

# Workers, Trade Unions and Egypt's Political Future

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During the week of December 15-22, 2012, between the two rounds of the referendum on Egypt's newly adopted constitution, workers struck at three large, strategic industrial enterprises. At two, the strikers quickly achieved their main demands.

The state-owned Eastern Tobacco Company headquartered in Giza holds a monopoly on local cigarette production. Its 13,000 workers secured the restoration of their production incentives, which had been cut because the company decreased output following President Muhammad Mursi's announcement of higher cigarette taxes. Similarly, 8,000 workers at the public-sector Egyptian Aluminum Company in the south won reinstatement of their profit-sharing bonuses, which had been cut from 12 months' to 45 days' base pay. A third walkout, at the port of 'Ayn Sukhna, a concession operated by Dubai Ports World, did not succeed — but it was the third strike at that facility since June.

Belying the common distinction in Egypt between "political" and "economic" questions, government representatives continue to mediate labor disputes, lending them a political character. Minister of Investment Usama Salih, a technocrat who served under the regime of Husni Mubarak and now serves under its successor, personally intervened in the Eastern Tobacco and Aluminum Company strikes and directed that the workers' demands be met. Eastern Tobacco workers clamored for the dismissal of their Mubarak-era CEO on grounds of corruption. Salih authorized the appointment of an interim CEO while the charges are investigated.

The decade preceding the uprising against the rule of Husni Mubarak saw the most sustained wave of strikes in Egypt since 1952. The strikes coincided with severe hardship for average Egyptian households, as wages failed to keep pace with the rising cost of living against the backdrop of the Mubarak regime's accelerated neoliberal economic policies. Since "bread" and "social justice" were two fundamental demands of the uprising, along with "freedom," many Egyptians expected that Mubarak's fall and the democratic election of a new president would bring some relief of their economic plight.

Judging by the level of worker activism, however, the expectations have been disappointed. Indeed, the strike wave is cresting again, with nearly 1,400 work stoppages and other labor protests in 2011 and still more the next year. According to the Egyptian Center for Economic and Social Rights, during 2012 there were over 3,400 protests over economic and social issues, mostly labor actions. This number is nearly five times greater than the number of collective workers' actions in any year

of the 2000s. [1] Over 2,400 of these protests occurred after Muhammad Mursi's inauguration as president on June 30.

The Muslim Brothers embrace the same neoliberal policies favored by the Mubarak regime and, if anything, envision an even more expansive program of privatization of public assets. The Brothers' leadership also has a history of opposing militant labor action. Some Brothers who happen to work in industrial or clerical jobs have been more sympathetic to local workers' issues. But they have not received support from the Guidance Bureau, which directs the organization and presumably has strong influence over the positions of the Mursi government. Since Mursi assumed office, physical and legal attacks on trade union activists have increased. Hundreds of workers have been fired for trade union activities and thugs have beaten many others.

In September 2012 an Alexandria court sentenced five union leaders at the Alexandria Port Containers Company to three years in jail for leading a strike of 600 workers in October 2011. [2] This sentence is the harshest for a striker since the era of President Anwar al-Sadat. The case is under appeal.

### **An Embittering Split**

Since the uprising against the Mubarak regime, some 1,000 new unions independent of the state-sponsored Egyptian Federation of Trade Unions (ETUF) have sprung up. Many of them are affiliated with either the Egyptian Federation of Independent Trade Unions (EFITU) or the Egyptian Democratic Labor Congress, established after the Center for Trade Union and Workers Services (CTUWS) and unions in its orbit broke off from EFITU in the summer of 2011. The split has undermined the fledgling independent trade union movement.

Accounts of the causes of the separation differ. One factor was almost certainly the personal friction between two charismatic leaders — Kamal 'Abbas, who has been general coordinator of the CTUWS since its founding in 1990, and EFITU President Kamal Abu Eita. 'Abbas was fired for leading a strike, violently suppressed by State Security, at the Helwan Iron and Steel Company in 1989. As the most important labor-oriented NGO for the next 20 years, the CTUWS naturally assumed a leadership role in EFITU when it was created. Abu Eita had led the breakthrough that made independent trade unionism a reality — the establishment of the Municipal Real Estate Tax Assessors Union outside the ETUF's purview in 2008. He had his own history of political activism as a leading member of the Karama Party, which split off from the legal Mubarak-era Nasserist party.

Beyond personalities, Abu Eita and his supporters believed it was important to seize the revolutionary moment to set up an independent trade union federation, even before a critical mass of constituent independent unions had emerged. This move, they argued, would put workers' interests on the post-Mubarak political agenda. 'Abbas, consistent with long-standing CTUWS strategy, believed in building from the bottom up. There is no necessary contradiction between the two approaches. But today the two federations and many of their constituent unions lack the resources and trained personnel to implement either design as fully as they would wish.

