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Gulf capital and Egypt's corporate food system: a region in the third food regime

Christian Henderson

Institute for Area Studies, Leiden University, Leiden, Netherlands

ABSTRACT
How can we define the emergence of new spaces in the global corporate food system? This article argues that regions in food regime theory have been overlooked, both geographically and socially. As an example of the significance of the regional level, it examines the case of the relationship between Egypt and the Gulf states. In addition to Western capital, Egypt's corporate food system has been determined by regional capital from the Gulf. Gulf investment is one of the largest foreign capitals in Egypt's agribusiness sector and it owns companies that have controlling market shares of corporate food. It will argue that this has been concomitant with the political power of a class hierarchy that extends from Egypt into the Gulf Cooperation Council states.

KEYWORDS
Egypt; Gulf; corporate food system; food regimes; regionalisation

MOTS-CLÉS
Egypte ; Golfe ; système alimentaire agro-industriel ; régimes alimentaires ; régionalisation

Le capital d'investissement du Golfe et le système alimentaire agro-industriel de l'Egypte : une région dans le troisième régime alimentaire

RÉSUMÉ
Comment définir l'émergence de nouveaux espaces dans le système alimentaire agro-industriel mondial ? Cet article soutient que dans la théorie des régimes alimentaires des régions ont été négligées, tant géographiquement que socialement. A titre d'exemple de l'importance du niveau régional, l'article examine le cas de la relation entre l'Egypte et les Etats du Golfe. Outre le capital occidental, le système alimentaire agro-industriel de l'Egypte a été déterminé par le capital régional provenant du Golfe. Les investissements du Golfe forment l'un des plus larges capitaux étrangers au sein du secteur agro-industriel de l'Egypte, et les pays du Golfe possèdent des sociétés qui contrôlent des parts de marché de l'agro-industrie. L'article soutient que ceci a été concomitant au pouvoir politique d'une hiérarchie de classe qui s'étend de l'Egypte jusque dans les états membres du Conseil de coopération du Golfe.

The role of foreign capital in transforming Egypt's contemporary food system is well established (Mitchell 2002; Bush 2007; Hanieh 2013; Dixon 2014a). Since the 1950s, inflows of cheap grain from the US led to a systemic reliance on food imports. In the neoliberal period, structural adjustment led to the increasing control of land and water resources by

CONTACT Christian Henderson cjvhenderson@gmail.com

private capital, a shift that was to the advantage of Western multinationals.[1] These transformations were determined by US hegemony, and they illustrate how Egypt's agrarian system has been shaped by global forces. While this has been broadly accepted, the role of the regional scale in determining agrarian change in Egypt has not received as much scholarly attention. This is problematic, as capital from the Gulf Cooperation Council (GCC) states has invested heavily in Egyptian food and agribusiness (Hanieh 2013).

This lacuna is reflected in food regime theory, a body of work that marks out stable periods of commodity flows in the international system. The state power that determined phases of agrarian transformation in Egypt is manifest in the notions of the first and second food regime. However, the present regime is defined by corporate power and the denotation of authority is therefore more contentious. Related to this is the question of the role of regions. The regional space in the corporate food system has been acknowledged, but the attention given to these nodes remains inadequate, an omission that has led to the accusation that food regime theory is geographically reductive.

In response, this article expands on Marion Dixon's notion of a corporate food system in Egypt by illustrating the manner in which it was partly configured by the regional scale (2013, 2014a, 2015). Gulf investment is one of the largest foreign capitals in Egypt's agribusiness sector and it owns companies that have controlling market shares, as will be evidenced. This has been concomitant with the formation of a regional class hierarchy that has ensured the unequal allocation of resources on which corporate food relies. This is manifest in the deals and arrangements that have allowed Gulf capital to access Egyptian resources such as land, water and other benefits. I will evidence these arrangements in the specific cases of financial markets and land acquisitions. Research for this article was undertaken through semi-structured interviews with agribusiness managers and government officials, during PhD fieldwork in Cairo, Egypt and Dubai and Abu Dhabi in the United Arab Emirates (UAE) in 2013–14.

Regions in food regime theory

The food regime concept was first proposed by Harriet Friedmann and Philip McMichael as a concept that links 'international relations of food production and consumption to forms of accumulation broadly distinguishing periods of capitalist accumulation' (Friedmann and McMichael 1989, 95). The notion identifies three distinct historical periods: the first food regime of European colonial power (1870s–1940s), the second regime of US power (1940s–80s) and the present third food regime. The definition of the current regime is based on the dominance of corporate power, as opposed to the state, a corollary of the 'economic liberalism geared to deepening market relations via the privatization of states' (McMichael 2005, 277). The definition of the third food regime is based on the consumer demand for 'green and fresh' food in the global North; the transfer of value from poor to rich countries; and the exchange value of food over use value associated with financialisation (Le Heron and Roche 1995; Araghi 2003; van der Ploeg 2008; Burch and Lawrence 2009; Moore 2010; McMichael 2012).

