

Blood and capital

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Here's a question: Amidst the enormous surge in stock markets all over the world last year, which country was the most attractive to international finance capital? Was it the country with the most productive manufacturing base? Or one with a highly innovative technology sector? Or, perhaps, a country with a thriving retail industry?

If you chose any of the above, you guessed wrong. The country that proved the greatest magnet for investors looking for super-high returns on their capital was... Egypt!

This is good news for those looking for easy money in the markets. In selecting among competing opportunities, there is no need to pore over corporate balance sheets, PE ratios and 200-day moving averages, or study complex technical charts. Just find out where police are shooting down protestors, where prisons are packed with innocent people, and where kangaroo courts are condemning hundreds to the gallows. That's where the big money is to be made.

According to a January 1 report in the *Financial Times*, Egypt's equity markets produced a total return—including dividends and share price increases—of more than 30 percent in 2014. Since General Abdel Fattah al-Sisi took power in a bloody military coup in July of 2013, overthrowing the government of Muslim Brotherhood President Mohamed Mursi, the MSCI Index for Egypt's stock market has almost doubled.

Since the Western-backed coup, the al-Sisi regime has killed at least 3,000 people, including the massacre of over 1,000 members of the Muslim Brotherhood who occupied Cairo's Rabaa al-Adawiya Square in August 2013. In 2014, Egyptian courts condemned a total of 1,397 political detainees to death in three mass show trials. The regime has also issued a law banning unauthorized demonstrations or strikes in order to suppress any protest against its bloody rule.

Two weeks ago, al-Sisi personally boasted that his

regime had imprisoned nearly 10,000 people in the past year. Human rights groups estimate that over 40,000 people have been arrested under his rule, many of them imprisoned without charges in secret torture centers run by the security apparatus.

Representatives of the ruling class—within Egypt and internationally—have hailed the measures carried out by al-Sisi since he took power. Abdel Moneim Al-Sayed, the head of the Cairo Centre for Economic and Strategic Studies, recently praised the economic policies of the military regime, noting that they were “closer to austerity” after the ousting of Mursi.

On a recent visit to Cairo, World Bank Chief Economist for the Middle East and North Africa Region Shantayanan Devarajan said of the military regime's efforts to reform the economy: “The way they are approaching it I think is the right way... Investors are looking for a program that provides a certain level of certainty about policies. Investors want political stability.”

One of the “certainties” under military rule in Egypt is that anyone who publicly criticizes the government is at great risk of being imprisoned or murdered. This is the “political stability” the international financial markets like so much! They see the imposition of dictatorship—to use their language—as a bullish indicator.

In all the major capitalist countries, the banks, financiers and speculators look with interest to Egypt. Gabriel Sterne of Exotix, a London- and New York-based frontier market bank active in Egypt, summed up their calculations shortly before al-Sisi's installation as president: “I think most investors would say it doesn't appear all that democratic, but it's more stable, so my investment will be safer.”

As the military regime is suppressing opposition at home, the imperialist powers are paying court to its leader. In 2014, al-Sisi visited the US and France and

received an invitation from the German government to come to Berlin. According to the Egyptian Ministry of Investment, foreign direct investment in Egypt rose by 100 percent to \$6 billion in fiscal year 2013-2014, and is expected to rise to \$10 billion for 2015-2016 and \$14 billion within three years.

The developments in Egypt are a damning exposure of the lies of bourgeois commentators, who argue that there exists some sort of connection between democracy and capitalism. Precisely the opposite is the case. The counterrevolutionary developments in Egypt demonstrate the profound connection between finance capital and the tendency towards authoritarianism.

International finance capital looks to the Egyptian military with enthusiasm not only for what it is doing in Egypt, but for the model the financial markets favor for every country.

“Imperialism is the epoch of finance capital and of monopolies, which introduce everywhere the striving for domination, not for freedom,” wrote Lenin. “Whatever the political system, the result of these tendencies is everywhere reaction...”

The same repression, the same violence, the same abrogation of even the pretense of democratic forms of rule—such is the basic tendency of finance capital. The methods of al-Sisi in Egypt find their parallel, in the center of imperialism, in the brutal torture carried out by the CIA, in the massive military-intelligence spying apparatus headed by the NSA, and in the unending reign of police violence within the United States.

In all the major capitalist countries, the ruling class is steadily building up the mechanisms of repression. Since the economic crisis of 2008, the banks and financial speculators who control that vast mechanism of fraud and criminality known as the “market” have engineered the transfer of trillions of dollars into their own pockets, paid for through an unending assault on jobs, wages and social programs.

The military regime in Egypt exemplifies the methods that international finance capital is preparing wherever it encounters popular opposition to its system of exploitation.



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