At the local level, many members of unions affiliated with both federations have little knowledge and no prior experience of democratic trade unionism. The International Trade Union Confederation has committed to training several hundred union members from both federations. But such international assistance is a delicate matter because many nationalist Egyptians oppose any form of foreign intervention in political and economic life.

After a year of mostly behind-the-scenes bickering, four respected figures, including former Minister

of Manpower and Migration Ahmad Hasan al-Bura'i, decided to mediate between the two federations. Al-Bura'i had resigned in protest in November 2011 because the Supreme Council of the Armed Forces refused to authorize the "trade union freedoms" law that his ministry had drafted with input from EFITU and the CTUWS. The result of the mediation was an agreement to collaborate on a four-point program: immediate enactment of the draft law; freedom of trade union activity; reinstatement of those fired for trade union activity; and a monthly minimum wage of 1,200 Egyptian pounds or about \$181 (the current minimum is 700 pounds or \$105).

But bitterness from the split remains. Some regard the formation of the National Front for the Defense of Labor Rights and Union Liberties in October 2012, with the support of both federations and most of the political forces of the left, as a positive step. Others see it as an effort by NGOs and political parties to preempt an initiative that was already underway under the leadership of EFITU.

### **On the Agenda**

Despite the weaknesses at the national level, individual independent unions — municipal real estate tax assessors, teachers, Cairo bus and Metro workers, and iron and steel, ceramic and port workers — have mounted high-profile strikes that have put the demands for workers' freedom of association and collective bargaining rights squarely on Egypt's political agenda. The International Labor Organization has supported the struggle for these rights, which are guaranteed in ILO conventions that Egypt has ratified but routinely flouts.

State-employed professionals have also participated in the protest movement. Doctors went on strike from October 1 to December 21. The doctors demand higher salaries, an increase in the budget of the Ministry of Health, a review of its operations and better security in hospitals. [3] The disastrous state of public health facilities has led some patients' families to take out their frustrations on hospital staff. The doctors have broad public support for their program. Their job action, however, was "suspended" until March 2013 after aggressive intervention by Muslim Brothers in the Medical Association (often called the Doctors' Syndicate).

At the beginning of the current academic year, the independent union of public school teachers organized nationwide protests targeting their low salaries, overcrowded classrooms and the Ministry of Education's low budget. These conditions compel most middle-class families to pay for private tutoring. In exchange for extra fees, public school teachers convey the information students need to pass their exams. At some schools, the tattered textbooks are in such short supply and other working conditions so poor that teachers are essentially unable to teach. The teachers went on strike at the beginning of the 2011 academic year over the same issues. Their demands remain unmet. Millions of families would benefit from eliminating the quasi-compulsory system of private tutoring. Many of them support the teachers. But the ETUF-affiliated teachers' union, the largest of the ETUF's 24 national unions, is led by Muslim Brothers and has not supported the protests.

Alongside the independent trade union movement, public-sector industrial workers, like those at Eastern Tobacco, Egyptian Aluminum and the giant Misr Spinning and Weaving Company, which employs some 20 percent of all public-sector manufacturing workers, are seeking to gain control of their ETUF-affiliated unions. Their pensions, health insurance and subsidized summer vacations are linked to their ETUF membership. Leaving the state-run federation while this linkage remains enshrined in law would entail a prohibitive loss of money they believe belongs to them.

Municipal tax assessors, teachers and other government employees receive fewer benefits from their union membership, and their decision to leave ETUF thus entails fewer costs. Ironically, the workers who have fought most successfully for decent treatment within the ETUF now find themselves

trapped under its umbrella. The strongest EFITU unions are those of employees who have been treated the worst by the ETUF.

The continuing workers' protest movement has the potential to block the plan to revive Egypt's stalling economy that Egyptian and International Monetary Fund technocrats approved in principle in November 2011. This plan would bring Egypt a \$4.8 billion IMF loan and potentially up to \$5 billion in aid from the European Union and \$1.4 billion in aid and financial guarantees from the United States (in addition to the annual \$1.3 billion in military aid). The IMF's conditions for the loan, however, would result in higher prices for consumer goods, especially foodstuffs, as well as new sales taxes and cuts in the number of state employees. This austerity program would likely exacerbate unemployment, now officially 12 percent, and inflation, currently about 10 percent per annum.

Consequently, the IMF plan's implementation was suspended after the unexpected mass opposition to President Mursi's November 22 constitutional decree granting himself virtually dictatorial powers. Mursi had promised that "no conditionality" would be attached to the IMF loan, despite the well-known history of such stipulations in IMF packages for Egypt and elsewhere. He does not have a mandate to carry out an austerity program that will be unpopular and very likely increase the number of strikes and worker protests.

