Aaron G. Jakes, *Egypt's Occupation. Colonial Economism and the Crises of Capitalism*, Stanford University Press, Stanford 2020.

Aaron G. Jakes's book is a fascinating in-depth analysis of modern Egypt from the British occupation in 1882 to the end of the Great War and its independence "on paper" in 1922. Imperialism, international finance and nationalism are treated together in a smooth narrative that encompasses the entire work. The question of debt, public and private, played a leading role in explaining Anglo-Egyptian economic relations, and in particular the subordinate role imposed upon Egypt during the British occupation. As is well-known, officially the military occupation of Egypt was the consequence of a series of destabilizing events such as default, constitutional rule and military threat.
The occupation paved the way for a reform movement whose aim was to adapt Egypt to a capitalistic economic system. Economic austerity was imposed in order to adjust the public finances so as to pay off the foreign debt and restore the international credibility of the Egyptian state. This was intended to create a favourable environment for capital investment to gain secure profits and high returns, especially in an epoch of economic crisis, such as the depression that started in 1873.

The British, of course, believed in the potential of free-market doctrine for improving the living conditions of the peasants, freeing them from the fetters of a backward society in which feudal relations and quasi-slavery still held sway: "Material prosperity, they now alleged, had won them the active approval of the Egyptian people." And in fact Egyptian peasants were formally relieved of *corvée* duties in January 1892. However, the Egyptian government did not eliminate the exploitation of conscript labour. *Corvée* was not pivotal to increasing the peasants' productivity, rather quite the opposite. This law, indeed, was one example of the progressive institutionalisation of economic liberalism in Egypt based on individual capacity for personal material success.

Generally speaking, Lord Cromer and the British authorities justified their invasion, occupation and economic reforms by portraying the local political and fiscal situation in a derogatory manner. The British saw themselves as saving the peasantry from misery by enabling them to become the promoters of their own prosperity. Liberalism and capitalism were supposed to attain this objective.

Egypt, indeed, was pivotal to the British economic empire; its cotton was a key raw material for the British textile industry. Free market reforms served to adapt the local economy to the needs of British investors. Cheap labour, for example, was an essential element in making the production of raw materials competitive, increasing profits for the British industrialists.

Laissez-faire, of course, is an economic theory that requires the application of State power. The State is not neutral but instead plays a self-interested part in favouring the operation of a certain economic model. In Egypt, Britain extended its control over the State to impose liberalism as the central doctrine of economic and political life.

The commercialization of Egyptian land and the introduction of the capitalistic social model were much more profitable for large landowners than for the peasantry. The former benefitted from rising land prices and the value of their properties, while the closer integration of Egypt into the international market improved their borrowing capacity. This was especially true in the last quarter of the nineteenth century, as international capital looked for profitable new outlets producing higher returns than were available in Europe. But the effects of debt differed radically between large landowners and peasants. The latter were obliged to pay their taxes as due regardless of the price fetched by their crops, often driving them into debt. Excessive borrowing and high interest rates exposed them to the danger of losing their farms, and in fact many were reduced to the status of day labourers with no chance of recovering their land. In the meantime, wealthy landowners and European investors tightened their grip on the land.

The foundation of the Agricultural Bank of Egypt in 1902 was intended to enhance Egyptian farmers' access to credit at more favourable conditions, but this institution came into being too late. The fall of world cotton prices in 1894 had endangered the basis of the British reform policy by exposing farmers to the destabilising fluctuations of the international market.

According to the economic doctrine of colonialism, Egypt was supposed to attain prosperity by extending full-fledged capitalistic relations of production to agriculture. This meant letting capital pour in freely, without restriction, helping to trigger speculation and a struggle over land ownership. The situation worsened in the wake of the financial crisis of 1907. The credit crunch caused a panic in the Egyptian financial market with heavy losses for Egyptian and European financial institutions alike and the withdrawal of Crédit Lyonnais from the local market. Another instance was the collapse of the Italian Cassa di Sconto e di Risparmio, which was involved in speculative activities such as trading in cereal commodities and managing remittances by the Italian community. The bank went into liquidation in 1907 (although it was reconstituted in 1909). In any case, the crisis had made it clear that the capitalist reform programme of the British rulers had not helped small peasants to improve their material well-being but instead had worked to the benefit of large landowners and profit-seeking foreign investors.

In conclusion, Aaron G. Jakes' work will certainly be instructive for anyone interested not only in the history of British imperialism and modern Egypt, but also for scholars interested in global finance and its effects on countries at the periphery of the capitalist productive heartland.

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