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## Égypte Soudan mondes arabes

25 | 2024

Ruins of the Welfare State: Material Legacies of Socialist Pasts in Egypt and Sudan

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# The Ruination of *Tamwîn*? Ration Shops, Valuation Struggles, and the New Food Subsidy System in Egypt

*La « mise en ruine » du Tamwin ? Épiceries subventionnées, conflits de valeur et le nouveau système de subventions alimentaires en Égypte*

« خراب » التموين؟ محلات التموين، وصراعات التقييم ونظام الدعم الغذائي الجديد في مصر

Marie Vannetzel

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MARIE VANNETZEL

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**THE RUINATION OF *TAMWÎN*?  
RATION SHOPS, VALUATION STRUGGLES,  
AND THE NEW FOOD SUBSIDY SYSTEM  
IN EGYPT**

SUMMARY

In 2014, the Egyptian government launched a package of reforms that transformed the Food subsidy system (FSS). These were promoted as a way to improve the system's efficiency and implement more equitable social policies. To achieve these objectives, marketization measures were implemented within the FSS. Focusing on the ration-card component of the new FSS (*tamwîn*), this article investigates whether, despite apparent efforts to reinvigorate it, the Egyptian FSS is undergoing ruination, which is defined as the political and economic process that devalues the system's network of actors, labors, and relationships. The FSS is the locus of valuation struggles between actors with opposing social visions for the system, namely marketization as economic efficiency versus food provision as social solidarity. In this article, ration shops provide a critical vantage point for examining these valuation struggles. I argue that these shops are experiencing ruination owing to a push towards market efficiency, which has transformed the system's supply chains. However, they also stand out as places where the welfare state's arena of value is reclaimed through informal interpersonal arrangements between ration shop operators and citizens. One such informal practice is *tabdil* ("substitution"), which exemplifies how, in the face of market efficiency pressures, the value of social solidarity within the FSS is restored.

## INTRODUCTION

I noticed Wassim's ration shop as I walked down the alley, looking for a sugar-free soda to fight the July heat. In historic Cairo, coffeehouses, craft boutiques, and ill-stocked grocery stores compete for space. The ration shop was in a corner. Half a dozen people were queuing on the narrow pavement, dodging the tuk-tuks while waiting to reach the counter where Wassim stood. A woman handed him a green smart card, which he inserted into a machine that looked like a credit card reader. He punched in the woman's identification number, and then the codes for the subsidized goods. The machine printed two receipts. He put one of these on his receipt spike and turned with the other to the register. Chatting with the woman, he entered the list of goods she asked for. The receipt still in hand, he grabbed a calculator and worked out how much she should pay in cash. Meanwhile, two young men behind him filled plastic bags with the woman's purchases: four kilos of sugar, seven bottles of cooking oil, a kilo of rice, a small bag of pasta, and a pack of Oxi washing powder.

When I came back the next day to interview him, I saw him repeating these mysterious actions many times. Ration shops, where Egyptians procure subsidized goods, are an essential part of Egypt's Food Subsidy System. I thought I knew the system well, but I could not figure out what Wassim was doing. Thankfully, he agreed to sit with me and explain them in detail. I had been introduced to Wassim by a neighbor of the shop, who told him jokingly: "Give her information and don't distort it!" I sat inside the crowded shop, between the freezer and the rolled-up metal shutter. The people queuing looked at me inquiringly. Wassim was very busy; he was the only one using the machine in the shop. He sat with me whenever the queue disappeared and tried to answer my questions, only to be interrupted after a few minutes. I could feel that he was tense. Was it because of the queues, or because people were watching me? I said I'd come back at night, after closing. Then, with the shutter rolled down, we talked quietly, smoking cigarettes. Time suddenly seemed limitless.

Wassim's ration shop is one of 1,100 state-run consumer complexes (*mugamma'ât istihlâkiyya*) in Egypt. Along with approximately 37,000 licensed private grocers (*baqqâlin tamwîniyyîn*), these complexes form the distribution network of the Egyptian Food Subsidy System (FSS). The FSS—also known as the ration-card system or *Tamwîn* ("supply")—has been the subject of intense debate and significant changes in recent years.

Following President al-Sisi's election in 2014, the Egyptian government launched a package of reforms that transformed the *Tamwîn* system.<sup>1</sup> These were promoted by the government as an initiative to enhance the system's

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1 This article will not cover the *baladî* bread system, which is linked to the *Tamwîn* system but involves a different set of actors. On bread in Egypt, see Kamal (2015) and Barnes (2022).

efficiency and to implement fairer social policies. Indeed, in Egypt as in other places, food subsidies have been criticized in numerous reports as an inefficient and regressive type of safety net (World Bank 2005; Sdrlevich et al. 2014; Verme and Araar 2017; Alderman et al. 2018). An influential 2010 report showed that 28% of government spending on the FSS was wasted through leakages to the black market, as a result of the price distortions created by the subsidies (Al-Shawarby and El-Laithy 2010, 32). The report also found that the system disproportionately benefited wealthier quintiles over poorer ones (*ibid.*, 25). It recommended eliminating price differences and targeting the bottom three quintiles. The 2014 reforms introduced solutions along these lines. As I will explain here, these reforms aimed to eliminate price distortions and leakages by marketizing the system. Ten years on, the new FSS was recognized by experts and policymakers as a positive but not sufficient improvement on the old system (Breisinger et al. 2021). Major discussions are now underway among policymakers regarding the complete removal of commodity subsidies. These have gained additional urgency in the context of soaring food import bills and foreign currency shortages.

In line with the concerns raised by this volume, the present article examines whether, despite apparent efforts to reinvigorate it, the Egyptian FSS is being subjected to ruination with the aim of its ultimate demise. Ruination is generally understood as the process through which something is altered in a way that leads to its total collapse. I do not delve into the abundant anthropological literature on ruination, which addresses the violent destruction of buildings and structures resulting in material debris of obsolete orders and projects (Stoler 2008; Dawdy 2010). In my case study, the FSS is physically manifest in the form of factories, warehouses, and ration shops. While many of these facilities are in a state of decay, like Wassim's consumer complex, or even dilapidation, like the Ministry of Supply and Internal Trade (MOSIT) building on Qasr al-Ainy Street, others are relatively new establishments that have not fallen into ruin in the material or aesthetic sense.<sup>2</sup> Even so, these facilities may collectively be regarded as moribund operations, steadily depreciating assets, and the future remnants of the Nasserist "feeding state" (Khoury-Dagher 1996). Ruination, then, is not defined here as "the political project that lays waste to people and places, relations, and things" (Stoler 2008: 196), but rather as the political and economic process that devalues the material and symbolic assets of the FSS. Besides the physical locations, these include the people who run them; all the actions, relations and operations involved, from dealings with suppliers to interactions with beneficiaries; the commodities handled; and also the meaning of the system, namely food provision as social solidarity.

