



## Revolution And The Egyptian Labour Movement

by Gary K. Busch

Mubarak has gone and the spirit of revolution is in the air in Egypt, despite the fact that the military remain in control. The Army has pledged to meet the democratic demands of the protestors and have promised elections in the near future. Despite this, there is still unrest in the country and tens of thousands of workers are staying away from their workplaces. They say they are on strike. Striking may seem to be a normal reaction for dissatisfied workers anywhere, but these strikes are structured and conducted in way not immediately familiar to analysts in the West and pose serious challenges to the revolution.

The development of Egyptian unionism has been shaped by its long conflict with the Egyptian military and its governments. Egyptian unions operate almost entirely in the public sector. In Egypt today, one-third of the economy is run by parastatal companies under the direct control of the government and the ministries. Another third belongs to the Army, which owns factories, construction companies, arms manufacturers, banks, stock brokers and the bulk of the tourist industry. These two sectors are symbiotic and have virtual monopolies in their respective sectors. Day to day administration is left to hired managers. The ‘owners’ of these two-thirds of the economy are essentially ‘rentier capitalists’; that is a type of capitalism where their earnings are gained from interest, fees, profits and rents on property they own but do not manage. They are the property-owning social class which benefit from their ownership of these assets but do not contribute to the economy by any direct actions of their own. Marx called them ‘social parasites’.[i]

The remaining third of the Egyptian economy is mostly composed of subsistence farmers as well as small shopkeepers and professionals (doctors, lawyers) and small engineering firms. The rules governing this private sector are very bureaucratic... “The private economy has no access to credit, no development capacity, and it creates few professional opportunities. Further, 92 per cent of Egyptians have no legal title for their dwellings, and Egyptian law makes it all but impossible for such people to obtain credit. To open, say, a bakery, a would-be entrepreneur must endure 500 days of administrative procedures, with bureaucratic corruption involved at each step.”[ii]

Egypt is not a prosperous country despite its growing oil sector. It imports around US \$50.3 billion worth of goods every year and exports US \$ 25.2 billion a year. It is the largest grain importer in the world and requires massive sums of foreign aid to sustain its citizens. Egypt is one of the U.S.’s largest markets for wheat sales. U.S. agricultural sales to Egypt average \$2 billion annually above and beyond the US\$ 1.3 billion in U.S. military aid to the country. After the reforms of 2006 and 2007 the Egyptian economy experienced steady GDP growth with rates around 7% between 2005 and 2008, before dropping below 5% amidst the global economic crisis. Despite Egypt’s growth, the economy is still hampered by government intervention, substantial subsidies for food, housing, and energy, and bloated public sector payrolls.

This is not an ideal situation in which trades unions thrive. There are few large, unionized private companies. Most of the industrial companies (spinning and weaving cotton, ports and canal operations, airline, transport of all sorts, steel making, etc.) are owned and operated by the state or the Army. In addition, the wide range of public service workers in schools, hospitals, the civil service, etc., are all state employees. This has meant that wages and working conditions of those employed in the public sector (about 87% of the Egyptian workforce) are negotiated with a governmental entity or department. The collective bargaining partner of the Egyptian unions is the State. For thirty years or more, the State has been the Army. This has had some important effects on the labour movement.

The role of Egyptian labour in such a corporatist state has posed many challenges. Since the ascension of Gamal Abdel Nasser as the head of state, the labour movements have been seen by the Army as an instrument of the state with the responsibility for maintaining discipline in the workplace and increasing productivity. Unions were not permitted to exert any real pressure for shorter hours or higher wages in any specific industry as wages and benefits were established on a national, and occasionally regional, level. There was a flow of top labour leaders into the ranks of the ruling party and militancy was not encouraged.

Trade unions, or similar bodies, are regarded as administrative arms of the state, charged with the primary responsibility of maintaining discipline and furthering productivity. They were not permitted to exert any real pressure for shorter hours or higher wages.

