was dominated and penetrated by European capital. Few other African countries were so deeply involved in the international economic order—a penetration manifesting itself in numerous branches of European banking houses, land mortgages held by those firms, foreign control over commerce, and the presence of British troops and administrators. While other colonial countries also had foreign banks, foreign troops, and foreign control of overseas commerce, in Egypt this foreign economic presence penetrated into the countryside and into the lives of ordinary peasants. It was a day-to-day reality of all urban dwellers. Because of intense nineteenth-century European contacts with Egypt, the construction of the Suez Canal and the widespread cultivation of cotton, almost no part of the country was insulated from world economic forces. Moreover, a whole host of institutions, such as the Capitulation (legally sanctioned foreign privileges) and the Mixed Courts administered by foreign and Egyptian judges, set off the Europeans from the rest of the Egyptian population and rendered them a privileged and wealthy elite (pp.20,21).

Egyptians did penetrate this stratum during the 1930s and 1940s, but remained a minority. “Of the 1008 directors listed in the *Stock Exchange Yearbook* for 1946, only 227 appear to have been Egyptians” (*Stock Exchange Yearbook* 1946:23). Great wealth was made by these and others in commerce and mostly import-substitute industries. Their interests coincided with those of the foreign elite, and conflicted with the landed aristocracy, on issues such as taxation and tariffs. On the other hand, the strong nationalist sentiment about independence united the Egyptian landed, commercial, and industrial elite. Nationalism and independence movements had egalitarian tendencies which helped solidify the support of workers and peasants around an expectation of better conditions once “foreign exploitation” was lifted (*Stock Exchange, Yearbook* 1946). Concern about poverty, lack of education, and disease became more clearly articulated and placed on the

national agenda because of the efforts of incipient labor unions and competition among political parties in an emerging democracy.

Spearheaded by education, the growth of the middle stratum accelerated in the two decades of the thirties and forties. Interest in education had filtered down to owners of medium size land holdings who were able to support their children through primary, secondary, and at times college education. National policies became increasingly supportive of education, culminating in freeing pre-collegiate levels from fees and tuition, in the early 1940s, and in establishing three major universities in addition to the already existing theological Al Azhar University. Education swelled the ranks of professionals who located mostly in the urban areas. The middle stratum was also expanded by increases in small and middle size commercial and industrial enterprises that added owners and managers to the ranks.

### **From 1952 to Early 1970s**

In July, 1952, a *coup d'etat* was carried out by a group of military officers (Britanica, 1953). This period carries the stamp of the leadership of President Gamal Abdel Nasser, who assumed responsibility after a short power struggle left him with full authority (Britanica, 1955). The political power structure was dramatically changed by ending the monarchy, dissolving political parties, replacing them with a one party system, and introducing a different form of government. The new regime also heralded dramatic economic changes that, in combination with changes of a political nature, had enormous ripple effects on all other institutions of the society and on the day-to-day lives of citizens. Ideological and polemic debates are still raging about the gains and losses incurred by this massive transformation. The purpose here is not to engage in an examination of the balance sheets. Rather, our attention is focused on policies and actions that influenced the social stratification of the country.

The ideological perspectives of the new power elite—the military rulers—were shaped by three influences that were gaining much presence in the forties—nationalist, Islamic, and Marxist movements. A common theme among these varied, and often conflicting, orientations was concern for distributive justice and alleviation of sharp inequities. Partly because of sensitivities to these concerns, partly to liquidate the resources and power of the existing elite who were in opposition to the new regime, and partly in pursuit of popular support and consolidation of authority for the regime, the new rulers embarked on extensive economic and social changes that had far reaching effects on stratification. Aided by technocrats, mostly from the middle strata, they promulgated a transformation of the social structure through programs of land redistribution (Margold, 1957), and nationalization of most commerce and industry. The harshness of the measures and their implementation for the owners, and the outpouring of publicity raising the expectations of workers, greatly heightened consciousness of class and awareness of conflicting interests. However, the landed and business elite had little, if any, recourse in the face of military control and conditions of martial law.



