

# Egypt: Status of workers in the context of Coronavirus

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Pandemic COVID-19 invaded the world in an unprecedented way, affecting most countries with the exception of very few ones until now. This situation obliged states to block their borders in order to avoid transfers between countries. Accordingly, air flights were cancelled and tourism became a mere utopia.

Our country was affected as well by the virus and the government had to adopt precautionary measures in order to limit losses.

This included the prohibition of huge gathering of people, closure of universities and schools, closure of coffee shops and commercial shops beginning 5 p.m., as well as imposing a curfew to citizens from 7 p.m. until 6 a.m., and stopping sports activities in clubs and youth centers.

There were also attempts to limit crowd during day time by diminishing the number of governmental employees and granting paid leave to women in charge of children or persons suffering from chronic illnesses, and finally stopping all governmental services except those provided by health offices.

In parallel to these preventive measures, the government called the private sector to align with these measures by granting workers paid leave, diminishing to the maximum the working hours and rescheduling the presence of workers in order of phasing a gradual mobility and alleviate thus the presence of big numbers of people at a same place.

However, very few - if not rare - businessmen reacted favorably to this request.

Undoubtedly, the repercussions of the pandemic and the accompanying measures resulting in the limitation of economic activities will lead to losses for number of companies in specific sectors.

However, in our reality, the worse impact until now is noticed in the situation of workers, mainly in the sector of non-organized labor which is estimated according to the Central Agency for Public Mobilization and Statistics to include 5.6 millions of workers on a daily basis, 233 thousand seasonal workers in governmental institutions, with another 609 thousands seasonal workers and 3.7 million intermittent workers in the private sector.

Either these millions belong to the public, the private, or the non-organized sector, the Corona danger is threatening them of isolation and fear from being put apart while these are the ones who played an important salvation role in 2011 when the contribution of this sector represented 23,12% of Egypt total national product.

Therefore, they need to be doubly protected: once on an urgent-term from the devastation caused by Coronavirus, and on a longer-term to overcome their unstable legal status requiring to be redressed.

Actually, during the past short period, many temporary workers not falling under the umbrella of social security were fired, thousands of workers in touristic institutions lost their jobs as well as workers in coffee shops and restaurants. In addition, workers on a daily base are threatened from starvation.

The dangers of this situation are visible to everybody alarming from an explosion calling for the provision of urgent support to this social category of workers.

Despite the efforts of the Ministry of Social Solidarity and the decision to disburse an exceptional grant of 500 Egyptian Pounds for those affected by the situation, disbursement of the grant was conditioned by criteria rendering it difficult to benefit for the majority of the informal labor force. Actually, beneficiaries were limited to those who were registered as having passed the skills' measurement test conducted by the directorates of labor force, included in their data bases and holding a pass from the directorate of non-organized labor.

In this context, the Ministry had declared that not all free-lance labor is considered as non-organized labor that is classified under five specific categories that should be mentioned in the ID. These categories include: entrepreneurship, workers in agriculture, in quarries and mines, fishermen and workers in maritime ports. This applied to 55,075 workers in the age bracket 18-59. Here, we have the right to ask what will be the destiny of all the other workers in the non-organized sector who do not comply with these conditions, such as street vendors, domestic workers and workers on a daily base?

Some NGOs, banks and the Ministry of Religious Endowments launched initiatives in support of the non-organized workers; while nobody can deny the value of such initiatives despite some practices that may humiliate the beneficiaries (example: taking pictures or asking them to express gratitude), all these measures were solely taken by the government without consultation or discussion with the real concerned parties (i.e., workers and trade unions), and in the total absence of the General Federation despite all the potentials it possess.

The fact is that this Federation limits its contacts and interaction with the business sector.

### **The current situation requires a set of policies and measures that we propose below:**

News circulate (backed by evidence) that there are complaints from workers about the termination of their services by their employers, putting them in difficult economic conditions; in this context, it is important to stress the following facts:

- The social responsibility of investors and businessmen - which is valued - is not limited to award some money for charitable purposes; it is rather a series of responsibilities on top of which comes the commitment to their workers' rights; a commitment that should be multiplied in times of crises;
- The firing of workers and their deprivation from their only means of living during the present crisis jeopardize the social stability and security; we will all ready to assume this situation with the hope that we will overcome it with limited losses. However, the cost taken up by the higher social segments is not to be compared with the suffering prevailing among the poorer categories including workers.

The range of benefits might decrease for some industries, some might even be obliged to close down projects, but on the other hand there are those who do not have any means to satisfy the need to eat.

