Review of Middle East Studies, 50(2), 195–219

BOOK REVIEWS

Najat Abdulhaq. *Jewish and Greek Communities in Egypt: Entrepreneurship and Business Before Nasser*. London and New York: I.B. Tauris, 2016. i + 359 pages, figures, images and tables, acknowledgements, preliminary notes on transliteration and abbreviations, appendix, references and sources, index. Cloth US$110.00 ISBN: 978-1-78453-251-2.

According to the old stereotype, the Jews and the Greeks are the eternal merchants and moneylenders of the Mediterranean. From the Middle Ages to the twentieth century, with infinitely greater hostility toward the Jews, this image was pejorative. In the age of globalization and neoliberal finance, the proverbial swindlers of diasporic trade have suddenly turned into heroes. Najat Abdulhaq dubs them "the masterminds of economic growth" in Egypt and praises their "innovative" "entrepreneurial spirit," calling it the "locomotive" of the country's growth from 1885 to 1952 (120, 209). The issue with such approaches, however, is that, in an attempt to overturn a negative stereotype a positive stereotype is produced. Here, the danger is to perpetuate the nostalgic Eurocentric narrative which blames all of Egypt's ills on Nasser and romanticizes the pre-Nasserite past as a lost paradise of liberal cosmopolitan modernization. Abdulhaq embraces most of this discourse, but with a crucial difference. In contrast to others, she is thankfully aware that Egypt's urban multiculturalism was not a product of British colonialism, but of the Ottoman society which preceded it.

The book is a synthesis of economic theory and empirical research on joint stock companies carried out at *Dar El-Kutub* in Cairo. On the theoretical level, the study adopts Joseph Schumpeter's theory of entrepreneurship, which holds that economic growth is driven by the "entrepreneurial spirit" of a country's business class and its ability to "innovate." The second conceptual pillar is network theory. The author holds that entrepreneurs take greater risks if they can draw information and trust through the "shared value systems" of their respective communities (94–95). At the empirical level, the study finds that, of 759 joint stock companies founded between 1885 and 1960, 49 percent showed Jewish and Greek "participation," when both minorities never exceeded 2 percent of Egypt's total population. We are also told that of those 759 companies, 229 were "innovative," and of the latter, 72 percent showed Jewish or Greek participation. Finally, through tracking family names, we find that networking with same community members stood at 13 percent for both Jews and Greeks, and at 37 percent with other communities. This leads the author to conclude that Jewish and Greek overrepresentation in big business "was achieved through entrepreneurial behavior that clearly conformed to the Schumpeterian mould … supported by minority communities whose structures facilitated networking" (205–6).

These inferences, however, are based on a dubious reading of the evidence. First, the study tends to treat joint stock companies as somehow representative of Egypt's whole economy, when their turnover formed only a fraction of it. To show how unrepresentative this sample is, it suffices to say that from 1931 to 1950 Egypt saw the highest growth in new joint stock companies since the 1880s, but in the same period its economy suffered its longest crisis, resulting in a loss of 20 percent of GDP. Second, to say that Jewish and Greek entrepreneurs "participated" in 49 percent of joint stock companies obscures the fact that they were often auxiliary shareholders in otherwise Egyptian-owned firms. The point is clarified in the discussion on Bank Misr, but is obfuscated elsewhere, leading to an exaggerated image of their role in Egypt's big business before 1952. Third, the core argument that Egypt's pre-Nasserite economy was driven by the "innovative" genius of Jews and Greeks is also misleading. Based on vague criteria, we are told that 30 percent of the 759 companies were "innovative." However, instead of stressing that the remaining 70 percent were not, and thereby challenge the Schumpeterian thesis, the analysis bypasses the issue and deceptively concludes that "the central element of Schumpeterian entrepreneurship, innovation, was clearly evident in the Egyptian market" (122). "Evident," however, does not mean "dominant." Similar salami-slice tactics are used to back the implausible claim that "the interrelationship between entrepreneurship and networking led to the dominant economic role played by minority communities in Egypt" (10–11). The study's own data suggests that same community networking was found only in 12 percent of the firms involving Jews and 1 percent involving Greeks. Astonishingly, however, the author circumvents these conclusive findings and, without citing one source, remarks that "scholarship demonstrates that Greeks did indeed build networks but often elsewhere" (118).

Similar defects can be found throughout the book's five chapters. Chapter 1 on historiography, dedicates twenty-seven pages to the Egyptian Jews, but just two pages to the scholarship on the Egyptian Greeks. The author seems unfamiliar with several English and French articles and book chapters on the subject, not to mention Greek sources. The theoretical discussion, rather curiously, is delayed until the median chapter 3, while Schumpeter's theory is presented without any reference to its critics, including those who question its applicability to less developed economies. The historical narrative in chapters 2, 4 and 5 is based overwhelmingly on secondary sources and often appears uninformed by recent scholarship. As a result, inaccurate or highly contentious statements are presented as unquestionable truths, like the claim that "both communities were forced to leave between 1956 and 1967" (11). However, Israeli records show that half of Egypt's Jews left Egypt before 1956, while the fiction that Nasser "expelled" the Greeks is dismissed by recent research.

Another myth, which encapsulates the book's core thesis, is the notion that after 1952, when "the public sector was supreme, minorities were seen entirely as avaricious elements of the private sector" and their innovative role was crushed (202). The author seems oblivious to the fact that by far the greatest economic innovation emanating from Egypt's foreign communities since 1885 was steadily suppressed by the pre-Nasserite market economy, but was finally embraced by Nasser's interventionist state. This is the Aswan Dam, a project proposed by the Greek-Italian engineer, Adrianos Daninos (see Tom Little, *High Dam at Aswan*, New York: John Day, 1965). In an overlooked passage from his historic Canal Nationalization speech, Nasser recounted that "someone came and told us about a project, the High Dam project …. This is a project which existed since 1924. And they used to call this man crazy …. We placed this proposal under examination and …. the project turned out to be good" (Gamal Abdel Nasser, 'Speech at Alexandria on the Fourth Anniversary of the Revolution, 26 July 1956', *Gamal Abdel Nasser Digital Archive*, Bibliotheca Alexandrina, http://nasser.bibalex.org/Speeches/browser.aspx?SID=495&lang=ar). This is how Suez began and electricity finally reached every town and village. In short, the history of Egypt's foreign communities is far too complex to fit the simplistic argument presented in this book.

DOI:10.1017/rms.2016.153

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