A series of laws, decrees, and amendments were aimed at land redistribution and changes in agrarian practices. The most significant, in regard to land redistribution, were those introduced in 1952, 1961, and 1969. The last “had the least effect ... since the area redistributed ... was very limited” (Zaytoun 1982:268). The mandates also included provisions that guaranteed tenants the holding of agricultural land they were renting, and the housing they were occupying, indefinitely. Land and housing leases became inheritable; and rent control measures for both kept their costs to tenants at very low levels compared to their real values. By 1965, the distribution of land ownership had changed to: 0.6% of the owners (50-200 acres) with 12.6% of the land; 4.7% of the owners (5-50 acres) with 30.3%; and the remaining 95% of the owners (less than 5 acres) with 57.1% of the land (Zaytoun 1982:268). In effect, caps on land ownership removed the most important resource base for the landed aristocracy. Obstacles placed in the way to realizing even the modest remuneration accorded to redistributed and nationalized properties rendered the process more one of confiscation than compensation. Later actions, in the 1970s, were aimed at facilitating a redemption process to help correct these conditions.

During the second half of the decade of the 1950s, the military government embarked on a massive program of nationalization of foreign owned commercial and industrial enterprises. The program set off a series of retaliatory exchanges with Western nations that culminated into the nationalization of the Suez Canal and the British-French-Israeli invasion of Sinai and the Canal area. While the initial targets for these actions were the foreign economic elite, the commercial and industrial enterprises of the native elite were soon to follow in the early 1960's. It would be difficult to find meaningful data about the real values of enterprises placed under government control. Also important to stratification, were the government's industrial policies which expanded that sector by adding resources to the “import substitute industries”. And, diversification was increased, beyond agriculturally based manufacturing (e.g., cotton mills, textiles, fertilizers, and food processing) by adding such heavy industries as steel and aluminum. It is surprising to note that, in spite of these changes, the category of “craftsman, production, processing, and operators” showed very slight increase as a percentage of the labor force between 1947 (20.1%) and 1966 (20.8%), and actually declined to 18.4% by 1971 (Ibrahim 1982:392). Not only does this pattern depict changes in percentages, but in numbers as well.

Land redistribution, nationalization of much of foreign or native owned commercial and industrial enterprises, social policies especially in regard to education and employment, and the corresponding rapid growth in the bureaucracy had enormous combined effects on the social structure and stratification in the country. Expanding access to education and adopting a policy of “full employment” swelled the middle strata with professionals, and with others of lower educational attainments who were placed in government and public sector employment. Between 1947 and 1966, the ranks of “professional and technical” had nearly doubled from 2.5% to 4.8% of the labor force, “administrative and managerial” had doubled from 0.9 to 1.8%. and “clerical workers” had nearly tripled from 1.9% to 5.5% respectively. Three other factors contributed in major ways to the social transformation. First is the large numbers of migrant workers whose earnings in the oil producing states of

the Gulf region and Europe substantially altered their economic conditions. The flow of remittances from these workers changed the stratification landscape in the rural communities reducing focus on “honor” and “ascription”, to be gradually replaced by increasing emphasis on material and economic possessions. Second, are efforts by the new rulers, promulgated through speeches and other means to rally support, invoking such “populist” slogans as “equality”, “socialism”, and “rights of peasants and workers”, “fighting feudalism”, “opposing exploitation”, etc. These mobilization efforts included intensive and extensive campaigns by the press and mass media; all placed under government control by then. Third, and finally, the new constitution of the country established a quota of 50% of the parliamentary seats for “farmers” and “workers”. The consciousness of “class”, “status group”, and “social position” reached a high pitch.

