

On the Egyptian Labor Crisis: A Historical Perspective on the Popular Uprising in Egypt

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Joel Beinin is the Donald J. McLachlan professor of history and professor of Middle Eastern history at Stanford University. His research and writing focuses on workers, peasants, and minorities in the modern Middle East and on Israel, Palestine, and the Arab-Israeli conflict.

Between 2004 and 2009 Professor Beinin made multiple trips to Cairo, including two periods when he lived in Egypt. While there, he interviewed Egyptian workers and explored both the history and the current state of the labor movement. Beinin summarized his findings in a report titled *The Struggle for Worker Rights in Egypt* [1] published by the Solidarity Center [2], a non-profit organization with the mission of promoting workers rights.

Professor Beinin, who was the Director of the Middle East Studies Center and Professor of History at the American University in Cairo from 2006 to 2008 and teaches courses on the modern Middle East at Stanford, offers a historical perspective on the current Egyptian uprising.

Could you describe what life is like for the typical middle-class, urban worker in Cairo?

Joel Beinin: First of all, in Egypt, the word working class is not taboo. Workers are called workers and not middle class. And working class is a term that everybody understands.

The typical monthly base salary for a textile worker is 400 Egyptian pounds a month. That's about \$70. You also get incentive pay, bonuses of various sorts and so on. But if you put two salaries together in a typical Egyptian family of five, you're just above the poverty line (\$2.00 a day per person). According to the World Bank, 44 percent of the Egyptian people live under or just near the poverty line.

Most urban workers are barely able to feed their families and to provide education for their children because the Egyptian public school system simply does not work. Everybody has to hire tutors for their children. People are constantly over their eyeballs in debt.

The price of food has skyrocketed in the last five years, especially in the last several months. And people just cannot make it. Underlying all the political grievances that have come to light in the last week, in a very sharp way, are these economic problems, which have been going on for the last 20 years roughly.

In *The Struggle for Workers Rights in Egypt* you reference 1952 as the year that the

“fundamentally autocratic power” of the Egyptian regime began. How have working conditions for the average Egyptian changed since then?

JB: The regime of Gamal Abdel Nasser and the Free Officers, which came to power in 1952 after a military coup that ousted the monarchy, certainly was autocratic. But, it was an authoritarian populist regime. From 1952 to about 1965-66, the standard of living of workers and peasants rose quite dramatically. There was not only a moderate land distribution for the peasantry but, even more importantly, imposition of rent control on Egyptian agricultural lands. Urban wages rose. A paid weekly day off was instituted. A minimum wage was instituted. Nasser, for these reasons and others, was wildly popular for most of his rule, except among those who he jailed and tortured, primarily the Muslim Brothers and the communists.

This type of regime based on authoritarian populism and import-substitution industrialization was widely practiced throughout the newly independent countries of Asia, Africa and also in Latin America. But it has some built in problems that began to show by the mid to late '60s. By the time Nasser died in 1970 it was becoming clear to some people that the country needed to go on a new path.

Anwar Sadat, Nasser's successor announced in 1974 a new, economic policy called the open-door policy. This was the beginning of a very long and protracted process of privatizing the economy, cutting back state expenditures, reducing social services, reducing the subsidies on basic commodities that had been instituted even before Nasser came to power.

It took from their proclamation in 1974 until the 1991 agreement with the World Bank and the IMF for these policies to become fully operational. When that happened, very quickly, standard of living, working conditions for workers began to decline.

In 1991, Egypt signed an economic reform agreement with World Bank and the International Monetary Fund to privatize the public sector. How did this move affect the nation's laborers in subsequent years?

JB: Most people would agree that staffing in public enterprises in Egypt, especially textiles, which is the number-two industry in the country after food processing and canning, is perhaps 25 percent more than necessary. If you are a private entrepreneur and the government proposes to sell a textile plant, you don't want those 25 percent extra workers because obviously, that's going to cut into your profits. So the problem was, how do we get rid of them? The privatization program included legislation that a new employer who buys an enterprise cannot wholesale fire workers and has to provide the same level of wages and benefits as the workers previously enjoyed.

In order to make that work, the government began to institute early-retirement schemes. They'd give anybody over a certain age 40,000, 50,000 pounds, which is about \$8-9,000 USD, to retire. In Egypt, that's a pretty substantial amount. You could buy a pickup truck. You could buy a grocery store. You could buy some agricultural land. You might survive okay if you took that.

On that basis, some firms were sold off, but not enough. Then, a new government came into power — the one that's just been dismissed — in July of 2004. And unlike all the previous governments, this government, which was nicknamed “the government of businessmen,” they were gung ho for this program. They privatized more in terms of total asset value in their first year in office than had been sold off in the previous ten years. And of course, doing everything at that pace made all sorts of problems. They didn't offer people the same level of early retirement bonus so fewer people took it. Almost immediately in the second half of 2004, you see a big spike in the number of strikes, sit-ins and other kind of workers' collective actions.

Your research indicates that civil unrest can be traced to labor disputes dating back to the early 1990's. Why weren't the previous strikes and protests by Egyptian workers effective?

JB: In the 1980s and '90s, there were several periods when there was an upsurge of strikes and other protests. Some of them were, in fact, effective. But quite often, the regime simply rolled in the tanks and gunned people down, which meant that you thought many times before you went on strike or did anything like that.

Gradually, the right to strike became more and more established after a supreme constitutional court ruling stating that the constitution did, in fact, permit people to strike. The government, the executive branch, which holds all the power, didn't accept that and continued to repress striking workers.