One major criticism of the food regime notion is that its systemic framework is reductive and obfuscates local trajectories (Goodman and Watts 1994, 1997; Hollander 1995; Moran et al. 1996). The concept's focus on the global scale has been accused of totalising, a result of 'a peculiarly modernist geographical imagination that casts globalisation as a colonisation of surfaces which, like a spreading ink stain, progressively colours every spot on the map' (Whatmore and Thorne 1997, 211). One further charge is that geography has generally been eschewed in favour of historicisation, and as a result the 'high level of abstraction is problematic for understanding the historical experience of particular nations and regions' (Atkins and Bowler 2001, 24).

The absence of geography was perhaps countenanced by the relatively linear nature of the first and second food regimes and their North–South organisation. However, the need to incorporate notions of space within the concept has become more acute as the third food regime comprises greater geographic complexity. Corporate governance has challenged the state system (Le Heron and Roche 1995; Pechlaner and Otero 2008, 2010). This is said to create a 'kind of borderless space where goods and services flow freely, even across national and international boundaries' (Coles 2013, 208). One part of this intricacy is the emergence of new regions 'around which regional and global, food trade concentrates displacing the centrality of the US "global breadbasket"' (McMichael 2000, 421). An example of this is the emergence of New Agricultural Countries (NACs), emerging economies such as Brazil, Thailand and Mexico that have established state-led export agriculture sectors (Friedmann 1993; McMichael 2000). These producers are considered to have encroached on the markets previously commanded by the exports of the US and Europe that defined the second food regime. Another example is the development of agribusiness in East Asian states such as Thailand as a result of import demand in Japan. This led to the formation of the East Asian food import complex, a region which became 'one central node in a global regime forming around corporate, rather than state-driven, agro-food markets' (McMichael 2000, 421).

The emergence of NACs is also reflective of the diffusion of political power in the corporate system. Margulis and Porter consider that land grabs made on South–South contours are an example of the political multipolarity of the present system, which they illustrate as complex and defiant of a 'core-periphery' framework (2013). As examples of this they point to Brazil, which has acquired land in Africa with the support of the Brazilian state, yet itself is also subject to large-scale acquisitions of land by foreign investors (*Ibid*., 7). According to them, 'more complex sets of relationships are replacing old power relationships between North and South or between a US-led capitalist West and state-centric regions elsewhere' (*Ibid*., 8).

Despite these contributions, the role of regions in the corporate food regime remains under-studied. One possible cause is food regime analysis's appendage to world systems theory, which has led to an ontological and epistemological tendency for 'large abstractions and macrostructural focus' (Pechlaner and Otero 2010, 204). This is a deficiency. The absence of focus on geographic formation has implications for the theoretical integrity of food regime theory; its biggest detractors use this as confirmation of its over-simplification (Goodman and Watts 1994, 1997). This raises queries over the integration of the corporate food system, particularly the incorporation of spaces in the global South. Other than a linear flow of Western capital, how was the food regime configured by the variegated geopolitics and social formations in non-core capitalist areas?

In order to address this question it is necessary to develop a conceptual framework that accounts for the relation between capital and a hegemonic state system. McMichael considers that, like the previous food regime, the present system is predicated on US imperial power, as it depends on the restructuring of states through free trade agreements and structural adjustment programmes (2005). However McMichael later pointed to the rising level of land grabbing by Southern states as a sign of the 'redistribution of power across an increasingly multi-centric global food system' (McMichael 2013, 48). Given this contradiction, how can we understand the nature of imperial power in the present regime? In an attempt to address this inconsistency, this article will rely on Nicos Poulantzas' definition of imperialism as a contemporary process. He argued that the relationship between imperial powers and their domain had transformed since the pre-Second World War period; rather than a relationship that reproduces itself through external dependence, the capitalist mode of production has become established internally within national class and state formations. According to Poulantzas, 'internationalisation consists in the induced reproduction of the CMP (capitalist mode of production) of the metropolises within the dependent and dominated formations, that is, in the new historic conditions of its reproduction' (Poulantzas 1975, 50).

In this sense the imperial power of the US in the Middle East is partly expressed through the Gulf states. For Poulantzas, the process of internationalisation determines class and state formation, and this creates an 'internal bourgeoisie' within states that is entwined with global capital (*Ibid.*, 72). Rather than an autonomous entity, the state and its apparatuses are the 'condensation of a class relation' and articulate the interests of this bourgeoisie (*Ibid.*, 25). This framework encourages a cognisance of capitalism in the Gulf states as a pattern of accumulation that interlinks state and private capital across the Middle East region. In contrast to Weberian interpretations, there is little partition between the commercial interests of the state and that of private individuals. This is a striking feature of the cases examined in this article, which illustrate the formation of the capitalist class in the Gulf; princes in the ruling monarchies and the business families that have served as historic allies (Hanieh 2011).