The effects of these trends on stratification and mobility are complex and far-reaching. However, several salient features can be identified. To begin with, they removed the old stratum of economic elite, both foreign and native, by dramatically reducing their resources and power. Even when able to protect some of their assets, members of this stratum found it prudent to avoid any appearance of opulence. Many benefited significantly, albeit unscrupulously, from involvement with the new regime and from the economic transformation it sponsored. However, in view of a milieu highly charged with counter slogans and attitudes, the newly created wealth was not made transparent and, thus, was kept from becoming a factor in stratification. The old landed, commercial, industrial, and political elite were replaced by a new elite made up of military and security officers, technocrats who helped design and implement their policies, and high level managers who were placed in charge of nationalized and newly developed enterprises. Newly enacted labor laws gave workers job security by rendering termination and layoff, after a trial period, extremely difficult. For all practical purposes, in the public sector, management replaced owners in the relationships with workers.

### **The 1970s and 1980s**

Egypt entered the 1970s encumbered with serious problems that left their stamp on stratification and mobility. Two wars, one with Israel and the other in Yemen, had sapped massive resources. Revenue from the Suez Canal and the oil fields had been stopped because of Israel’s occupation of the Sinai. The effects of inefficiencies and waste inherent in a system of central planning and command economy had accumulated over the previous decade and half. The country had become isolated from Western markets and technological developments and had become dependent on the eastern bloc economies which were themselves struggling. Illiteracy remained at high levels; and high rates of population increase still prevailed. Within the context of authoritarian political systems, change in the top political leadership can trigger rapid redirection in policies. And, given the sizable proportion of the economy under the direct control of government, change in political leadership can also lead to substantial differences in the course of the country’s economy. President Anwar Al-Sadat succeeded President Abdul Nasser in 1970 and swiftly consolidated his authority (The Americana, 1982). A dramatic redirection in international

relations and in internal economic policies strongly affected stratification and mobility. The Soviet connection was severed in anticipation of improved political and economic relations with the West. After another war with Israel, control over the Suez Canal and the oil fields returned to Egypt and revenues from the two were resumed. A policy of *infitah* or “openness” was initiated more than a decade before “glasnost” was declared by Michael Gorbachev for the Soviet Union. Sadat’s policies of openness were aimed at both political and economic institutions.

The political effects were minimal. There were hesitant attempts to introduce pluralism in politics, to promote representation through elections, to encourage freedom of the press and to advance human rights. However, these were feeble attempts calculated to protect the existing political order in which the military establishment and the practically unchallengeable ruling party were the incubators of the power elite. While more recently, advances have been made in civil liberties, the freedom of the press, and the development of political parties, the process of democratization on these and other fronts remains seriously hobbled by various constraints.

The economic effects of the *infitah* were, and continue to be, more far reaching in regard to stratification and mobility. The seeds were sown in the early seventies for encouraging the development of the private sector, promoting market mechanisms, rebuilding the country’s infrastructure, and facilitating compensation to former owners of redistributed land and nationalized enterprises. Accompanying the shift in political orientation from East to West was a corresponding shift in economic relations which was, as will be explained later, even more complex. These initiatives produced significant increases in the rates of growth of the Gross Domestic Product (GDP) from an annual average of 3.0% for the period 1964/65-1969/70, to 4.2% for 1969/70-1973, to 7.1% for 1973-1976 to 8.3% in 1977 (El-Issawy 1982:104).

In 1981, President Al Sadat was succeeded by President Hosni Mubarak whose governments have largely followed a similar orientation in economic policies. Several important trends were accelerated during the eighties and the nineties. Egypt has become a recipient of increasing international assistance, especially from the USA and Western Europe; there has also been a considerable rise in the external debt. In addition, the average annual growth rate of the GDP fell from 5.0% during the period 1980-1989 to 1.1% for 1990-94 (World Bank 1996:108).