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2 Just like other ministries, the MOSIT (Ministry of Supply and Internal Trade) started to be transferred to the New Capital during Summer 2023.

In thinking about who and what gets devalued in the context of the FSS, I found David Graeber's anthropological theory of value to be helpful. Reformulating Marx's labor theory of value to include all types of creative human action, Graeber suggests that the value of a given object – be it a product, institution, person or action – is “the proportion of a society's creative energy it sinks into producing and maintaining it” (Graeber 2001: 55). However, Graeber emphasizes that this proportion cannot be objectively measured, as the diverse forms of creative energy are not quantifiable in standard units. Thus, value proportions are inherently tied to the subjective importance that actors assign to any particular form of labor (in the broadest sense) within “society” as they perceive or imagine it. This reflects Graeber's notion that value is derived from the way in which actions become meaningful to individuals by virtue of their being part of a larger social “totality,” even if this totality primarily exists in the actor's imagination (Graeber 2008). In complex societies, he adds, there are “a thousand totalities,” or imaginary arenas in which different values are realized, and “the ultimate stakes of political life tend to lie precisely in negotiating how these values and arenas will ultimately relate to one another” (ibid., 226). The Egyptian FSS is the locus of such valuation struggles between actors who envision different social totalities and make competing claims about society, each bearing heterogeneous scales and definitions of meaningful actions.

Concretely, two grand arenas of valuation are at play in these struggles around the FSS. Economists and policymakers from both ministries and international organizations view the FSS primarily in economic terms, associating it with the totality of the market. Their value of concern is economic efficiency. Accordingly, the 2014 reforms sought to enhance the FSS's efficiency through marketization, on the principle that “increased competition within a sector will stimulate efficiency gains” (Gingrich 2015). Among their explicit goals, the reforms sought to transform beneficiaries into “market consumers, who can maximize their benefits according to their needs and preferences;” to turn “groceries into market competitors that have an incentive to improve their efficiency and effectiveness;” and to give “more negotiation power in the commodity market to the Ministry of Supply and Internal Trade and its affiliated agencies, because of the new simpler supply-chain” (Al-Shawarby 2018; cf. Abdalla and Al-Shawarby 2018).

The alternative perspective, by contrast, situates the FSS within the imaginary arena of the welfare state, where social solidarity is the ultimate value. From this perspective, the value of the FSS lies not only in its extensive coverage, with 63.3 million beneficiaries in 2022 (about 62% of the population): it stems also from the significance of the FSS as a form of state action that fosters social solidarity by ensuring universal food security. Actors who share this view are diverse and numerous, but less powerful. They include most Egyptian citizens, and also a minority of government agents and economists, who may

embrace this view under some particular circumstances.<sup>3</sup> As Graeber notes, “any one individual will find themselves constantly moving back and forth between universes” (Graeber 2008, 229). In support of this insight, I will show how ration shop managers and grocers navigate these competing arenas of valuation, negotiating the demand for economic efficiency, while recreating social support through personal arrangements with beneficiaries.

Reformulated in terms of a struggle over values, the question concerning the FSS’s ruination becomes: who and what gets devalued within the network of actors, labors and relationships that constitute the FSS, as the value of market efficiency becomes dominant? And to what extent does marketization undermine the FSS’s value as a form of social solidarity?

In this article, ration shops provide a critical vantage point for examining the valuation struggles over the FSS. In the first part, I argue that these shops are experiencing ruination owing to a push towards market efficiency, which has transformed the system’s supply chains. However, they also stand out as places where the imaginary arena of the welfare state is recuperated through informal interpersonal arrangements between ration shop operators and beneficiaries. In the second part, I discuss how these arrangements, where illegal practices are infused with neighborliness, reconfigure the FSS’s official rules so as to meet shared expectations about welfare. One such illegal practice is *tabdil* (“substitution”), showcased in the interaction between Wassim and the woman in the introductory scene. *Tabdil* exemplifies how, in the face of market efficiency pressures, the value of social solidarity within the FSS is reestablished.

My research on the FSS spanned multiple visits to Egypt from 2015 to 2023, including a four-year period when I lived and taught social sciences in Cairo. Fieldwork was conducted with experts, government officials, and various actors along the system’s supply chains. This article focuses on the interviews and ethnographic observations I conducted with seven ration shop workers from across Egypt: Cairo, and some villages around Tanta, Marsa Matrouh, Luxor, and Damietta. I met with some of these individuals on multiple occasions. Given the sensitive nature of the topic, I had to rely on personal networks to access my informants and gain their trust. In what follows, I detail the cases of four of these workers: Gohary, Younes, and Hagg Hafez, all private licensed grocers; and Wassim, a consumer complex manager.<sup>4</sup>

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3 I do not have the space here to examine these actors’ varying perceptions of the FSS in detail.

4 I am deeply grateful to my informants. Names have been changed to ensure their anonymity.

## THE MARKETIZATION OF RATION SHOPS: RUINATION IN THE NAME OF EFFICIENCY

How did the 2014 reforms transform the FSS into what I call the *tamwîn* market? And how did this transformation impact the daily operations of ration shops? The FSS is organized around the Holding Company for Food Industries (HCFI, al-Sharika al-qâbida li-l-sinâ'ât al-ghidhâ'iyya), a joint-stock company that operates public and semi-privatized food industries in the sugar and oil sectors, and manages wholesale companies and consumer complex chains. FSS operations meanwhile are regulated by two state institutions, the MOSIT and the General Authority for Supply Commodities (GASC, al-Hay'a al-'amma li-l-sinâ'ât al-tamwîniyya).<sup>5</sup> Despite the central role of state institutions within it, the system has shifted towards profit-seeking, which has altered transaction patterns all along the supply chain. While upstream operations have gained new surplus wealth, the emphasis on market efficiency has resulted in the devaluation of ration shops, in three ways.<sup>6</sup> First, the core function of ration shops—distributing subsidized products—has been undermined by the prevailing value system's emphasis on the marketization of prices. Second, competition has reduced their earnings. Third, extensive new controls imposed by the HCFI and the MOSIT to curb leakages and corruption have devalued ration shop operators themselves, marking them as individuals suspected of misconduct.

*The Devaluation of Ration Shops' Actions*

Gohary, a 50-year-old resident of a village near Marsa Matrouh, is a former *tamwîn* grocer. When I met him in February 2018, he was making a living from simple errands, as a day laborer in a bakery in the mornings and in masonry in the afternoons. His grocery had shut down in 2017, just three years after the new FSS was implemented. Initially, he ran a small, ordinary grocery in a desert suburb of Marsa Matrouh. In 2012, he applied for a *tamwîn* license from the MOSIT to enhance his shop's appeal by offering both subsidized goods and free-market products, aiming to attract more customers who, in addition to picking up *tamwîn* items, would also shop for other products ("free sales"). At that time, under the previous FSS, beneficiary families were "linked" to a designated ration shop, which would either be a state-owned consumer complex or a licensed private grocery. This linkage system (*nizâm al-rabt*)

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5 The MOSIT supervises the GASC, which purchases wheat, grains, raw oils and oilseeds, from local or international producers, with the state budget credit allocated for the FSS. See Presidential Decree 1189 of 1968 for the GASC's official mission, and Al-Disuqi 2005 for more information about the history of MOSIT.

