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FROM BREAD TO FREEDOM: BREAD SUBSIDIES AND THE RIGHT TO FOOD IN EGYPT

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During the 2011 uprising in Egypt, the people gathered together shouting ‘Bread, freedom and social justice’. In Egypt bread is more than just the main staple food—the word itself also means life in the Egyptian dialect of Arabic. Nearly 25% of the population of Egypt depends on public assistance programs to access bread. In this context, increases in its price have been the trigger of major riots and uprisings in 1977, 2007 and 2008.

Following political upheaval, regime changes and the constitutional recognition of the right to food and food sovereignty in 2014, concerns over bread—from production to consumption—continue to weigh on large segments of Egyptian society. These issues threaten social protection and are a primary driver for the ongoing corruption of state actors. As subsidy reforms take off across the country, it becomes paramount to utilize the new constitution to hold the government accountable to the commitments within.

THE RIGHT TO FOOD AND FOOD SOVEREIGNTY IN EGYPT’S CONSTITUTION: A VICTORY FOR CIVIL SOCIETY

During the 2013 drafting process of the new constitution, the Working Group on the Right to Food and Food Sovereignty in Egypt, a civil society-based initiative led by the Egyptian Initiative for Personal Rights (EIPR),² was committed to achieving progressive language and commitments on the right to food and food sovereignty. Consequently, Article 79 of the constitution, which was adopted in January 2014,³ makes explicit reference to the right to food and food sovereignty. It is important to note that Egypt is the first Arab state, and one of seven globally, to constitutionalize food sovereignty. Together with provisions that oblige the state to abide by international agreements and treaties signed by Egypt, Article 79 is an important step in holding the state accountable to obligations to fulfill economic, social and cultural rights, and a premise towards the realization of sustainable development nationwide.

Nevertheless, despite a rather progressive constitution, especially in its protections of human rights, economic and social policy in Egypt has remained resistant to constitutional commitments. It has continued to favor austerity measures that negatively impact those populations most at risk. Additionally, unsustainable funding of development objectives, including a heavy reliance on food imports, also puts into question the very value of the constitution.

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² For more information, please visit: eipr.org/en.

³ The *Constitution of the Arab Republic of Egypt 2014* is available in English (unofficial translation) at: www.sis.gov.eg/Newvr/Dustor-en001.pdf.

BREAD SUBSIDIES: A PRECARIOUS SYSTEM

Bread is a major part of the Egyptian diet, as wheat production, flour and bread have been heavily subsidized by the government for several decades. Egypt is the world's biggest importer of wheat, importing some 11 million tons during 2015, which is just over half the needed 19 million tons.⁴

The bread system in Egypt is complex, multi-layered and plagued with corruption,⁵ however, bread has been a longstanding social protection strategy for the Egyptian government. Despite changes to the systems, families still heavily rely on these subsidies. Considering that the average Egyptian household spends 46% of its income on food, subsidies on consumer goods (especially food and fuel) are critical for most households to meet their basic needs. They accounted for 4% of Egypt's total spending during the 2014/15 financial year.⁶

SUBSIDY REFORM

Food subsidy reform has often surfaced in the government's plans over the last decade. Nonetheless, it continues to be a sensitive political issue, especially in the wake of the more recent severe economic crisis, which has led to inflation, unemployment and underemployment. Various approaches to subsidies have been proposed, including scaling them down, eliminating them altogether or replacing them with their monetary equivalent.

After the nationwide mass uprisings in 2011, calls for reform have also focused on making the bread subsidy system more targeted to those most in need, as well as more efficient in battling widespread corruption, all the more so given the budget deficit. However, instead of reforming a poorly managed welfare system, the state has focused on reforming welfare spending within an austerity package that has consequences on social systems.

In 2014 and 2015, the government announced that the aim of the food subsidy reform was to cut waste and create a more efficient system to state spending on wheat. To accomplish this, the government introduced a new system of rationing bread through cards and diversifying subsidized commodities available to low-income populations. It also committed to minimize corruption. The new smart card entitles owners to a fixed ration of five loaves of bread per day, whereas before anyone could buy an unlimited number of subsidized bread loaves at specified bakeries. However, one of the biggest changes to the system is that the government has decreed that bakers will no longer buy flour at the subsidized price; instead, they will be reimbursed by the state based on sales data gathered from smart cards. This has been proposed in an effort to crack down on smuggling and waste, since bakeries were selling subsidized flour at market price to pastry shops and individuals. Moreover, subsidized bread was often used as fodder as it is cheaper than animal feed bought on the market.