This article posits relations between the Gulf and Egypt as a socio-spatial region. Space will be theorised through the concept of scales; the fluid, fixed and mutually related geographic levels at which capital is organised and defined by social relations, struggle, state power and other characteristics (Brenner et al. 2003). In this sense space is constituted by 'shifting organizational, strategic, discursive, and symbolic relationships between a range of intertwined geographical scales' (Brenner 2001, 600). Scale is socially produced, 'not as an ontological entity with particular properties but as a strategy, as a way to achieve a particular end' (Born and Purcell 2006, 197).

The regional scale allows us to overcome the systemic limitations of food regime by incorporating notions of a network (Whatmore and Thorne 1997). By doing so it partly explains the manner in which the global corporate system has expanded into countries such as Egypt. The global system 'depends upon intricate interweavings of situated people, artefacts, codes, and living things and the maintenance of particular tapestries of connection across the world' (*Ibid.*, 212). The recognition of the significance of meso-level regions responds to the weakness of the binary between the local and the global. In this case the regional scale has been concomitant with the formation of a class structure that includes GCC capitalists, their Egyptian counterparts, and figures within the Egyptian state. This represents 'the changing hierarchies at the regional scale as an integrated unity that shapes social formations at the national level' (Hanieh 2013, 2).

This socio-spatial approach responds to the accusations that food regime theory is geographically reductive. For example, the notion of an NAC tends to reify the national scale;

its focus on state-led agro-industry places an emphasis on a national capitalist class that neglects exogenous capital. In the case of Brazil, perhaps the clearest example of an NAC, the spatial integrity of the national scale is challenged by the manner in which it is both subject to foreign land investments and engages in this practice in offshore territories. This status as a 'land grabbed land grabber' complicates the NAC account (Borras, Franco, and Wang 2013, 167). When deployed with a Poulanzian definition of imperialism and the state, this scalar approach also ensures that the regional scale is not overly abstracted and reified. The economies of the Gulf states are tightly integrated into Western capitalism, and they remain dependent on the aegis of the US military. As a result the regional scale cannot be considered in isolation from the US hegemon, nor is an account of their regional role antagonistic to notions of US power.

One socio-spatial understanding of the corporate food system was encapsulated by van der Ploeg's notion of an empire (2008). The corporate food system is a domain of interlocked socio-techno worlds of corporations, state institutions and supranational organisations that enable the extraction of wealth through its conquest of autonomous spaces. In this sense Gulf capital is an expression of this empire in Egypt, a defining actor that constitutes the regional scale in this system's global sequence. This empire presides over three different competing and overlapping constellations: capitalist farming, peasant farming and entrepreneurial farming (*Ibid.*, 3). The relations between the constellations, and the circuits that link them, are in a constant state of movement as a result of competition and contestation. According to van der Ploeg, 'Empire is not only an emergent and internally differentiated phenomenon; it is, above all, the interweaving and mutual strengthening of a wide range of different elements, relations, interests and patterns' (*Ibid.*, 4).

Gulf capital and class power in Egypt

Gulf capital's class power in Egypt is based on its relationship with the authoritarian 'state–capital nexus' (Abdelrahman 2014, 11). This is exemplified by the links between Gulf firms and state agencies such as the military and complexes such as financial institutions with close ties to the Mubarak regime. The history of this relation can be traced back to the early 1970s, when the oil boom created surplus capital that was channelled through the Western financial system, augmenting the strategic status of the Gulf states (Hanieh 2011). Investment also flowed into the Arab region and in Egypt this was facilitated by *infitah*, the economic liberalisation policies of President Anwar Sadat that started in 1973 (Feiler 2003). This can be observed in the substantial flows of aid and investment from the Gulf states to Egypt, which were as high as $17 billion between 1969 and 1979 (*Ibid.*, 1). This relationship also had other institutional forms. One of the policies of *infitah* was the creation of an alliance between Egyptian labour and resources, Gulf capital and Western technology. This formed the basis of joint ventures such as the Arab Organization for Industrialization, a weapons manufacturing project that was founded with investment from Egypt, Saudi Arabia, the UAE and Qatar in 1975.