6 For more on the marketization of upstream supply chains, see Vannetzel 2023.



For family of 4	October 2012 former quotas				March 2019 credit: EGP 199 for 4 people				July 2022 credit: EGP 199 for 4 people			
	Quantity	Prices		Quantity	Prices		Quantity	Prices				
		Per kg	Total		Per kg	Total		Per kg	Total			
Sugar (kg)	8	EGP 1.25	EGP 10	6	EGP 9.5	EGP 57	4	EGP 10.5	EGP 42			
Cooking oil (l)	6	EGP 3	EGP 18	5	EGP 19	EGP 95	4	EGP 28.75	EGP 115			
Rice (kg)	8	EGP 1.5	EGP 12	5	EGP 9	EGP 45	4	EGP 10	EGP 40			
Tea (kg)	0.2	EGP 13	EGP 2.6	0.08	EGP 75	EGP 6	0.08	EGP 87.5	EGP 7			
Total	kg 22.2	EGP 42.6	EGP 42.6	kg 16.08	EGP 5	EGP 203	kg 12.08	EGP 6	EGP 204			
Out-of-pocket payment		EGP 42.6			(3.95 profit + 0.05 extra + 1 service)			EGP 6	(3.5 profit + 1.5 extra + 1 service)			

Sources: MOSIT 2012 and HCFI Price Lists published in Egyptian press, various years.

Notes:

- This comparison builds on the assumption that the family would choose sugar, oil, rice and tea in the new system.

- In 2022, cooking oil was only available in 800 ml bottles, however we calculated the price per liter in order to compare with other years.

- One pound by card goes to the SMART company, so the EGP 50 allotment per person is reduced to EGP 49.75 (EGP 199 for 4 persons).

- The table aims to show the decrease in the quantities withdrawn from the system as a result of the price increase, but it also highlights the diminution of the out-of-pocket money paid to buy commodities in the new FSS. This cash payment represents the profit margin of the grocer, the extra amount due in cash, and the vendor's service as we will explain later.

**Figure 1.** Quantities and Prices for a Typical Subsidized Monthly Basic Ration for a Family

guaranteed Gohary a steady customer base of at least 250 families, the minimum required to secure the license. Beneficiary families were allocated monthly quotas of four basic food items—sugar, cooking oil, rice, and tea—determined by household size. Like other *tamwĪn* grocers, Gohary purchased these commodities at subsidized rates from the GASC. These were then delivered by an HCFI-affiliated wholesale company.<sup>7</sup> He would subsequently sell these items to families at officially-set prices, which remained significantly lower than the free market rates for similar goods. The subsidy essentially lay in this price differential. For example, in 2012, one liter of cooking oil cost EGP 9 on the market but EGP 3 in the FSS (Figure 1).

In the reformed FSS, the entire system was overhauled—leading to the collapse of Gohary's business. The linkage system, quotas, and price differentials were abolished due to a fundamental transformation in the nature of the subsidy: from an in-kind subsidy, consisting of quotas of food products, to a cash allotment that can be used in any ration shop. This shift was made possible by the introduction of smartcards and reading machines. These replaced the old ration cards, which were paper booklets (Figure 2). The smartcards are the technological foundation of the FSS's market-oriented reforms. The subsidy was transferred to the smartcard, which is credited monthly. At the time of writing, the rate was EGP 50 per individual in the household for the first four individuals, with EGP 25 for each additional individual.<sup>8</sup>

As a result of this transformation, the prices of *tamwĪn* goods increased and nearly aligned with market prices, fluctuating in line with, and sometimes

7 There are several public wholesale companies, mainly: *al-Sharika al-Āmma* for Lower Egypt; *al-Sharika al-Misriyya* for Upper Egypt; and *Iskandariyya, al-Ahrām, al-Nīl* for Cairo and Alexandria. The latter three also run consumer complexes.

8 The cash allotment was initially set at EGP 15 per person, then EGP 18 in June 2016, but after the devaluation and flotation of the pound, it was raised to EGP 35 in May 2017 and finally EGP 50 in July 2017.



**Figure 2.** Ration-cards: old paper booklet and new smartcard

even exceeding, market trends.<sup>9</sup> This alignment of prices, coupled with the transition of the subsidy from production costs to the ration card itself, enabled the diversification of items available through the FSS. It led to the inclusion of a variety of products from the private sector on the list of *tamwîn* goods. This expanded to around 30 items, including tomato sauce, white cheese, vinegar, detergent, soap, biscuits, and occasionally frozen meat and chicken. This reform supposedly introduced freedom of choice for beneficiaries, allowing them to use their cash credit to select any of these goods according to their preferences. For private companies, it represents “an opportunity window”<sup>10</sup>, as they sell their products at nearly the same prices as on the open market, with just small discounts reflecting the large quantities sold to the FSS. Altogether, these changes have given rise to a *tamwîn* market; that is, a set of transactions between suppliers and buyers that operates in a manner akin to the open market, yet remains distinct from it due to its reliance on a captive consumer base, namely the 63.3 million ration card beneficiaries.

While these changes have indeed bolstered the value placed on market efficiency, they have concurrently led to a devaluation of the core action of ration shops—delivering a significant amount of staple goods. The combination of price increases and the shift to a fixed cash credit of EGP 50 per month effectively reduced the monthly quantities of goods provided to beneficiaries by half (Figure 1). For Gohary, this is how the “subsidy ended up being nothing” and he clearly blamed market logics for this:

9 For instance, in March 2019, the price for one liter of cooking oil was EGP 19 in both the market and the FSS. At the same time, a kilo of sugar was EGP 8 in the market and EGP 9.5 in the FSS.

10 Interview with a member of the Food Industries Chamber, February 2023, Cairo.

I tell you, the price that the HCFI (*al-qabda*) stipulates, this is not the price at which it buys the commodities. It takes a margin on each commodity. So the subsidy ends up being nothing (*al-da'm ba'a wala hâga*). This is how the system eliminates the subsidy (*kida al-manzûma bitshil al-da'm*), and how you end up selling at a higher price than on the free market. Before, the citizen (*al-muwâtin*) would take a big box with 6 liters of cooking oil, 7 kg of sugar and 10 kg of rice ... Now, I see the citizen going out with just a little bag. Before, you had 5 kg of sugar for EGP 5 and now you get 1.5 kg for EGP 14. See the difference? All this for the profit of the HCFI.