- We are not here engaging in a quarrel or exchange of accusations, but just reminding that the corporate social responsibility should particularly extend in times of disasters and crises;
- Based on the above, we request that any exemptions, privileges or loans offered to the private sector have to be linked to the preservation of workers' security and the commitment to fulfill their rights.

We call for the activation of Articles 196 to 199 in Labor Law 12/2003 as these articles stipulate that when a business owner wishes to close, reduce the size of its business or its activities, s/he has to present a demand to the Commission established by virtue of Ministerial decree number 984/2003 in case such decision could affect the size of workers.

The mentioned demand should include valuable reasons as well as the numbers and categories of workers expected to be terminated; and it is the role of the Commission to assess the seriousness of

the reasons provided and examine the possibilities to overcome the economic difficulties. Within the current crisis, it is imperative to study the probability of securing sustainability of businesses despite potential losses as well as the options of readapting the economic activity for some time; in the case of partial closure, possibilities of providing transformative training and rehabilitation to workers should be present in the minds.

In the case of bankruptcy or liquidation of a business, the Ministry of Labor is appealed to follow-up the compliance of measures adopted with workers' rights

There is an Emergency Fund of Aid for workers that should be monitored by the Commission established by the Prime Minister; in parallel allocation of fees against participation in meetings or as bonuses to the enterprises' boards should be stopped; the size of this Fund should be fed by businessmen and their organizations, as well as donations from other bodies taking the initiative of supporting workers[1].

According to its regulation, the Fund has to compensate workers for a duration of six months with the amount of their insured salary in emergency situations in case business owners or enterprises are incapable of disbursing workers' salaries for some time.

Offices of social security should be opened to receive the demands of workers who lost their jobs claiming the unemployment remuneration, disbursement of which should take place immediately on the eighth day after losing job for those fulfilling the requirements (Articles 87, 88, and 89 of Social Security Law 149/2019).

- Giving the opportunity to workers registering themselves any time without limitation of deadlines;
- Disbursing a monthly award of 1000 Egyptian Pounds during three months to workers beginning this month of April until the situation becomes clearer and more stable regarding Coronavirus;
- After the end of the crisis, there should be a long-term follow-up about the results of non-organized workers' registration in order to improve the process of registering non-organized workers and compel business owners to keep daily registrars of workers presence and provide the names of those insured together with their share of social insurance fees;
- A re-evaluation of the salaries' value and the percentage of monthly insurance fees according to a new calculation based on actuarial accounting taking primarily in consideration the interests of insured workers and their right to social protection;
- Conduct a census about the workers who are no longer capable of working and develop a system of monthly pension for them;
- Enable non-organized workers to establish efficient trade unions in defending their rights and adopting their demands;
- Provide the insured ones (amounting to nearly three millions working in bakeries, land transportation and entrepreneurship) registered at the Social Security Fund for workers' compensation of unemployment to be taken from the account allocated for unemployment in compatibility with the provisions of Social Security Law and with ILO Convention 102 about the criteria of social insurance;
- Temporarily exempt these workers and their families from the bills of electricity, water and natural gas until the end of the present situation and its economic repercussions;
- Amend the draft Labor Law presented to the Parliament as to secure legal protection for these workers, including the mechanisms to follow-up and monitor their conditions of work;

The present crisis raises again the pending issue of domestic workers and those in similar situations; it is well noticed and known that many households have terminated them as a consequence of Coronavirus; such measures expose this category of workers to extremely difficult living conditions. While we consider that the families employing domestic workers should grant them pay leaves as all concerned parties are expected to bear part of the responsibilities and charges, we reiterate the

claim to necessarily amend the Labor Law in order to ensure that this category will not be excluded from protection under its umbrella.

We confirm once again that it is quite possible to exempt such categories of work from the provisions of the chapter about inspection of the work place and the right to judicial seizure without depriving these workers from the protection of their rights in terms of salaries, working hours and holidays as well as benefitting from the coverage of social security;

Prioritize the provision of help and support to small and micro projects.

Provide the necessary tools to prevent contamination from the virus and secure work environment for medical teams and workers obliged to practice their tasks in order to provide important and basic services to other citizens (industry of medicines, food industries, production of tools for prevention).

**Finally, the present crisis is showing clearly the dire need of workers and the society as a whole for real trade unions freely established and capable of providing protection and effectively advocating for people's rights.**

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#### **Notes :**

1. The actual balance of the Fund is estimated at six billions Egyptian Pounds according to Dr. Hala El Said, Minister of Planning (Sout El Omma newspaper, March 30 2020)

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#### **P.S.**

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