During this period there were signs of the formation of regional class. Increasing numbers of GCC citizens travelled to Egypt, and for these the country 'represented a gateway to the international world of business' (Mann 2012, 761). For many inhabitants of the Gulf Arab states, Egypt offered facilities that were unavailable in their home countries such as education and healthcare. The substantial increase in emigration from

Egypt to the Gulf during the 1970s also created the basis for investment partnerships. According to anecdotal accounts, this typically involved an Egyptian returning to his country to start a business with savings accumulated during a stint working in the Gulf states. After a period the Egyptian required more capital and would often return to his employer in the Gulf and offer shares in return for investment.[2]

These commercial relationships between Gulf investors and Egyptians were strengthened by personal friendships and marriage. For example, Gulf businessmen such as Saleh Abdullah Kamal and members of the Sharbatly and Shobshoki (two Saudi business families with interests in the food sector) married Egyptian women.[3] This had the added benefit of allowing these businessmen to circumvent laws limiting foreign ownership of Egyptian companies, and often shares of companies were registered in the name of Egyptian spouses. Personal friendships even extended to the presidency, and the former Saudi intelligence chief and brother-in-law of King Faisal, Kamal Adham, had a close relationship with Sadat. Adham is reported to have entered into joint business ventures with Sadat's wife Jehan and other members of his family (Cooley 2002, 92).

The position of Gulf capital in Egypt's economy deepened following the country's debt crisis in 1988. Its 1991 loan from the International Monetary Fund and structural adjustment programme was further impetus for the free market reforms that had begun in the 1970s and 80s. In line with this policy, the government sought foreign investment, and Gulf capital was a major source of capital. Due to the tight links between Egypt and the GCC states, Gulf investment fulfilled the regime of Hosni Mubarak's need to balance the logic of capital accumulation with the logic of power maintenance (Roccu 2013). This political relation was concomitant with Gulf capital becoming a central element in the configuration of free market reform in Egypt; it was a beneficiary of privatisation and resource allocation. According to Hanieh, 'the process of liberalization in Egypt was to a great extent predicated upon the westward internationalisation of Gulf capital' (2013, 43).

One example of Gulf capital's position in the state–capital nexus that will be presented here is the partnership between GCC firms and the Egyptian military. The military has always played a role in Egypt's economy, especially following the development of its industries in the 1970s, and its factories produced consumer products as well as arms (Metz 1990). Since the revolution of 2011, the army's power has increased and it has used its control over Egyptian resources to partner with foreign investment in food and agriculture (Marshall and Stacher 2012; Marshall 2015). The military also has influence over the bureaucracy, partly due to a network of retired officers who are provincial governors and managers of state-owned industries. It also has a veto over land use and has the power to block a construction application due to supposed security considerations (Barayez 2016).

Financial markets also provided an important political structure for the internationalisation of Gulf capital into Egyptian agribusiness. The flow of GCC investment into the stock market and investment funds provided the capital for the acquisition of vertically integrated portfolios of industrial agribusiness assets. These financial institutions embodied political power; they created a structure for investment that led to growth in sectors such as agribusiness, yet their Egyptian shareholders and managers had close links to the state. In this sense, they provided the 'window dressing' that created the appearance of a free market, despite their close relations with the Mubarak regime

(Owen 2012, 51). Gulf capital was one of the main sources of foreign investment in these markets. The 'new class of finance capitalists' who launched funds and private equity companies that invested heavily in agribusiness were dependent on the flow of Gulf capital across the Red Sea (Dixon 2014a, 233). As a result, financial institutions provided a social structure for the relations between Egyptian crony capitalists and GCC investors. This combination of capital and political influence helped them to penetrate the food and agriculture sector, particularly through the acquisition of privatised companies and state land. In this sense, Egypt's financial institutions articulated the authority of the regional class hierarchy on which the corporate food system was partly predicated.

Gulf capital and Egypt's corporate food system

The characteristics of the corporate food regime are conspicuous in Egypt. Corporations control supply chains from the farm to the supermarket and they have established monopoly control of agribusiness production. According to Dixon, the corporate food system underwent three waves of consolidation from the 1990s onwards, firstly facilitated by the liberalisation of the Egyptian economy, secondly by Egypt's accession to the World Trade Organization in 2004 and lastly by the acquisitions made by finance capital from 2004 onwards (2014a). This article seeks to expand on this definition of a corporate food system in Egypt by arguing that these phases of consolidation have been contingent on the internationalisation of Gulf capital into the sector.

Tables 1–4 reveal the food and agribusiness companies in which Gulf investors own majority and minority shares. These companies have been central actors in Egypt's corporate food system. It should be noted that the estimated market shares are given by the companies themselves (Tables 1–4).