In 1998, Egypt signed the Declaration of Fundamental Principles and Rights at Work issued by the International Labor Organization. By signing the agreement, governments around the globe gave workers the right to organize, promised non-discrimination, and forbade both child labor and forced labor. Did Egyptian workers begin to form unions then?

JB: Not as a result of that. There has been since 1957 an Egyptian Trade Union Federation. It has always, under Nasser, under Sadat, and under Mubarak been essentially an arm of the regime. It is illegal to form a trade union that does not belong to the Egyptian Trade Union Federation.

There can only be one union in each workplace. And there can be only one national, general union for each industry. All the textile workers have to belong to the General Union of Textile Workers. All the steel workers have to belong to the General Union for Iron and Steel and so on. These unions are completely top-down hierarchical.

There's a union committee in a given factory, and they have very little control over what they do both in terms of their budget or local wages and working conditions. And while striking is now legal in Egypt, you need to get the approval of two-thirds of the executive board of the Egyptian Trade Union Federation, all 23 of whose members are close to, and some even high officials in the ruling National Democratic Party. In their entire history, they have authorized two strikes.

And the International Labor Organization has never stepped in?

JB: The International Labor Organization has, for some years, been very concerned about Egypt and, in fact, a few years ago did a special inquiry into Egypt, which I mention in the book, *The Struggle for Worker Rights in Egypt*. But the International Labor Organization works according to a tri-partite partnership formula: governments, business, unions. So they investigate and find that, in fact, Egyptian workers do not have freedom of association and do not have the right to freely form trade unions and that there is discrimination, against women in particular, in the workplace. And they say we have discovered that there might be this problem. Would you please look into it? Well, that does no good at all.

Social media and the recent uprising in Tunisia have been cited as catalysts for spurring the revolution. Would you agree that those are the two most predominant contributing factors?

JB: When you put it that way, black and white, the answer has to be no. I don't mean to say that they are not important because, of course, they are. But I would put the emphasis on the existence of a whole array of social, political, economic mobilizations that have been going on for the last decade.

There were the popular committees in support of the Palestinian uprising in 2000, the popular committees opposed to the American invasion of Iraq in 2003, the Egyptian Movement for Change in 2004-06, which was a pro-democracy movement that demanded that Mubarak not run for reelection in 2005, which of course he did.

There was big support for the independence of the judiciary in the spring of 2006. In addition, and most important, there were over 3,000 strikes, sit-ins, and protests by over 2,000,000 workers since 1998. And that's still going on. Every month, I get a new statement from one of the Egyptian NGOs. They're counting them up by the day, and it's still at the rate of hundreds per year. None of these things in and of themselves led directly to what's happened since January 25th. But cumulatively they had a big impact on people's consciousness and sense of the possibilities for resistance to the regime.

What's significant about January 25th, 2011, the so-called "Day of Anger" in Egypt?

JB: There were two big demonstrations. The original Day of Anger was on the 25th, and then the second Day of Anger was on the 28th. On the 25th, there were about 10,000 people in the street, which is huge compared to what there had been for any kind of political issues in recent years. And then, because it was bigger than they expected, the people who organized said, let's go for Friday because Friday, you have prayers at noon. And it's very common for people, at the end of prayers, to go to some political demonstration if something is happening, especially if the preachers tell them that they should.

Now, people aren't afraid. They are in downtown Cairo, downtown Suez, downtown Alexandria. I'm not sure what's happening in other cities. But there certainly are things happening in provincial cities.

It's been many, many, years that the Mubarak regime has not been considered legitimate by a large portion of the Egyptian people. The thing that held people back was, first of all, fear because, if you're arrested, you are likely to be tortured and it's not pleasant at all. Second, people wondered, "If I stick my neck out, is anybody else going to join?"

Very few people will protest under those circumstances. But if you have more people in the street than Central Security Forces, well that's a horse of a different color.

Why are the Egyptian people demanding not just reform, but regime change?

JB: The Egyptian people, though perhaps 40 percent of them are illiterate, are very long-suffering and patient. And they have a reputation for political apathy. But they are not stupid. And they know that, if Hosni Mubarak goes and Omar Suleiman, the security chief who he has just appointed as vice president, takes his place, nothing will have changed.

Anyone who lives in Egypt understands that there is a certain structure to this regime. And it's not Hosni Mubarak alone. People can name other individuals who play certain roles. I mean, for example, Habib El Adly, the former minister of interior, who is hated because he commanded the police, who regularly torture people, the Central Security Forces, who brutally beat up people and, the thugs who throw rocks at demonstrators, as we saw beginning on February 2nd.

People understand that this is woven together. They might not be able to tell you all the details of how it works. But they know that it is an institutionalized system and they are fed up with it finally.

People are saying, well, first the Tunisian rebellion, now Egypt. Who's next? Will we

witness a domino effect of more rebellions in other Middle Eastern countries?

JB: My main argument about these things is that, even though you can say that there's a certain demonstration effect for what happened in Tunisia and now what's happening in Egypt, each place is different.

For example, in Tunisia, the army is very small and didn't receive billions of dollars of weapons and training from the United States. So it was relatively easy to get the army to come over to the side of the people. In Egypt, the army is huge. It's 450,000 people. That's going to be a harder structure to move than was the case in Tunisia. And, in fact, in recent days it has been clear that the army has sided with the regime against the people.

Footnotes

[1] http://www.solidaritycenter.org/files/pubs_egypt_wr.pdf

[2] <http://www.solidaritycenter.org/>