Although he gave approximate numbers and perhaps did not fully grasp the subsidy shift from in-kind to cash, Gohary had a point. He highlighted that for many beneficiaries, the value of *tamwîn*, as social support, was manifest in the ample supply of basic foodstuffs that provided a sense of household security by filling the cupboards with essential goods. The drastic reduction in quantities in the new FSS contravenes this value system, and is not offset by the wider choice of products. This is both because high prices prevent the purchase of multiple products (as the smart card credit is quickly depleted) and also because beneficiaries continue to prioritize sugar, rice, and oil for historical reasons. Until the 1980s, these three goods—symbols of *tamwîn*—were very difficult to find in ordinary, non-subsidized groceries (Khouri-Dagher 1996). Although they are now widely available, data from the 2000s showed that around two-thirds of all cooking oil and sugar and one-third of rice purchased in Egypt were obtained through the FSS (Al-Shawarby and El-Laithy 2010, 24). A testament to the value placed on these staples is also found in the working-class tradition of bringing sugar, oil, and rice as gifts when visiting a newly-married couple to help them set up their home. As Jessica Barnes put it in her study on bread in Egypt, the core function of *tamwîn* is to provide “staple security”: “to secure the continuous supply of a palatable staple so as to address anxieties about staple absence and meet desires for staple quality” (Barnes 2022, 30). While raising the quality standards of FSS food items was a stated objective of marketization, and one that has been achieved in some respects, anxieties about staple absence have also been on the rise.<sup>11</sup> This is due both to the decrease in quantities collected at the ration shop and the widespread shock that prices are similar to those on the free market.

But Gohary's angry remarks were also directed at the HCFI, criticizing its central role in devaluing the core action of ration shops. Again, Gohary had a point. With the need to procure diversified products, the HCFI has established

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11 Competition between HCFI public and semi-privatized companies and the FSS's private sector suppliers has compelled the former to enhance their production quality, particularly that of cooking oil. For more details, see Vannetzel 2023, and the section on quality standards from the consumers' perspective below.

itself as the primary purchaser in Egyptian food markets. It engages with over 600 private suppliers a month through its procurement committee, and then resells the products to ration shops through its wholesale companies. Although increasing the HCFI's economic efficiency was an explicit goal of the reforms, it remains unclear whether the enterprise increased its profits deriving from the resale of items to ration shops, as the accounts of public business sector companies are rarely disclosed in detail.<sup>12</sup> Yet, Gohary rightly pointed out the conflict arising from the HCFI setting prices. The company issues a monthly price list that ration shops have to follow. As shown in Figure 3, one column indicates the grocer's price (the price of purchase from the HCFI) and another the consumer price (the price of sale to consumers). The HCFI thus specifies the grocer's profit margin, which ranges from EGP 0.10 to 0.25. This profit margin is paid in cash by the consumer to the grocer, while the remainder of the price is deducted from the smartcard credit. In this way, the system separates the grocer's profit—paid out of pocket by the consumer—from the state subsidy, circulated via the smartcard.<sup>13</sup> Gohary, along with other *tamwîn* grocers, expressed frustration that his profit margins barely increased while prices skyrocketed, leading to the suspicion that the HCFI was increasing its own margin.

But there is another reason why grocers direct their anger towards the HCFI: it imposes additional pressure in a system that has altogether become subject to heightened competition and monitoring. As I will now explain, these factors affect licensed groceries and consumer complexes in different ways, but with similar effect. The individuals working in each are threatened

وزارة التموين والتجارة الداخلية  
الشركة العامة للصناعات الغذائية  
الشركة المصرية لتجارة الجملة

قائمة صرف سلع المنظومة التموينية إعتباراً من ١ - ١٠ - ٢٠٢٢

الرقم	الوصف	سعر التاجر	سعر المستهلك
١	سكر معينا ١ كجم	١٠,٢٥	١٠,٥٠
٢	زيت خليط ٨٠٠ مللي	٢٤,٧٥	٢٥,٠٠
٣	ارز معينا ١ كجم	١٠,٢٥	١٠,٥٠
٤	مكرونة ٨٠٠ جم	١٠,٢٥	١٠,٥٠
٥	مكرونة ٤٠٠ جم	٥,١٠	٥,٢٥
٦	عندس مجروش ٥٠٠ جم	١١,٧٥	١٢,٠٠
٧	فول معينا ٥٠٠ جم	٧,٢٥	٧,٥٠
٨	لذيق معينا (ورقي - بلاستيك) ١ كجم	١٠,٧٥	١١,٠٠
٩	مسلى صناعي ٨٠٠ جم	٢٩,٧٥	٣٠,٠٠
١٠	شاي ناعم ٤٠ جم	٣,٤٠	٣,٥٠
١١	صلصة ٣٠٠ جم	٥,٧٥	٦,٠٠
١٢	نونة مفتحة ١٤٠ جم	١١,٧٥	١٢,٠٠
١٣	مربى انواع ٢٥٠ جم	١٢,٧٥	١٤,٠٠
١٤	جينة تترابريك ٣٥٠ جم	٧,٢٥	٧,٥٠
١٥	جينة تترابريك ٥٠٠ جم	١٢,٧٥	١٤,٠٠
١٦	مسحون انومالتيك ٨٠٠ جم	١٩,٧٥	٢٠,٠٠
١٧	مسحون عادي ليدوي ٨٠٠ جم	١٠,٢٥	١٠,٥٠
١٨	صابون غسيل ١٢٥ جم	٢,٠٠	٢,٢٥
١٩	صابون تواليت ١٢٥ جم	٦,٢٥	٦,٥٠
٢٠	لين جاف ١٠٠ جم	١٩,٥٠	٢٠,٠٠
٢١	خل ٥٠ % ٩٠٠ مللي	٤,٨٥	٥,٠٠
٢٢	كيس ملح طعام ٣٠٠ جم	٠,٩٠	١,٠٠
٢٣	بار حلاوة طحينية سادة ٤٠ جم	١,٨٠	٢,٠٠
٢٤	كيس سائل غسيل اوتلي ٨٠ جم	١,٨٠	٢,٠٠
٢٥	بسكويت يونوز سادة	٠,٩٥	١,٠٠
٢٦	بسكويت يونوز ونشر انواع	١,٩٠	٢,٠٠
٢٧	بسكويت لوبورو انواع	٢,٨٥	٣,٠٠
٢٨	بسكويت يوو انواع	٢,٨٥	٣,٠٠
٢٩	طحينة بيضاء طرف ٢٤ جم	١,٩٠	٢,٠٠
٣٠	قهوة سريعة الذوبان ١٨ جم	٢,٨٥	٣,٠٠

Figure 3. Price list of *tamwîn* goods as set by the HCFI (October 2022)

12 The Ministry of Finance has published aggregated data only for a few years, on its website and in MOF 2018.

13 Grocers also profit from the "bread points" system: the 2014 reforms enabled beneficiaries to convert any unwanted loaves from their allotment into ration card points to be spent on other items. Each unwanted loaf is worth 10 cents for the grocer.

with devaluation, as market players and indeed as persons, as their social role and status are undermined in the name of market efficiency.