The market shares illustrated here were established as a result of the deepening marketisation of Egyptian agriculture since the 1990s. The decreasing support for small farmers and the orientation towards export agribusiness have resulted in the diversion of resources towards capitalist farming. This differential allowed the establishment of supply chains of raw inputs for processing and livestock feeds through a combination of vertical integration and disintegration. As will be illustrated, agribusiness companies, including a number of Gulf companies, acquired land on state-sponsored reclamation projects on which raw inputs were cultivated. Concurrently, the liberalisation of the agrarian economy integrated smallholder farmers into the corporate system, and agro-industrial supply chains extend

Table 1. Poultry.

Company	Estimated size of market	Ownership
Cairo Poultry Company	30%	Majority Kuwaiti/minority Egyptian: Food conglomerate Americana
Al-Wataniya Poultry Company	20%	Majority Saudi Arabian: Al-Rajhi family
Ismailia Misr Poultry Company	20%	Majority Saudi Arabian: Businessman Saleh Abdullah Kamel
Nesma Ommat	Around 50 million chicks a year	Majority Saudi Arabian: Al-Turki family and Abdulaziz bin Ahmed Al-Saud

Table 2. Dairy.

Company	Estimated size of market	Ownership
Juhayna	65% of packaged milk market	Majority Egyptian/minority Saudi. Majority shareholder is Egyptian: Safwan Thabet and his family.
Dina Farms	54% of the fresh milk market	Egyptian and GCC Gozour – Qalaa Capital
Nile Company for Food Industries	Estimated in 2009 to be the second-largest producer of packaged milk and juices	Egyptian and GCC Gozour – Qalaa Capital
Beyti Al-Marai	20% of market share of milk	Majority Saudi and multinational: Al-Marai and Pepsico
Arab Dairy Company	Owns Panda cheese brand	Majority Egyptian/minority Saudi: A former shareholder of the company was the family of Kamal Adham, the head of Saudi intelligence under King Faisal. In 2015 the firm was sold to Pioneer, a Egyptian private equity fund with Saudi investors.

Table 3. Processing.

Company	Estimated size of market	Nationality of shareholders
Savola Subsidiaries include: Afia International Alexandria Sugar Company United Sugar Company El-Maleka El-Farash Alexandria United Company for Land Reclamation	29% market share of cooking oil Savola owns two of three private sugar refineries in Egypt. Savola's two pasta subsidiaries control 60% of the Egyptian market.	Majority Saudi and other GCC. Shareholders have included members of the Al-Muhaidib and the Issa families and also members of the ruling Al-Saud family such as Al-Waleed bin Talal.
Ajwa	Ajwa's frozen vegetable subsidiary produces 18,000 tonnes of frozen vegetables a year.	Majority Saudi: Mohammed bin Issa Al-Jaber
Americana – Kharafi Group Subsidiaries include: Farm Frite Senyorita Group Egyptian Starch and Glucose Company	The frozen chip subsidiary has 90% of the Egyptian market.	Majority Kuwaiti: Kharafi family
Gozour – Qalaa Capital Subsidiaries include: National Company for Maize Products Rashidi El-Mizan Mom's Food	Rashidi El-Mizan's halawa and tahina products have Egyptian market shares of 59% and 68% as well as a 15% share of the national jams market.	Egyptian and GCC. GCC shareholders include the Olayan Group, a large Saudi conglomerate, and a member of the ruling family of Qatar.
Univert	Pasta Baby food Flour	Majority UAE and Saudi Arabia: Around 50% is owned by Al-Sameh Trading Company in the UAE.
Agthia	Tomato-processing factory in Egypt	Majority UAE: General Holding Corp (Abu Dhabi government owned)

into the informal sector, a process that led to the 'the reconstitution of peasantries' (Dixon 2013).

This differential has facilitated the integration of Egypt's agrarian economy into circuits of accumulation in the Gulf. Conglomerates such as Americana and Savola own large

Table 4. Supermarkets and fast food outlets.

Company	Estimated size of market	Ownership
Carrefour	Carrefour owns six hypermarkets and 10 smaller neighbourhood supermarkets.	Majority UAE: Majid Al-Futtaim
Spinneys	Four supermarkets	Majority UAE and GCC: Abraaj Group
Americana It owns the following franchises: Kentucky Fried Chicken (KFC), Hardees, Pizza Hut, Costa Coffee and Baskin Robbins	Americana is considered to be the leading company in the fast food sector in Egypt	Majority Kuwaiti: Kharafi family
Al-Shaya Group Franchises: Starbucks	Around 20 Starbucks outlets in Egypt	Majority Kuwaiti
Olayan Group Franchises: Burger King	Around 21 Burger King outlets in Cairo	Majority Saudi Arabian

Sources: Al-Marai 2014; Americana 2012, 2014; Euromonitor 2015a, 2015b, 2016a, 2016b; Savola 2013; also company reports, company websites and media articles dating from the last 10 years.