The ultimate goal of economic policies should be to improve the people’s material well being and living conditions, through productive endeavors. Concern here is with equity in the distribution of gains and pains associated with macro-economic change. In Egypt, as in most other developing societies, the pains and gains have not been shared equitably among the different strata of the population. Attempts toward liberalization have been lacking appropriate regulatory and legal structures to guard against market excesses and other inefficiencies, to protect the balance between freedom and fairness, and to ensure transparency and accountability. The end results have been stunted rates of growth because

of the cumulative negative effects of decades of a controlled economy, and an increasing polarization in income distribution because of the absence of institutional frameworks necessary for market efficiency.

### **The 1990s and Beyond**

The account for the decade of the nineties relies on the national survey conducted in 1995/96. These data show that the lowest 10% of the sample received 1.7% of the income in contrast to the highest 10% whose incomes amounted to 30.6% of the total. A large difference also existed between the lowest and highest 20% whose shares of income were 5.8% and 46.0% respectively. It is important to note that the upper income categories might be somewhat underrepresented because of higher rates of refusal to be interviewed. A comparison with income distribution in 1991 shows an increasing polarization (World Bank 1996). The shares of the poorest 10% and 20% declined by 2.2% and 2.9%, in that order; while the shares of the highest 20% and 10% increased by 4.9% and 3.9%, respectively. These changes were reflected in the Gini Coefficients, an index of inequality in income distributions, which stood at 32.0 in 1991, and 33.9 in 1995. Considerable differences existed between urban and rural households in income inequality with Gini Coefficients of 34.6 and 29.1, respectively. These differences are not surprising since the liberalization of finance has been having a “more pronounced bias towards the short-term, large-scale, urban and information-rich investors, contributing to increased inequity in the distribution of income and wealth” (Kaul 1999).

It is within the contexts of concepts and history outlined earlier, that the structure and dynamics of stratification in Egypt, as revealed by data from the 1995/96 survey can be meaningfully characterized and interpreted. The elements of a dual class structure in the agrarian sector have given way to a far more complex system differentiated by a variety of criteria and marked by prevalent inconsistencies in status profiles. Ascription, once the most powerful basis for stratification, has been rapidly yielding to achievement, especially along material and power dimensions. And, while consciousness of kind and awareness of common interests remain characteristic of some categories, they are not among others. These general observations become more evident as we turn to the information at hand which represent the 1995/96. Adequate data are available for three variables common to stratification analysis: educational attainment, occupational structure, and earnings distribution.

*Educational Attainment:* Education in itself is a valued status dimension. It is also an important factor in mobility along other dimensions such as occupation and income level. Its influence rests on real or presumed acquisition of knowledge and skills that qualify a person for certain positions in the distribution of material and symbolic rewards. Certification, or the lack of it, explains much of the division of labor and is often a prerequisite for belonging to formally defined status groups including various professions and occupations. Four issues are consequential in regard to the impact of education on a stratification system: access, quality, attainment, and relevance to the labor market. While

detailed discussions of these four elements are beyond the scope of this statement, it is important to examine the results for adults (18 years of age and over) as of 1995/96.

| <u>Educational Levels</u> | <u>Percentage</u> |
|---------------------------|-------------------|
| No formal Education       | 41.8%             |
| Primary                   | 19.7%             |
| Preparatory               | 7.0%              |
| Secondary                 | 19.7%             |
| Tertiary                  | 11.8%             |

A comparison of birth cohorts of females and males document several expected trends. It shows greater educational attainments among males than females as well as marked improvement over time for both. It is important to note that nearly one third (31.8%) of females in the youngest cohort (born after 1962) received no formal education; which is two and a half times the corresponding proportion of males, that was still high at 12.1%. The high proportion of the total sample (41.8%) who reported no formal education account for the prevalence of illiteracy in the population.