### *Ruination through Competition*

Once consumers became free to switch shop as often as every month, ration shops entered into fierce competition with each other for consumers. As well as the risk of losing customers, grocers and consumer complex managers face the challenge of varying numbers of consumers each month. This instability affects not only the profits made on subsidized goods but also the “free sales” conducted alongside them. The outlets must play by market rules, or risk economic ruination.

To mitigate these risks, shop operators compete over customer loyalty, as in the open market. They must keep their shops clean and well organized, especially with the diversification of goods. Previously, staple items like sugar, cooking oil, and rice could simply be stacked, but proper storage is required for the array of new items, particularly for the perishables that are periodically added to the HCFI’s list, such as frozen chicken and meat. Without a freezer, a grocer cannot offer these items, risking customer loss. Refrigeration brings higher electricity costs, exacerbated by recent cuts in energy subsidies. Grocers must also ensure they always have enough essentials in stock, like sugar, oil, and rice. These are sourced from HCFI’s wholesale warehouses, and grocers often have to make multiple trips based on their available storage and what they can afford in transportation costs. Those with limited storage have to make more trips, incurring higher transportation expenses, and diminishing their earnings.

Despite being subsidiary parts of HCFI wholesale companies, consumer complexes are not spared from competition. In August 2022, the al-Ahram company for consumer complexes, with which Wassim’s shop was affiliated, faced failure and was merged into al-Nil company (*Cairo 24* 2022). This restructuring underscores the shift toward prioritizing financial performance and profit. Complex managers—who are public sector employees—are expected to function as market players. They are incentivized to meet monthly sales targets, with bonuses supplementing their salaries. When Wassim showed me his pay stub, I was surprised that his bonus of EGP 450 amounted to about 20% of his basic salary of EGP 2,150. He also received a proportion of the complex’s earnings. Unlike grocers, managers do not benefit from the profit margin paid in cash by the consumer for each good, which goes to the wholesale company itself. However, the smartcard machine receipt (Figure 4) shows a figure for “vendors’ services” (*khadamât tuggâr*) of EGP 1 per smartcard. This fee is paid by the HCFI and split between the subsidiary wholesale company and the manager. Consequently, Wassim’s monthly income could total EGP 3,600, with EGP 1,450 dependent on customer volume.

Securing their customer base is thus crucial for managers, who also face the challenge of predicting stock needs and ensuring appropriate storage. Yet,

Item	Quantity	Price	Total
سكر معبأ ١ كجم	٤	٤١.٠٠	١٠.٢٥
زيت خليط ٨. لتر	٢	٤٥.٥٠	٢٢.٧٥
الارز المعبأ ١ كجم	١	٩.٧٥	٩.٧٥
شاي ناعم ٤٠ جم	١	٢.٩٠	٢.٩٠
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فيمه السلع:	٩٩.١٥		
الخدمات الكهرونية:	١.٠٠		
الدعم الميسهولك:	١٠٠.٠٠		
الدعم الياقي:	٠.٠٠		
ريح الناجر:	١.٨٥		
البيع البغذي:	٠.١٥		
خدمات نجار:	١.٠٠		
احمالى المستحق بعدا:	٣.٠٠		

**Figure 4.** A smartcard machine receipt for 2 individuals, issued June 2022

consumer complexes are not on equal footing with each other in this. They are categorized into four tiers. The top tier is granted new equipment and more space, and given priority during distribution shortages, especially for staples like rice and sugar. Bottom-tier complexes like Wassim's are often buried within bustling neighborhoods, making them less accessible to HCFI company delivery trucks, putting them last for supplies and leaving them under-equipped. As Wassim told me, this disparity affects human resources too, as he was the only official employee at his store:

You saw those two young guys who were helping me this morning, right? I need them in order to meet the target because the most crucial thing for keeping your customers is to cut down the wait time. They should be on the company's payroll, shouldn't they? But they're not. I hire them off the books with my bonus and the allowance.

Furthermore, both Gohary and Wassim attributed the main source of competition to a novel type of ration shop called "My Cooperative" (*Gam'iyati*), introduced in 2015. Sponsored by the HCFI, the MOSIT, and the Social Fund for Development, this initiative aimed at creating employment opportunities for young, educated individuals by providing them with loans to open their own shops.<sup>14</sup> These shops must adhere to specific regulations concerning mandatory equipment such as freezers and standardized decor of white walls

<sup>14</sup> According to MOSIT, as of 2022, only 2,000 shops out of 7,000 were in fact supported by a SFD-loan (*Al-Mâl* 2022).

with printed orange signage. This modern look, along with a name that is reminiscent of the traditional consumer cooperatives (*gam'iyât istihlâkiyya*), gives the new shops a competitive edge.<sup>15</sup> By contrast, Gohary's inability to refurbish his deteriorating shop was undoubtedly a factor in his downfall, and he would angrily say:

On TV, they only show us *Gam'iyatî* shops, with the same fridges, the same products, and people who are very happy about it, and all those "Indian movies" [i.e. tall tales], but they have never met a single grocer to ask his opinion!

Yet, as my fieldwork revealed, new grocers faced the same pressures as traditional ones, if not worse. Younes, a 27-year-old grocer, opened a *Gam'iyatî* in 2018 in a remote village in Luxor Governorate, where services and commercial facilities are scarce. The shop is on the ground floor of the small family house where he lives with his elderly parents. Previously, the space was his father's modest grocery store. Younes heard about the project while working as a waiter in Luxor and decided to enroll. He applied for the required license, but did not opt for the social loan offered by the project, being deterred by the lengthy procedures. He believed the EGP 50,000 he had saved from borrowings and the sale of the yearly wheat harvest from his father's small plot of land would suffice. But he had not anticipated that the renovation costs to meet the required standards would reach around EGP 40,000: white ceramic tile flooring; white walls ("they were beige before, I was told to repaint them," he told me); wooden shelves; a freezer; air conditioning; and a sign with the logo that had to be printed at his own expense. To this, he had to add an EGP 100,000 cash deposit (*ta'mîn*), in order to stock his store through the HCFI wholesale company. He thus ended up applying for a conventional bank loan, at 17% interest.

The costly deposit system is one of the new control mechanisms that HCFI imposes on both new and veteran grocers. Together with the multiplication of fines and sanctions, it represents the harshest dynamic of ruination, as both economic and social devaluation. Here, the value of market efficiency undermines the social value of the ration shop operator directly, as I will now show.

### *Ruination through Control*

At 65, Hagg Hafez had dedicated over 50 years to the *tamwîn* system, having inherited his license from his father, with whom he worked in his youth. We were seated on two plastic chairs on the unpaved street outside the tiny shop

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15 Historically, *gam'iyât istihlâkiyya* were citizen cooperatives, supplying subsidized and affordable commodities in areas lacking consumer complexes, notably in rural villages and large enterprises (Alderman, Von Braun, Sakr 1982, 24).

where he had spent most of his life, in an urbanized village near Tanta. Two tiled steps led customers to the counter, a worn wooden board barring off a room of 10 square meters. Inside, a tired fridge hummed away next to dusty and sparsely stocked shelves. An old freezer, unplugged, stood empty.