portfolios of agro-industry companies across the region, and have established vertically integrated and disintegrated supply chains. Egypt is one of the largest markets for these companies outside the GCC states. In 2014 Savola's total revenues were $7.6 billion in 2014, and of this the company's oil and sugar activities in Egypt accounted for $930 million (Savola 2014, 39). These companies are an illustration of the regional class hierarchy that has determined Egypt's corporate food regime. Their owners include Egyptian capitalists who are closely connected to the state, Gulf business families and members of the ruling families in the GCC. For example, the founders of Americana were the Kharafi family, an influential household in Kuwait whose members have held senior positions in government. The CEO of Americana in Egypt is Moataz Al-Alfi, a businessman who had a close relationship with Mubarak. Savola's major shareholders include members of the ruling Al-Saud family such as Al-Waleed bin Talal (Zawya 2016). Al-Marai was also founded by a member of the Al-Saud family (*Ibid.*).

For these capitalists, shares in agribusiness companies are a part of a wider portfolio of companies that span the regional economy and include real estate, banking and other sectors. The largest of these companies can be considered as components of international capital as well as regional. Olayan Group, for example, owns the regional franchise of Burger King, and it has also accessed the Egyptian agribusiness sector through Qalaa Capital, as will be discussed in the next section. Olayan also owns more than 10% of Credit Suisse and has major equity investments in Western markets (Reuters 2016). Many of these conglomerates have acquired the regional franchises of multinational food brands. The Middle East franchise of Carrefour is fully owned by Majid Al-Futtaim, a Dubai-based retail and real estate conglomerate that has been a major investor in shopping malls across the region. In this sense, Gulf capital has acted as intermediary for Western brands in Egypt and it has allowed them to maintain their global presence.

Financial markets

The internationalisation of Gulf capital into Egyptian agribusiness was contingent on the growth of financial markets in the 1990s. As part of the liberalisation policies, state-owned companies were privatised by initial public offerings (IPOs) on the stock market and were acquired by private equity funds. The IPOs of state-owned food and agribusiness companies raised the largest amount of the total funds raised from all offerings that took place between 1995 and 1996, and half of the companies privatised were in this sector (Amcham 1997, 39–40). Egyptian companies also sought capitalisation through listings on the bourse in the 2000s.

Gulf investors now form one of the largest foreign capitals on the exchange, and in the food and agriculture index Gulf investors currently hold majority or minority stakes in 14 of the 29 companies (The Egyptian Exchange 2016). Table 5 reveals the companies that have a component of Gulf investment (Table 5).

Gulf capital also flowed into the private equity and investment funds that were launched in Egypt in the 2000s. These ventures partnered Gulf investment with Egyptian capitalists who had close links to the Mubarak regime. The combination of political stature and capital was a powerful format that ensured the penetration of the Egyptian food and agriculture sector. Qalaa Holding, formerly known as Citadel Capital, is a clear example of this relationship. Gulf investors were one of the main sources of capital for this company, which played a lead role in opening food and agriculture to investment by financial

Table 5. Gulf capital on the Egyptian Stock Exchange.

Company	Gulf shareholding
Edita Food Industries	Majority shareholder is Quantam Investments, a Dubai-based fund chaired by Turki Bin Salman Bin Abdulaziz Al-Saud (40%).
East Delta Flour Mills	Minority shareholder is Mohammed Al-Rajhi, a member of family that owns Al-Rajhi Bank, a bank in Saudi Arabia (10%).
Upper Egypt Flour Mills	Minority shareholder is Saudi businessman Mohamed Dhayyan Abdul Aziz Al-Dhoheyan (20%). Minority shareholder is Arab Cotton Ginning (8%). Saudi fund Amwal Al-Khaleej is a major shareholder in Arab Cotton Ginning.
Arab Dairy Company	Majority shareholder is Pioneer Holdings, a fund based in Egypt (65%). Abdulkader Al-Muhaidib and Sons Co is a minority investor in Pioneer (14%).
Atlas For Land Reclamation and Agricultural Processing	Minority shareholder is Misr Financial Investments Company (6.76%), which is partly owned by Ahli United Bank in Bahrain.
Juhayna Food Industries	Minority shareholders are Saudi investors (25%).
Ismailia National Food Industries	Majority shareholder is Faisal Islamic Bank of Egypt, which is partly owned by the family of Mohammed al-Faisal Al-Saud.
Ismailia Misr Poultry	Majority shareholder is Saudi businessman Saleh Abdullah Kamel.
Cairo Poultry	Majority shareholder is Kuwaiti food conglomerate Americana (34%).
Egypt for Poultry	Major shareholder is Saudi businessman Nawaf Abdullah bin Dayel. He has a direct minority shareholding (5.55%). He also owns large stakes in Artej for Investment and Real Estate Development SAE and Naad for Investment and Development, two other shareholders in Egypt for Poultry.
Egyptian Starch & Glucose	Americana is the majority shareholder (41%).
AJWA for Food Industries company Egypt	Ajwa is owned by Saudi businessman Mohammed bin Issa Al-Jaber and the Islamic Development Bank.
Sharkia National Food	Majority shareholder is Saudi businessman Nawaf Abdullah bin Dayel (25%).
Arabian Food Industries DOMTY	Majority shareholder is Saudi businessman Yahya Mohamed Awad Bin Ladin (15.65%).