When the analysis is limited to individuals engaged in gainful activities (self-employed or employed by others), a different picture emerges. While the trend to higher attainments over time continues to hold, gender differentials exhibit dramatically different patterns. Compared to males, there is considerable reduction in the relative proportion of females with no formal education, becoming lower than that of males for the cohort born during the period 1951-1965, as well as for those born after 1966. Equally prominent are differences in the proportions of holders of university and equivalent degrees (38.3% of females and 14.7% of males). To be noted also is that six out of ten (61.2%) in the labor force, males and females combined, did not complete secondary education, and that 29.8% received no formal education.

To assess intergenerational mobility, along the hierarchy of education, male respondents were compared to their fathers and female respondents to their mothers. For males, there were no intergenerational differences in 36.5% (N=1109) of the cases, 61.1% (N=1859) of the cases experienced upward mobility, and the remaining 2.4% (N=72) reported downward mobility for a ratio of 26 to 1. For females, 54.7% (N=1610) reported no change, in most cases at the lower educational levels; 43.6% (N=1280) were higher; and 1.7% (N=51) were lower than their mothers, a ratio of 25 to 1.

*Occupational Structure:* For the purposes of this analysis eight occupational categories were identified: Professionals and large entrepreneurs, administrators and managers, landowners of large and medium size holdings, skilled workers, routine white collar workers, small entrepreneurs, small land owners, and unskilled workers. A combination of criteria were used in delineating these categories: (1) the nature of the work they do; (2) educational attainments; (3) the authority of positions they hold; (4) the informal influence

connected to social standing in the community; and (5) economic condition and well being. The application of these criteria was based on information in the literature, systematic survey data, and observation. The occupational categories are ranked according to combined scores for education and earnings. In order to make them comparable, each of the educational and earnings distributions were standardized for males and females separately and then for the total sample. The rankings were consistent between males and females. The standardized scores for education and earnings were added to form a ranking score for the occupational categories. Data about occupations were limited to respondents who were engaged in gainful activities at the time of the survey (1995/96), and who were in ages 18-64. The following are the standard scores for education and income, a combined score on both, the distributions by gender, and the total:

| <u>Occupational Category</u> | <u>Education</u> | <u>Income</u> | <u>Combined</u> | <u>Females</u> | <u>Males</u> | <u>Total</u> |
|------------------------------|------------------|---------------|-----------------|----------------|--------------|--------------|
| Prof/L.Ent                   | 2.58             | 3.20          | 5.78            | 1.5            | 3.9          | 3.6          |
| Adm/Manag                    | 2.84             | 1.96          | 4.80            | 23.9           | 9.1          | 11.3         |
| L&M Farming                  | 0.45             | 3.70          | 4.15            | 2.1            | 3.0          | 2.8          |
| Skilled Workers              | 1.65             | 1.97          | .3.62           | 4.1            | 13.5         | 12.1         |
| Routine WC                   | 1.70             | 1.82          | 3.52            | 30.0           | 12.3         | 15.0         |
| Small Ent                    | 0.70             | 2.40          | 3.10            | 8.2            | 8.8          | 8.7          |
| Small Farming                | 0.31             | 2.11          | 2.42            | 2.7            | 7.9          | 7.1          |
| Unskilled Workers            | 0.33             | 1.61          | 1.94            | 27.4           | 41.6         | 39.5         |

As indicated above, these occupational categories vary considerably in both education and earnings, and exhibit major inconsistencies between the two dimensions. Consider for example, “administration and management” with the highest education and the third lowest income, or “large and medium farming” with the highest income and third lowest education. There are also major differences among them in power and authority. Most people in “administration and management” hold government and public sector positions that vary in levels of authority. Large entrepreneurs, especially in industry and commerce, also enjoy power by association with those in high levels of authority. This political/industrial complex, dubbed “crony capitalism”, is common to developing and transitional societies. Finally, it is to be noted also that some of the categories lack internal homogeneity.