Like other licensed grocers, when he switched to the new FSS in August 2014, Hagg Hafez had to pay a deposit to the HCFI to access its products. This deposit, at least 25% of the total value of products sold in a month, dictates the quantity of goods a grocer can collect on each trip to the HCFI warehouse. The larger the deposit, the fewer trips to the warehouse. With a 25% deposit, a grocer must make four trips to the warehouse to collect the products he would sell in a month. A 50% deposit would mean two monthly trips, and so on.

The HCFI allowed an initial grace period before requiring the cash deposit, reflecting the fact that for grocers like Hagg Hafez it was a significant sum.<sup>16</sup> But in 2017, the company suddenly demanded immediate payment from all grocers, causing considerable discontent (*al-Borsa* 2017). That year, Hagg Hafez paid around EGP 25,000, anticipating a monthly need for products valued at EGP 100,000. He had estimated serving about 500 families each month, averaging EGP 200 per card. However, owing to changing demographics in his village, he soon had to raise this estimate. As a reputable, trustworthy grocer, his customer base swelled to 750 ration card holders. He requested to increase his monthly product cap to EGP 150,000, which was approved. To save on transportation costs, he also increased the proportion of his deposit, aiming to collect more goods per trip. He eventually committed to a deposit of EGP 75,000, which he never fully paid. This decision, he later recognized, was a grave error that put him in debt to the HCFI.

The deposit system also serves as a control mechanism for the HCFI to ensure that grocers do not sell on the black market. When a grocer returns to the warehouse to restock, he must present a receipt for all recent transactions in his shop, and these must align with the deposit. Otherwise, the quantity of goods he can receive on that trip decreases. If a grocer with an EGP 25,000 deposit has sold only EGP 20,000 worth of goods, but needs to restock because he has run out of staple goods, he can only obtain EGP 20,000 worth. Essentially, the deposit functions like a line of credit.

Although economically efficient from a theoretical perspective, the system is ill-suited to the practical challenges grocers face, such as fluctuating number of customers. There may be months when only 500 cardholders visit and Hagg Hafez cannot sell his entire stock. Consequently, the following month,

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16 In good months, when serving 750 cards, Hagg Hafez's profits from *tamwîn* sales amount to roughly EGP 3,330. From this, he must deduct transportation costs of at least EGP 500, electricity, and his brother's salary. These profits are supplemented by some "free sales," despite his limited stock.



he is only allowed to obtain products worth EGP 100,000. He also has to deal with the remaining EGP 50,000 of unsold stock from the previous month. These may be difficult to sell, as they are typically the less popular *tamwĪn* items, such as soap, tahina, bouillon cubes, tuna, and unpopular brands of tea. As Hagg Hafez explained:

The problem is, when you head back to the warehouse, they won't let you just take sugar, oil, and rice, which is what everyone's asking for. So, what happens? You're left with piles of stuff that nobody wants!

As a result, grocers may end up with expired goods, which they must return without any compensation. This reveals conflicting priorities in the *tamwĪn* system. Despite the new FSS's aim to give citizens a choice and turn them into market consumers, grocers lack the flexibility to tailor their supply to meet actual consumer demand.

Far from being a purely technical problem, the issue of stock management lies at the heart of the ruination of the *tamwĪn* system on both an economic and social level. Grocers are compelled to devise elaborate strategies to manage their stock effectively; these often result in mismatches between the actual stock and the stock registered on the machine; this leads to fines and sanctions.<sup>17</sup> As Hagg Hafez's case will show, these sanctions not only threaten the financial stability of grocers, but may also entail accusations of fraud, leading to deep humiliation and social disgrace. His story tragically illustrates how the value arenas of market efficiency and social solidarity come into conflict in the new FSS. But it also reveals how the neoliberal-bureaucratic rules through which market efficiency operates are manipulated by ration shop operators and beneficiaries to recreate an alternative system of valuation embedded in informal practices and shared notions of welfare.

#### VALUATION STRUGGLES AT THE RATION SHOP: RECREATING SOCIAL SOLIDARITY

In February 2023, Hagg Hafez was exhausted. I had met him several times over the preceding few years, but this was the first time I could sense his genuine despair. Perhaps initially, he had hoped that the novelties introduced by the 2014 reforms—the smartcard machine, with its semblance of formal business accounting; the new commodities like frozen chicken—would enhance the value of his old shop. But, as he told me, frozen chicken was very rarely supplied in his village, and anyway, with the extreme inflation at the start of

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<sup>17</sup> The situation of consumer complexes is somewhat different, and will be illustrated through Wassim's case below.

2023, customers sought nothing beyond the essential staples—which were also in short supply in the HCFI warehouses:

I can't take all the sugar I need. It's rationed to 2 or 3 tons for each trip to the warehouse, and within two days, I am out of stock. So, people just go to the city, as they [the HCFI] prioritize cities.

But his despair was not just caused by loss of customers: he was also being subjected to fines and court cases. By 2021, he had already been fined twice, EGP 2,000 each time. But in recent months, the situation had become unbearable. He had just emerged from a case where he initially faced an EGP 10,000 fine and a year in prison. After a series of appeals that cost him EGP 5,000 in themselves, he was ultimately fined EGP 2,000. Now, he was again embroiled in two cases that could result in another EGP 7,000 in further fines. He wished he could relinquish his license—although it was once a precious family legacy:

I can't do this anymore. I'm not making any money, and it just leads to more trouble ... But I can't just abandon my license because I need to find someone who'll take over my deposit for EGP 75,000. The HCFI says if I give up, I won't get my deposit back, and I still have to pay it off in full! Finding someone to take it over is tough—every other grocer is in the same boat, all trying to unload their licenses.

Hagg Hafez was charged with two types of regulation breaches. First, he had closed his shop during opening hours, which are mandated by MOSIT: "I had closed it because I had been informed by a colleague—another grocer—that the inspectors had entered the village. This is what we do now: we call each other when we see them!"

As he explained this, I noted that solidarity between grocers was maintained despite competition. I asked why he could not build on the friendly relationships he surely had with inspectors or bureaucrats of the MOSIT local directorate to reach an understanding. He had known them for a very long time. Yet, as he told me, "they have to show the hierarchy that they're working; that they're raising cases." Here, the neoliberal-bureaucratic rules seem stronger. I then asked him why he and his colleagues would close their shops to escape inspectors in the first place. He answered that grocers knew they had mismatches between their stock and the recorded sales—which was, precisely, the second reason for the charges: "The inspector sent me to court for a mismatch of EGP 300, and even if I knew him well, I couldn't arrange with him!"