According to the state, the new food subsidy system and discounts at state grocery stores are meant to counter possible price hikes resulting from cutting fuel subsidies. This soon proved necessary with price hikes resulting from new monetary policies and fuel subsidy cuts implemented in during 2015 raising food price inflation to a massive 15% in December 2015, as opposed to 8% in December 2014.⁷ As wages have not increased for most persons, this steep inflation rate has had serious effects on access to food for many families.

4 FAO. *Global Information and Early Warning System on Food and Agriculture (GIEWS) Country Briefs Egypt*. Rome: FAO, 2016. Available at: www.fao.org/giews/countrybrief/country.jsp?code=EGY.

5 For more information on the politics of wheat and bread in Egypt, and the process of bread production, please see: Kamal, Oday. *Half-baked, the Other Side of Egypt's Baladi Bread Subsidy*. Barcelona: Center for International Affairs (CIBOD), 2015. Available at: www.cidob.org/en/publications/publication_series/monographs/monographs/half_baked_the_other_side_of_egypt_s_baladi_bread_subsidy.

6 Waad, Ahmed. "Egypt's new system tackles bread consumption." *Ahram*, July 14, 2014. Available at: english.ahram.org.eg/News-Content/3/12/106252/Business/Economy/Egypt-s-new-subsidy-system-tackles-bread-consumption.aspx.

7 FAO. *Supra* note 4.

THE REALIZATION OF THE RIGHT TO FOOD: RISING TO THE CHALLENGE

In terms of supply, Egypt's reformed food subsidy system might have become more 'efficient', but the outcome in terms of access for the most at-risk populations is still questionable, as it does not address the root causes of food insecurity. The country's poverty rate has increased in the past years, reaching 26.3% for the year 2012/13, according to the latest reports from the Central Agency for Public Mobilization and Statistics (CAPMAS).⁸ With the increase of food prices and currency devaluation, assumptions can be made that the situation is worse, in particular for those living in extreme poverty and already lacking access to their basic rights.

Additionally, as government programs continue to rely on the same corrupt channels that have reportedly deprived the most vulnerable households from benefiting from more than 20% of subsidized goods, a serious reform of public governance is needed at all levels. The government must focus its efforts in reaching the most vulnerable populations, so as to ensure that subsidies are targeted and reach their beneficiaries, and to realize the right to food and nutrition for all citizens, as enshrined in the constitution.⁹

As inflation continues to surge and the poverty rate escalates, bread subsidies in Egypt must continue to support the operationalization of the right to food. Additionally, new approaches that take into account the larger food system should be explored, paying particular attention to production overall and to small-scale producers. The dependence on grain import is a serious problem that needs to be addressed by protecting local production and small-scale farmers, supporting their rights to grow their local varieties. This requires adherence to constitutional commitments and policies that the government is still far from implementing.¹⁰

In light of a parliament that is representative of the executive branch, more so than of the people, and in view of growing restrictions on freedom of expression and routes of mobilization, the question remains on how Egyptians will fight for their food needs and entitlement to food. The constitutional protection of food sovereignty and the right to food is a theoretical ideal on paper, but it remains far removed from reality.

8 For more information (in Arabic), please visit: www.capmas.gov.eg.

9 The Egyptian Center for Economic and Social Rights. *Joint NGO Session on the Situation of Economic, Social and Cultural Rights in Egypt*. Cairo: ECESR, 2014. p. 6. Available at: cesr.org/downloads/JS_Economic_Social_Rights_Egypt.pdf.

10 Saqr, Basheer and Emily Mattheisen, "Operationalizing Food Sovereignty in the Egyptian Constitution." In *Land and its People: Civil Society Voices Address the Crisis over Natural Resources in the Middle East/North Africa*, edited by Housing and Land Rights Network—Habitat International Coalition, 299–304. Cairo: HIC-HLRN, 2015. Available at: hlm.org/img/publications/BigMasterFinal.pdf.