There has been a considerable intergenerational change in the composition of the labor force when male respondents are compared to their fathers. Administrators, employed by government or the public sector, have increased nearly ten fold, and those in routine white-collar occupations have nearly tripled. Both categories of land-holders experienced major declines from 9% to 3% for large and middle size farmers, and from 11% to 8% for small farmers. Two reasons account for most of the erosion of this onetime backbone of the middle class. One is the fragmentation of ownership because of inheritance. The other factor stems from land distribution, rent control, and other agricultural policies that have prevailed for the last several decades. The combined effects decreased the owners’ control, leaving most constituents of this occupational category with revenues not

commensurate with the true value of the land, which has been appreciating significantly. In order to obtain the resources needed to maintain certain standards of living for themselves and their children, they have found it necessary to sell their land over time. This pattern of liquidating assets, especially land and real estate, is even more common among employees of government and the public sector whose salaries are well below the requirements to maintain standards consistent with their education and social position. For parents who were unskilled workers, a high proportion of their children remained in that category. The comparisons between female respondents and their mothers follow a similar pattern. However, the numbers are too small for stable results (only 85 mothers were engaged in gainful activities).

Male respondents were in the same occupational categories as their fathers in 41.6% (N=861) of the cases. Upward mobility was reported for 43.9% (N=900) and downward mobility for 14.3% (N=300) for a ratio of 3 to 1. This is a much smaller ratio than the 25 to 1 for education. The labor market has not been accommodative of graduates of universities and other forms of higher learning. The ratio of upward to downward occupational mobility for females, compared to their mothers, was much more positive (44 to 1). The small numbers call for caution in interpreting female mobility.

*Earnings Distribution:* Earnings are used here to designate income derived from a job, that is, participation in the labor market, whether through self-employment or employment by others, in the formal or the informal sector. It is an open concept with considerable ambiguities, especially at the peripheries. The ambiguities are further compounded by those who engage in multiple jobs and by others whose activities may generate revenues, but report no attachment to the labor force, such as many homemakers. These ambiguities are more prevalent in the developing than the industrialized societies. The analysis of earnings is limited here to individuals who are attached to the labor force and are in ages 18-64. Self-reported earnings and other forms of income are generally suspect, especially in societies where there is fear of negative government actions such as taxation and/or different forms of superstition. They are rendered more problematic when there are two streams of earnings—one is legitimate and carries no penalties or stigma, and the other is legally and/or morally questionable if not prohibited. The information used here is presumed to reflect the annual legitimate earnings. The distributions are as follows:

| <u>Earnings Category in LE</u> | <u>Percent</u> |
|--------------------------------|----------------|
| Up to 1500                     | 31.8%          |
| 1501 – 3000                    | 44.9%          |
| 3001 – 5000                    | 16.1%          |
| 5001 – 10000                   | 5.2%           |
| Over 10000                     | 2.1%           |

Intergenerational change in earnings was not possible to assess because of the lack of data on the income of respondents' parents. It was deemed highly questionable to expect meaningful information because of: (a) failure in memory recall, (b) the difficulty in

defining a point in the careers of parents for which data would be gathered, and (c) the unmanageable challenge of adjusting each of the values to inflation.

*Status Profiles:* The current status profiles of Egyptians (18 – 64 years of age) in the labor force are marked by prevalent inconsistencies. This is evident in the low levels of association of positions on the three hierarchies discussed above, except for the relationship between education and occupation ( $r=.83$ ,  $p<.01$ ). The association between occupation and earnings was  $r=.24$  ( $p<.01$ ); and between education and earnings was a low  $r=.07$  ( $p<.01$ ). To further illustrate the low levels of status congruency, each of the three hierarchies was divided into three broad categories (high, medium, and low). When profiles were constructed on this basis, only 30.5% were consistent: 1.9% ranked high on all hierarchies, 9.9% ranked medium, and 18.7% ranked consistently low. Conversely, the profiles for 69.5% were inconsistent with one or two degrees of difference. Earnings were higher than education and/or occupation in 17.7% of the cases; but the remaining 51.8% had lower earnings compared to education and/or occupation.