Mismatches are, indeed, a frequent reason for sanctions. One could, of course, conclude that, in spite of controls, grocers are still selling *tamwîn* goods on the black market, and benefit from the small price differences vis-à-vis open market prices, especially in times of inflation and scarcity. One would then have to assume that Hagg Hafez has extraordinary skills at concealing his wealth—I visited his modest flat and saw his basic living

conditions—and virtuosity at fudging figures. The source of the mismatches is, in fact, much more banal: it lies in the practice of *tabdil*, which, although illegal, is vital for the valuation of the FSS in the social world of ration shops.

### *The value of tabdil*

To understand what *tabdil* is, let us have another look at the smartcard receipt above (Figure 4). It indicates that the couple to whom the receipt belongs, and whose subsidy allotment is EGP 99, requested and received 4 kilos of sugar, 2 bottles of cooking oil, 1 kilo of rice, and 1 pack of tea. While respecting the limiting quotas for basic commodities—at that time 2 kilos of sugar and 1 bottle of oil per person—the total amount of these items, excluding the grocer's profit margin, must match EGP 99 as closely as possible. Any extra amount—in this case, EGP 0.15—should be avoided. If not, it is due out of pocket in cash from the consumer, and these extra amounts must be used by the grocer to purchase more goods at the HCFI warehouses.<sup>18</sup> If the couple wanted to juggle with the quotas and request, for example, 2 kilos of sugar, 3 bottles of cooking oil, 1 kilo of rice and 1 pack of tea, the total amount would be EGP 101.40. In this case, the grocer would have three options:

- Accept this demand, and ask the couple for another EGP 2.40 in cash; against this option, the grocer might want avoid being thus further indebted to the HCFI, while the consumer might want to avoid paying more in cash;
- Refuse this demand, and force the couple to abide by the quotas; in this case, they may simply go to another ration shop;
- Accept the demand and give them what they request, while recording a fictive transaction on the machine; this way, the couple may be satisfied without needing to pay more cash.

The third option here is *tabdil*, and it inevitably entails mismatches between the records of sales on the smartcard machine, and the actual quantities distributed to consumers. In the example described, the grocer ends up with more sugar and less cooking oil than is recorded on his machine. Sugar and oil might eventually balance each other by the end of the month, but this might not happen before the inspector shows up. As Hagg Hafez told me, even a difference of a few hundred EGP could lead to sanctions.

*Tabdil* can also occur in an even more complicated and costly way for the grocer. As we have seen, freedom of choice is limited in the *tamwīn* market. Consumers may choose from a set list of items, which may not all be

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18 Until 2019, grocers collected the extra amounts for themselves. The MOSIT then issued a decision asking grocers to return all extra amounts collected since 2014 to the HCFI. Cumulatively, these amounts may add up to several hundred pounds.

available. They cannot, for example, choose a different brand of cooking oil that may be available for “free sale” in the ration shop. Consumers often want a particular brand, such as Crystal in the case of oil, and they may ask the grocer to practice *tabdil* between *tamwîn* goods and open market goods. The grocer records that the consumer bought a bottle of the *tamwîn* brand, Zeitna, when in fact they took a bottle of Crystal. This operation is onerous for the grocer, as he is left with unaccounted-for Zeitna bottles, risking sanction. Furthermore, if, as on the above receipt, the price of Zeitna is EGP 23 on the *tamwîn* market (including the grocer’s profit margin of EGP 0.25), while the price of Crystal is EGP 25 on the free market, the grocer makes a net loss of EGP 2. He might ask the consumer to make up the difference in cash. However, my informants were reluctant to do this. They did not want to increase out-of-pocket costs for consumers, and devised elaborate ways to compensate their losses, involving several steps as follows. First, for each substituted bottle, the grocer has to record several fictitious transactions for small items with relatively high margins, such as biscuits and salt, in order to increase his recorded profit by, for example, EGP 0.25, without encroaching too much on the consumer’s allotment. Second, he needs to push up the price of Crystal on the open market to EGP 26.5, so that his margin for this item reaches EGP 2.5 instead of EGP 1. The extra EGP 1.5 here, together with the EGP 0.5 profit margin made through the recorded *tamwîn* transactions, compensates for the loss of EGP 2 caused by *tabdil*. Third, he needs to sell the Zeitna bottles on the black market, probably to restaurants, though typically at a lower and not a higher price, to bring his stock down to the recorded figure. Finally, in other transactions, he must adjust his holdings of tea and biscuits to match the data on the machine.

When I finally figured out this series of tricky operations, I was skeptical. Why would grocers perform such complicated and risky calculations on a daily basis? To be sure, my informants mentioned the pressures of competition: they would lose customers if they refused to play the game. But, without exception, they also all explained that *tabdil* was valued as part of the “good treatment” (*husn al-mu’âmalâ*) that they believed citizens were entitled to.

### “Good Treatment”

Let us return to the opening scene. When I observed Wassim in his shop, he was in fact practicing *tabdil*. The codes he punched into the smartcard machine were intended to reach the woman’s subsidy allotment: “I memorized all of the codes by heart, I know exactly how to reach EGP 99 or EGP 149 without even thinking!” he told me proudly. He put one of the receipts on a pick, to keep it as evidence for the HCFl that, in his own words, he “actually distributes [*basrif*] and gives every citizen their right”; that is, that he does not encroach on the subsidy. He then turned to the cashier with the customer receipt, and asked the woman what she really wanted to take, irrespective of quotas and brands. She

took more cooking oil than was allowed, and a package of Oxi washing powder that was not on the *tamwĪn* list.

For Wassim, as a consumer complex manager, *tabdĪl* is easier than it is for a grocer. Consumer complexes are subject to less oversight by MOSIT inspectors, because they are closely supervised by their own company's auditors (*muhtasibĪn*), who compare the stock to the cashier's records of goods actually taken by consumers, rather than to the smartcard machine. But Wassim was worried. He had heard that plans to digitize the operating systems further would lead to cashier data being compared with smartcard data. This would prevent *tabdĪl* in consumer complexes, and stop Wassim from delivering the "good treatment" that he wanted to offer. He was emphatic about this:

Of course, *tabdĪl* is an infringement, but I don't want to force the citizen [*al-muwĀtin*] to take what he does not want to take. The system is supposed to give freedom of choice to the citizen, but at the same time it forbids him to take what he wants. Some people like *tamwĪn* oil, others don't like it and prefer the other. [...] You know, peace of mind [*al-rĀha al-nafsiyya*] is the most important thing for the citizen, number one. [...] I try to remember all my customers and what they like and what they don't. When I see a new person, I ask her: which grocer are you coming from? Why did you leave him? And then I will take care of the thing that made her leave. This is how you gain customers, and how you keep them. You should never ever get angry, shout at someone, use insulting words even when someone makes a problem out of nothing or becomes aggressive. If other people hear you insulting someone else, they may think that your style and morals are not good. You have to be kind, polite, accommodating and helpful.