### **Back to the "Black List"**

The principal motivation for the November 22 decree was to block the Supreme Constitutional Court from dissolving the Constitutional Assembly and the Shura Council, the upper house of Parliament. Such a judicial ruling would have prevented the referendum on the draft constitution and forced the appointment of a more representative Constitutional Assembly. But another important reason for the decree was to clamp down on labor protest. Articles 3 and 4 of a law to "protect the revolution," issued by the president in accordance with his new powers, created a special prosecutor's office with jurisdiction over crimes including participating in or inciting a strike. The CTUWS vociferously denounced this law. [4] Although most of the powers Mursi gave himself on November 22 were subsequently rescinded in the face of massive protests, this law remains in effect.

Virtually unnoticed as well in the upheaval provoked by the November 22 edict was Decree 97 of November 25, 2012, which amended the law regulating trade unions. It removes all members of the ETUF executive board over 60 years old. They are to be replaced by the candidates who received the second-largest vote tallies in the 2006 national union elections. Those elections were widely considered exceptionally fraudulent. State Security officials banned thousands of oppositional trade unionists from running. Hence, hundreds of candidates ran unopposed. The decree authorizes the new minister of manpower and migration, Khalid al-Azhari, who is a member of the Muslim Brothers' Freedom and Justice Party, to appoint replacements to vacant trade union offices.

This measure could wind up installing as many as 150 Muslim Brother appointees at the helm of ETUF's constituent unions. [5] The executive board has already been reorganized. Mubarak-era stalwart Ahmad 'Abd al-Zahir was replaced as president by al-Gibali al-Maraghi, a younger member of the ETUF old guard. Yusri Bayyumi, the most prominent of the relatively few Brother trade unionists and among those considered sympathetic to workers' demands, was appointed ETUF treasurer. Only three advocates of independent trade unionism remain on the 24-member executive board.

On December 24 President Mursi appointed al-Maraghi to the Shura Council. Independent trade unionists and others suspect that the appointment is al-Maraghi's reward for agreeing to work with

the Muslim Brothers. [6] Al-Maraghi is the only labor representative in the Islamist-dominated upper house of Parliament, which has full legislative powers until elections for the lower house take place. In principle, these elections should be held no later than two months after the certification of the constitutional referendum, that is, February 26. But the Egyptian press has been talking about elections in March.

The Shura Council has already begun drafting a law restricting strikes and demonstrations. The full text is not available as of this writing. But human rights organizations, the Egyptian Center for Economic and Social Rights and EFITU have already condemned elements of the law that have been leaked, claiming that they are based on the highly restrictive Law 14 of 1923, which dates to the British effort to repress the 1919 uprising against the occupation of Egypt. The Shura Council may not have the time to enact this legislation as the Supreme Constitutional Court is hearing a challenge to the legitimacy of its election. The Court was due to rule in this case on January 15, but delayed its decision to undertake further consultations. Whatever the outcome of this episode, it confirms the anti-labor orientation of the Muslim Brothers' leadership.

The Brothers are collaborating with holdovers from the Mubarak regime in the ETUF bureaucracy. Their common interests are to maintain control over a relatively wealthy institution and restrain (and perhaps reverse) the growth of independent trade unionism. As in other power centers, the Brothers have sought accommodations with Mubarak-era apparatchiks, rather than their removal, or other types of major reform. The stability of this alliance is uncertain.

Decree 97 also extends the terms of incumbent union officeholders for six months or until the next ETUF elections, whichever date comes first. Muslim Brother appointees and old-guard ETUF bureaucrats will supervise the elections, likely allowing them to maintain control over the top levels of the organization. Khalid 'Ali, the director of the Egyptian Center for Economic and Social Rights and a former presidential candidate, nonetheless expects independents to win offices in many enterprise-level union committees. [7]

Independent trade unionists strongly oppose Decree 97. On November 28 the CTUWS organized a conference under the slogan, "No to the Brother-ization of the Unions." Kamal 'Abbas told the gathering, "We reject Mursi's law — not because we defend those over 60, but because the organizational rules do not permit anyone but corrupt people to take their place." [8]

The constitution that went into effect on December 26, 2012 jeopardizes independent trade unions and the workers movement. Article 52 states, "The freedom to form syndicates, unions and cooperatives is a right guaranteed by law." But the existing legislation to which this article refers is Law 35 of 1976, which gives the ETUF a monopoly on trade union organization. Article 52 also permits the dissolution of entire unions and their executive boards by judicial order. Articles 63 and 70 appear to permit certain forms of forced labor and child labor that would violate ILO conventions that Egypt has ratified. Article 14 links wages to production, but does not mention prices, and hence could exacerbate inequality during periods of inflation, as at present.