Perhaps the best example of this was a strike that broke out in the village of Kafr al-Dawwar less than a month after the Free Officers' coup. It set the tone for the relationship. The workers at the Misr Spinning and Weaving Company, one of Egypt's largest industrial establishments at the time, staged a sit-in over a series of economic and job-related issues. Troops were called in, and the violence which ensued resulted in the deaths of four workers, two soldiers, and one policeman, with many others wounded on both sides. The RCC (the ruling military council) ordered a military tribunal and tried 29 workers on charges including premeditated murder, arson, property destruction, and refusal to obey police. Two workers, Mustafa Khamis and Muhammad al-Baqari, were convicted of being communists who had incited the incident and were sentenced to death; eleven others received penalties of jail or hard labour.[iii]

The 1980s and mid-1990s were relatively uneventful for the Egyptian labour movement. The Egyptian Trade Union Federation (ETUF), the sole 'national centre', enjoyed a monopoly position as the representative of labour. Until recently, it was the practice for the head of ETUF to also hold, simultaneously, the position of minister of Manpower and Vocational Training in the government. Now the minister is chosen from among the presidents of the constituent national unions. This created a close relationship between government and the union leadership. There were no ideological divisions at the leadership level of the labour movement. However, the unions were surrounded by government regulation and could not operate freely. There were 23 national unions, based primarily on separate industries, and all were required to affiliate with ETUF. Strikes were forbidden by law, and collective bargaining was permitted only in the private sector and then only on nonwage issues. Labour disputes were resolved by the courts. There had occasional strikes but to lead one was dangerous because of a law stipulating life terms at hard labour for strikers who threaten the national economy. [iv]

As a result of pressures by the labour movement and from outside political organisations there were some major changes grudgingly introduced in 2009 and 2010. Despite the escalating strikes over 2009 and 2010, there were few victories: most of them were either ignored by the government or brutally broken and suppressed. The rare and slim victories were largely due to the sheer tenacity of the protesters. They got the government to raise the minimum wage to 400 Egyptian pounds (about \$70) per month, nearly four times what it had been but hardly enough to address the rising inflation costs. They also successfully formed two independent trade unions and an independent trade union federation; an unprecedented break from the suffocating hold the government had exercised over labour activism since 1957[v]

The January 25, 2011 protests that began the current stage of the social revolt were in harmony with the support given by the youthful leadership of the April 6 movement for the April 2008 strikes at Mahalla al-Kubra, a textile manufacturing centre in the Nile Delta. In Mahalla, 25,000 workers went on strike amidst deteriorating standards of living as the prices of basic foodstuffs careened upwards. The workers won their demands - their strike was the crest of a massive wave of labour unrest that has hit Egypt hard since 1998. Between 1998 and 2008, two million Egyptian workers participated in over 2,600 factory occupations. In the first five months of 2009, over 200 industrial actions took place, a trend that continued through 2010. Stanford historian Joel Beinin calls it the "largest and most sustained social movement in Egypt since the campaign to oust the British occupiers following the end of World War II." [vi]

This sustained labour militancy over the past eight years has been a major factor in pushing the opposition politicians to consider moves towards reforms. The labour revolt emerged as a countermovement to the Mubarak regime's neoliberal economic reforms. Those reforms shattered the authoritarian populist model, put in place by former president Gamal Abdel Nasser, which protected basic living standards, often by controlling the prices of basic staples. Amidst rocketing inflation, stagnant wages and structural unemployment concentrated amongst the youth, this social compact broke down. Egypt was ripe for revolution.

This escalating growth of labour militancy did not occur in a vacuum. It was aided, in part, by support from several political parties who were dissatisfied at operating under Emergency Powers which superseded the constitution and with the rise in prices in the economy, especially foodstuffs. Egypt is a republic, established in 1922 and operates under a constitution passed in 1971. There is an executive president, a prime minister and an appointed cabinet. The legislature is the People's Assembly (444 elected and 10 presidentially appointed members - an additional 64 seats for women were created in 2009) lower house and a Shura (consultative) Council (176 elected members, 88 presidentially appointed) as the upper house. The principal political parties are the National Democratic Party (the ruling party) and the opposition parties: New Wafd Party, Al Ghad Party, Democratic Front Party, National Progressive Unionist Grouping (Tagammau), the Moslem Brotherhood and a Nasserite Party.

However the real power confrontation which will determine the future of Egypt will not be contained within the parliamentary representatives but among a wider amalgam of interests. These interests can be seen among: the National Democratic Party (as the party in power); the Moslem Brotherhood, which has seen a revival in its fortunes despite being banned after the assassination of Anwar Sadat; the National Association for Change (NAC) which is an ad-hoc umbrella organization of the Egyptian opposition groups of all political affiliations and religion ostensibly led by Mohammed El-Baradei; the April 6th Movement (the 'Harket Shahab) which is the Facebook and Twitter-using youth which has mobilised much of the protests; the labour

movement; and the most important of all, the General Intelligence Directorate (GID- Gihaz al-Mukhabarat al-Amma), often called the Mukhabarat which is Egypt's national intelligence agency. It was run with an iron hand by Major-General Omar Suleiman, who is now the Vice-President of Egypt and the man in charge of change. His replacement as head of the Mukhabarat at the end of January 2011 is Major-General Murad Muwafi, a man of similar beliefs.