Sources: Mubasher profiles, Al-Ahram English articles and Zawya profiles dating from the last 10 years.

institutions (Bishop 2012, 227). GCC shareholders include the Olayan Group, a large Saudi conglomerate and a member of the ruling family of Qatar. Emirates International Investment Company, a company owned by two senior members of the ruling family of Abu Dhabi, has also been a significant shareholder in Qalaa (Zawya 2006). The marriage between political influence and capital enabled Qalaa to acquire a large portfolio of vertically integrated companies including Dina Farms. One example of the power that was embodied in Qalaa was the huge profit it made by purchasing and reselling a state company. In 2005 Qalaa and a consortium including Saudi-food conglomerate Savola bought Egyptian Fertilizers Company from the Egyptian state for $739 million. Two years later, the company was sold for double that amount (Gara 2011).

Another institution that was a conduit for Gulf capital was EFG Hermes. Investors in EFG previously included Dubai Financial Group, a company owned by Sheikh Mohammed Al-Maktoum, the ruler of Dubai, a Saudi businessman, and Abraaj Group in the UAE (Zawya 2016). EFG Hermes was a direct appendage of the Mubarak regime. Gamal Mubarak, the son of President Hosni Mubarak, was a major investor in the fund and he was estimated to have owned 35% (EIPR 2016). In 2006, EFG Hermes established a food and agribusiness fund, Horus, which included a number of Gulf investors including a member of the Saudi ruling family (Halime 2014). The fund had a total capital of US$46 million, and of this GCC capital publicly accounted for around US$6.6 million. As of 2009 the fund had invested in four food companies in Egypt (EIPR 2016).

Gulf capital and the Egyptian state

One central pillar of Gulf class power is its relationship with the Egyptian state. Through relations with the presidency and the army's officer class, GCC investors have benefited from resource allocation and bureaucratic assistance. These relations are partly configured by GCC–Egypt state relations; several of the Gulf companies investing in Egyptian agribusiness are partly state owned and are therefore supported by their domestic governments. Other structures for these links include joint shareholdings between Gulf investors and the Egyptian state on the bourse. For example, Upper Egypt Flour Mills' majority shareholder is the state-owned Food Industries Holding Company and the minority shareholder is Saudi private equity company Amwal Al-Khaleej (Zawya 2016). These relations form part of the state–capital nexus that monopolises Egypt's liberalised economy. This network is opaque and the following section is not a definitive account of the transactions that take place between foreign investors and the state but rather a select example of such arrangements.

Access to land has been an integral feature to the development of the corporate food system in Egypt (Sadowski 1991; Mitchell 2002; Adriansen 2009; Dixon 2014b; Sims 2014). It provided a base for the production of commodities for industrial farming and processing in Egypt and in the Gulf states. A defining feature of land allocation in Egypt is that it mostly consists of sparsely populated desert areas that are transformed into agricultural areas through irrigation and the intense use of fertiliser. The most well known of these state-sponsored land reclamation projects is Toshka, an area located 150 kilometres west of Lake Nasser that encompassed more than 600,000 acres of land. Irrigation for the scheme is based on Nile river water, which is pumped into the project's irrigation canals with infrastructure paid for by the Egyptian government. The project was launched in 1996 and was under the direct patronage of Mubarak, who saw it as a means to manufacture legitimacy for his regime (Deputy 2011). As evidence of the central role of Gulf capital in the configuration of these schemes, GCC investors owned or rented as much as half of the total area of the project. Investors included Al-Waleed bin Talal Al-Saud, UAE company Al-Dahra, which is owned by a member of the ruling family of Abu Dhabi, and a company owned by the family who owns one of Saudi Arabia's largest banks. As an example of the differential between corporate agribusiness and small-holder agriculture, investors acquired land on Toshka at 50 EGP per feddan, a price well below the market rate (Ahram Online 2011).