A search of the literature yielded no more recent comprehensive surveys or reports about stratification and mobility in Egypt. This is not surprising in view of the difficulties in obtaining permits from the responsible authorities to conduct such surveys. However, much can be learned from data and statements about individual components of systems of stratification, such as education and income. For example, in 2004, the rate of illiteracy among adults in Egypt was at a high 44.4%, and 56.4% among adult women (UNESCO 2004). In the same year, among 18 Arab countries, Egypt had the second lowest level of GDP per capita which was 1117 US\$ (World Development Indicators Data Base 2005). More importantly, for stratification, are observations by analysts in a professional meeting, in 2006, that the “rich-poor divide in Egypt remains significant, especially in rural areas, according to the UN and government ministries ... Improvements in the gap between rich and poor are marginal ... Poverty, especially in the rural areas, remains rampant” (IRIN 2006).

## **Summary and Conclusions**

The attempt in this statement is to describe and explain patterns of social stratification and mobility in Egypt during the last half century. In addition to data yielded through a review of the literature, a fairly comprehensive household survey was conducted in mid 1990s. Explanations are sought by analyzing these data within conceptual, historical, and institutional contexts. Particularly important is change in “institutional dominance”; that is, the “hegemony” of the values, norms, and actions, within the frameworks of particular institutions over others. The findings demonstrate the influence of such change on the organization of society.

With the dominance of the institution of “family and kinship”, up to the early 1950s, power and authority in Egypt rested with the landed aristocracy and the colonial occupiers. The large landlords perpetuated their role through inheritance and intermarriage. When



political parties were created and elections held, these families often divided themselves among parties in order to maintain their power regardless of which party won.

This pattern was disrupted in 1952 by the rise in hegemony by the “military”, after a successful coup led by Gamal Abdul Nasser, that left that institution in a position of dominance over those of politics and law. They ruled through a “one party system” and “emergency martial law”. To consolidate their power, the military leaders sought to liquidate the power bases of the landed aristocracy through programs of land redistribution, and rent control for land and residence.

While the military dominance has lasted from 1952 until now, there has been change in the form and consequences resulting from shifts in leadership. The first change was from Nasser to Sadat in early 1970s, which ushered a policy “infitah” which means openness in economic and international relations. The seeds were sown for encouraging the development of the private sector, promoting market mechanisms, and facilitating compensation to former owners of redistributed land and nationalized enterprises. By the end of the decade, the Gross National Product (GDP) had nearly tripled. The consequences of these changes to stratification and mobility were far reaching, especially in paving the way for a rise in the influence of the institution of the economy.

Another change in leadership of the military regime occurred in 1981, when Mubarak succeeded Sadat as president. The attempt was to provide continuity, and several trends were accelerated during the eighties and nineties. Egypt has become a recipient of increasing assistance from the USA, Western Europe, and international organizations. However, the GDP declined from 5.0% for the period 1980-1989 to 1.1% for 1990-1994. And, there was also a considerable rise in external debt. The macro-economic prescriptions of the World Bank and the IMF referred to as “structural adjustments” squeezed allocations in the national budget, and raised the costs, for public services including education which is an important factor and component of stratification. By 1995/96 and beyond, the status profiles of adults in the labor force has lost the crystallization of the landed aristocracy, and exhibited low association among income, education, and occupation. The exception was for the relationship between education and occupation.

Finally, important to note is the role of education which enhanced employment and earning opportunities in the country. It also had positive influence on stratification and mobility through the expansion of migration to the oil-rich countries of the Middle East, and to those of the European Union, which enhanced the levels of remittances. However, the continued strong association between illiteracy and poverty, especially in the rural areas, renders improvement in this large subpopulation difficult.

## **Acknowledgements**

Acknowledgements are due to The Ford Foundation and the Mellon Foundation for their financial support for the national survey in Egypt; and to Lexington Books for permission to use some material in a book they published.

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