The eyes and ears of the Mukhabarat are everywhere in Egypt with informers and agents in virtually every political and economic movement. It has maintained the 'stability' of the Mubarak regime and kept a close eye on the military cadres in case of dissatisfaction. It is the most powerful group in the country and has been the interface between Egypt and the US, the EU, the Arab League and Israel. When the various foreign powers speak of promoting democracy and free elections in Egypt, the unspoken end of the sentence is "and the continued co-operation with the Mukhabarat to ensure stability and our mutual interests".

The position of the labour movement as a leading force for change is being challenged by the struggle for political dominance by the other political actors. Suleiman and the Army have made it clear that they will not tolerate further labour militancy. In a speech on the 19th of February the Supreme Army Council said "...It would not allow the continuation of strikes harming the economy" The statement went on ""They will be confronted and legal steps will be taken against them to protect the security of the nation and citizens" Apart from the strikes, the military council also warned that "some elements" were preventing state employees from working, while others were appropriating state land and building on agricultural land. It is clear that the military are determined to assert their control over the labour movement. The opposition groups have been very muted in their support of continued labour militancy as they see it as harming their ability to accommodate the military and the retain the political power their protests have seized.

There are several problems which are facing Egyptian unions. The structure of the economy is not changing. The state and the army will still control around two-thirds of the economy and the unions will have to deal with the hired managers and the civil servants. Unions perform two functions on behalf of their members, especially in negotiations. The first is to represent the "interests" of their members (wages, working conditions, pensions, etc.) In representing these interests they must deal with the basic enabling labour legislation and with the economic powers and programs of an entire state. The other task of unions is to represent the workers "rights". In reality the representation of the worker's rights (making sure that what has been agreed is fulfilled; grievance procedures et al) is the major part of trade union work.

The representation of "interests" often puts the labour movement in conflict with other political and economic groups who are competing for a larger share of the national income and who see the labour movement, representing people at work and relatively well-off, as competitors with the very poor and destitute and not working. On the other hand, the representation of workers' rights is usually a force which allies the labour movement with political forces trying to achieve political and social changes and who value the additional pressure the labour movement can bring. This will be an increasing problem for the labour movements as progress is made in making Egypt more democratic and having to make the compromises such a process will entail.

It seems that the political struggles yet ahead in Egypt will tend to isolate the labour movement from the mainstream of political activity. This is certainly the ambition of the Army

and its leaders. There is little evidence that the revolutionary protestors will value the continued participation of the labour movement as long as it continues its strikes and provokes the military. As ever, the labour movement, which helps force change and democratisation, will see its efforts subsumed in the broader and less achievable ambitions of a fledging political consensus.

*Dr. Gary K. Busch has had a varied career-as an international trades unionist, an academic, a businessman and a political intelligence consultant. He was a professor and Head of Department at the University of Hawaii and has been a visiting professor at several universities. He was the head of research in international affairs for a major U.S. trade union and Assistant General Secretary of an international union federation. His articles have appeared in the Economist Intelligence Unit, Wall Street Journal, WPROST, Pravda and several other news journals. He is the editor and publisher of the web-based news journal of international relations [www.ocnus.net](http://www.ocnus.net).*

### **Footnotes**

[i] Robert Pollin, "Resurrection of the Rentier", in New Left Review 46, July-August 2007

[ii] Guy Sorman, "Egypt's Unborn Revolution", City Journal 18/2/2011.

[iii] Beinlin, Joel and Zachary Lockman. Workers on the Nile. Princeton: Princeton University Press, 1987

[iv] Marsha Pripstein Posusney, Labor and the State in Egypt: Workers, Unions, and Economic Restructuring. Columbia University Press, 1987

[v] Saba Mahmood, "The Architects of the Egyptian Revolution", Nation 14/22011

[vi] Max Ail, "Egyptian Protests Grounded in Decades of Struggle", Truthout 3/2/2011

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