One feature of the Egyptian state's mediation of Gulf investment is the role of the army. One such partnership has been on a land reclamation project launched by the military in Sharq El Oweinat, a remote location around 400 kilometres from Aswan in the Western Desert. Unlike the Nile-fed irrigation of Toshka, Oweinat relies on boreholes that access the non-renewable fossil groundwater of the Nubian Aquifer. Oweinat is around 259,000 acres in total and the military's involvement in the project is revealed by its ownership of a farm that is almost half the total size of the scheme's total amount of reclaimed land (Bahar 2014). The area is restricted and a security permit is required to visit the area. While around half of the project is farmed by the military, Gulf-owned companies rent or own most of the remaining areas of land, and they are the only foreign investors on the project. Companies operating farms on the scheme include Jenaan, a firm owned by the emirate of Abu Dhabi, which is tasked with supplying the UAE state with food commodities. Another company on the project includes Al-Dahra; and a further agribusiness firm with land on Oweinat is Al-Rakha, which is owned by Mohammed Al-Rajhi, of the Saudi banking family.

In addition to farms, the military has also used its influence to mediate investment in the food retail sector. The country has proven to be a difficult environment for foreign supermarkets and acquiring the necessary permits from ministries has been known to take years. As a result, a number of European and Western companies have failed in their attempts to access the Egyptian market. In contrast, since the early 2000s large Gulf-owned supermarket brands such as Carrefour and Spinneys have operated successfully in Egypt. In an interview in his office in a suburb of Cairo, a manager of a Gulf-owned supermarket chain explained how his company's operations were facilitated by its close relationship with the military:

> I went to see the government with several issues that were blocked on a file and nothing was done. I went to see the military and everything was fixed after the first meeting. The army can do in one day what would normally take three months if you went through the standard channels.

The manager gave specific details of the commercial relationship between his supermarket and the military. According to him, his company retailed electrical products (such as television sets) that are produced by the Arab Organization for Industrialization. As a result, he estimated his supermarket has created around EGP 11 million in annual revenue for the military due to the sale of its products.[4]

The relations between the Egyptian state and Gulf investors described here are relatively distinct. Western capital has not acquired land on reclamation projects such as Toshka, nor does it appear to have successfully entered into sectors such as food retail, where institutions such as the military hold influence as a result of their veto over planning permission. One possible explanation for this is that Western companies are reluctant to engage with state actors in an explicit manner, which could leave them open to accusations of corruption. Companies in Europe and the US are bound to legislation over corruption and bribery, which, superficially at least, makes them reluctant to enter into direct partnerships with institutions such as the presidency and military. In this sense Gulf capital has acted as an intermediary for Western brands in Egypt through franchise agreements. GCC companies' relations with the Egyptian state have ensured that food multinationals maintain their global hegemony, without the risk and complications of direct engagement.

Conclusion

The flow of capital described here is evidence of the integral role of Gulf capital in constructing Egypt's corporate food system. In this context, Egypt's corporate regime was not only configured by processes at the national scale, nor was it simply a linear consequence of a global system, it is also a construct of the regional scale. The Gulf has become a node that reproduces the corporate food system; the class hierarchy that has determined agrarian development in Egypt extends into the GCC states. By emphasising the modalities of such socio-spatial formations, food regime theory can be adjusted in ways that can fully accommodate the regional scale; their variegated geopolitics and the social formations that reproduce corporate food.

What inferences can be made about the future of the regional scale that has been described here? One prospect is that the inequality of the system will result in rebellion that will challenge the class relations upon which the corporate food regime in Egypt is predicated. Small farmers were at the heart of the 2011 revolution and around 700,000 are estimated to have joined labour organisations that formed following the overthrow of Mubarak (Nour 2015, 204). The main demand of this movement was access to land and water, resources that have been engorged by agribusiness. This uprising offered a chance to reverse the dispossession inherent in the corporate food system, and it had the potential to return management of state resources and the food system to a greater level of social control. However, this movement was quickly contained by the counter-revolutionary nature of the governments that followed Mubarak; administrations whose capacity depended on a series of aid packages from the Gulf states. This is a feature of this regional socio-spatial scale. Small farmers in Egypt are pitted against agribusiness companies owned by powerful Gulf investors. In their struggle, small Egyptian farmers face not only the domestic class structure but also that of the GCC states, whose capital, intimate relations with US power, and authoritarian nature grant them considerable capacity.

Notes

1. This article considers 1991 to be the start of the neoliberal period in Egypt, due to the agreement of that year between the Egyptian government and the International Monetary Fund and World Bank. Although market liberalisation began in the 1970s and continued through the 1980s, the 1991 agreement marked the start of a more explicit intervention into the economy by international financial institutions.
2. Interview with agribusiness manager, Cairo, 20 November 2013.

3. Interview with agribusiness manager, Cairo, 7 May 2014.
4. Interview with supermarket manager, Cairo, 19 November 2013.

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Note on contributor

Christian Henderson is Assistant Professor of Middle East Studies at the Institute for Area Studies, Leiden University, Leiden, Netherlands.

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