As we were chatting, a neighbor walked by and saw that the lights were on behind the iron shutter. She wanted to take her *tamwĪn*. He told her that he had already closed the machine at 7 p.m. and that he could not open it before morning. She insisted that it was hard for her to go down the stairs. She left her smartcard with him and told him what she wanted, in order to find her order ready in the morning. He said "at your service" (*hĀdir*), although he knew that keeping somebody else's smartcard was strictly forbidden and risked a sanction.

"Peace of mind" is not a mere business strategy, as in the classic adage that "customer is king." It is also deeply rooted in the dual nature of the relationship between Wassim and his citizen-customers. This is made of two different, almost antagonistic, components. On the one hand, beneficiaries and ration shop operators engage in a market transaction, based on profit-seeking logic. On the other hand, they interact around a public service—the delivery of subsidies—which is driven by a political logic of giving and obtaining one's right, and which is underpinned by the "totality" of the welfare state. Significantly, the official designation for *tamwĪn* grocers in decrees or in ministry statements is not *baqqĀlin* ("grocers") but *baddĀlin* ("exchangers"). While this term is not

commonly used by the grocers themselves, it underscores their role in distributing subsidized goods to citizens in exchange for a ration card, which confers the right to this public service. Grocers act as *de facto* representatives of the welfare state.

We may look at concrete interactions between ration shop operators and beneficiaries through this lens. It is when a beneficiary hands over a smartcard and the shopkeeper inserts it into the machine that the state subsidy is transferred to the citizen (*muwâtin*), and that the government service (*khidma*) is rendered. However, when the beneficiary provides the out-of-pocket cash that constitutes the shopkeeper's profit margin (*ribh*) for each item, the market relationship between merchants (*tuggâr*) and customers (*zabâyin*) comes into being. From the beneficiaries' perspective, the former of these frameworks—exchanger, citizen, service—should dominate the interaction, while the latter—merchant, customer, profit—should be secondary.

Younes, the young *Gam'iyyatî* grocer from a Luxor village, also strongly emphasized the importance of good relations with beneficiaries. I asked him how he had built a customer base and become a *tamwîn* grocer, despite there being another licensed grocery a couple of alleys away. He explained that the "manner" (*tarîqa*) in which a grocer treats people is very important. One must treat people with "care and affection" (*bi-l-widd*) and allow them to "take their support" (*yakhdû al-da'm bitâ'hum*). The other grocer, from what he had heard, refused to practice *tabdîl* and treated them with disdain (*bi-kibr*). He made them feel that "it was not their right" to ask for extra sugar or oil (*mish min haqquhum*), as if what "he gave was not owed to them" (*illi yiddînâ mish bitâ'nâ*), almost as though it was coming from his own pocket rather than the state. In essence, he made them "feel like they were begging" (*binhiss innina bnishhat*).<sup>19</sup>

Consequently, the "good treatment" that is expected from ration shop operators reflects the citizens' expectations that their rights be fulfilled, in a palpable and dignified fashion, by the welfare state. What is it that makes them feel they have "got their rights"? As Gohary pointed out, in the new FSS, quantities are not meaningful anymore. The value beneficiaries attribute to *tamwîn* now relies on a balance between the quality and prices of goods received, their ability to get what they want, and the additional cash they need to spend. But all this is shaped by the respectful and accommodating nature of their relationship with the shopkeeper.

In return, citizens sometimes describe the cash payment they make to the shopkeeper with the phrase "I gave him his right" (*idditluh haqquh*), notably using the same lexicon of rights. One interesting thing, in this regard, is the question of "the vendors' service" (*khidmat al-tuggâr*), legally mandated to be EGP 1 per smartcard, paid by the HCFI to grocers for each transaction. As the

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19 Yasmine Moataz (2023) brilliantly stresses the difference between food as right or as charity among *tamwîn* beneficiaries in rural Egypt.

HCFI never pays out this money, grocers collect it in cash from the consumers. When I asked Hagg Hafez if this caused discontent, he replied: “Well, they understand that it is our due, so they are willing to pay it.”

But, rather than viewing this relationship as a straightforward *quid pro quo*, ration shop operators share the beneficiaries’ perspective on this relationship. This is not out of pure altruism, but because this welfare-related interaction contributes to the construction of their unique social role. Being a *tamwĪn* grocer means playing an indispensable role of solidarity in the lives of many people. Younes speaks of this relationship with a certain emotion:

You feel that people trust you [*ʿandak kammiyyit trust, al-nas wāthqĪn fiyya*] ... You know, people here really look forward to the start of the month to rush and get their *tamwĪn*. There are folks who really ration what they eat and have nothing left at the end of the month, so for them, it’s really important to be able to find what they need right from the first day. If *tamwĪn* was cut, it would really affect them. The women talk about it, they’re scared, they ask me what’s going to happen ... I try to reassure them.

As I took my leave after our second meeting, Younes shared a revealing confession about the value of his social role, having become a *tamwĪn* grocer after being a simple waiter:

After you left last night, dad asked me who you were and what you wanted, and he told me he was glad that I achieved what he always wanted to do, to become a *tamwĪn* grocer.

## CONCLUSION

The lifting of food subsidies is not a new idea in Egypt. It has been debated seriously since the mid-2000s, and the system was on the brink of being reformed when the 2011 revolution erupted. After years of political fervor, in which demands for social justice and dignified living conditions were central, the post-2013 regime has resumed the path of reform, not by abolishing the FSS, but by transforming it into a *tamwĪn* market with the objective of economic efficiency.

In this article, I have shown how the neoliberal-bureaucratic rules of the *tamwĪn* market have impacted the grassroots world of ration shops. Ruination here extends beyond economic devaluation to affect the significance of actions—that is, the everyday connections that constitute *tamwĪn*—and the value of persons, specifically the licensed grocers and consumer complex workers. The 2014 FSS reforms made it riskier and more difficult for ration shop operators to perform what both they and their citizen-customers envision as “good treatment,” and to satisfy popular expectations regarding the welfare

state. Ironically, it is often through illegal practices that these expectations continue to be met: *tabdil*; the temporary retention of consumers' smartcards at the shop; the payment by beneficiaries of the vendors' service fee in cash. While such practices may lead to arguments between grocers and consumers, and are not without corruption, I argue that they are mostly carried out in a spirit of mutual support and that, cumulatively, they reproduce the public value of *tamwîn* as social solidarity. This value, however, is in a fragile state. The dynamics of the *tamwîn* market, and the ongoing valuation struggles, are gradually undermining it. The September 2022 announcement of a temporary EGP 100 increase in the ration card cash allotment for the poorest half of beneficiaries, intended to offset inflation, should not obscure the dwindling certainty of this support. The decision did not represent a fundamental re-valuation of the FSS as social solidarity; rather, it was a practical way to provide timely aid to preempt dissatisfaction. Furthermore, the haphazard execution of this measure, whereby some families received the supplementary amount and others did not, underscores the anti-rights logic at work.

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