Ahmad Hasan al-Bura'i declared that the constitution violates ILO conventions 87 and 98, which, respectively, deal with freedom of association and the right to organize and bargain collectively, and which Egypt has ratified. [9] Therefore, as it was in the last years of the Mubarak era, Egypt might again be placed on the the ILO's list of "special cases," which Egyptian advocates of democratic trade unionism dub the "black list."

## **Workers and National Politics**

The future of trade unionism and workers rights in Egypt, like broader political and economic issues, remains contested. Industrial workers solidly, though not unanimously, opposed the constitution. In the referendum, the no vote won in Cairo, which includes many factory districts, and the Gharbiyya governorate, home of Misr Spinning and Weaving.

Workers have not been major players in the national political arena in the post-Mubarak era. They distrust the Cairene intelligentsia and their political parties and have no effective autonomous national organization. Nonetheless, labor protests are likely to intensify as Mursi puts the agreement with the IMF into effect. A long list of price increases in consumer and producer goods was announced days after the constitutional referendum. [10]

Tens of thousands of previously unpoliticized “couch potatoes,” along with many veterans of the Tahrir Square encampments, participated in militant demonstrations called by the National Salvation Front against President Mursi’s November 22 decree and the draft constitution. They may or may not remain mobilized against Islamist parties in the upcoming parliamentary elections. Many of the Front’s supporters hope it will contest those elections as a unified opposition bloc, but no decision to unite has been announced.

The Front’s luminaries — former Foreign Minister Amr Moussa, the liberal leaders of the Constitution and Wafd parties, Mohamed ElBaradei and al-Sayyid al-Badawi, Social Democratic Party president Muhammad Abu al-Ghar and Hamdin Sabbahi, president of the Nasserist Popular Current Party — have little in common beyond opposition to the Muslim Brothers and the salafis. None of them has devoted significant energy to building grassroots support among workers.

The Socialist Popular Alliance Party (SPA), also a component of the Front, includes such labor sympathizers as Khalid ‘Ali, Wa’il Gamal, Abu al-‘Izz al-Hariri and ‘Abd al-Ghaffar Shukr, as well as EFITU vice president Fatma Ramadan. They have won the trust of important clusters of workers through years of hard work and consistent commitment to their interests. But the SPA is by far the smallest constituent element of the Front. Khalid ‘Ali (who ran as an independent before he joined the SPA) received 135,000 votes (.58 percent) in the first-round presidential vote and al-Hariri won 40,000 votes (.17 percent) — only the beginnings of an electoral base.

In contrast, the Nasserist Hamdin Sabbahi scored a surprising third-place finish with 4.8 million votes (20.7 percent). His colleague, EFITU president Abu Eita, was one of the few trade unionists elected to the first post-Mubarak parliament. Sabbahi’s electoral success led him to refashion most of the Karama Party into what was hoped to be a broader formation, the Popular Current. Nasserism is popular among public-sector workers, thanks to the memory of Gamal Abdel Nasser himself, even if his heirs have occasionally cut deals with Nasser’s most bitter opponents. In the 2011 parliamentary elections, Popular Current (then still Karama) formed a joint list with the Brothers’ Freedom and Justice Party. That alliance is dead, due to the Muslim Brothers’ embrace of the IMF and its neoliberal policies, but perhaps revealing of the slipperiness of Nasserist populism.

In October 2012, Sabbahi, the SPA and several NGOs launched a campaign to cancel Egypt’s \$35 billion foreign debt (in concert with similar campaigns in Latin America). The demand is a righteous one, but even if it can be achieved it will take a long time. Similarly, Sabbahi’s proposed one-time 20 percent tax on the wealth of the 1 percent and increased fees on real estate and stock transactions are both ideas with popular appeal. The resulting revenue would indeed relieve the government’s domestic debt. But it would not be sufficient to finance long-term economic development and rebuild the public health and educational systems.

Sabbahi and most of the Egyptian left advocate renationalizing the public enterprises that were



privatized under Mubarak. One such enterprise, the Steam Fittings Company, has reverted to the state, which does not want it (the Muslim Brothers are free marketeers). The government is appealing court rulings to renationalize a handful of others. Sabbahi proposes to expand the public sector to create jobs.

Renationalization resonates with the nostalgia for the relative economic and social security of the Nasser era, a sentiment which burgeoned in 2012. But Nasser's "Arab socialism," despite its undeniable achievements, was unsustainable. By 1964 Egypt's GDP growth fell precipitously and there was a foreign debt and foreign exchange crisis. Such economists as Samir Radwan, who was briefly finance minister in 2011, established these facts nearly 40 years ago. Egypt first turned to the IMF for assistance in 1966. Nasser ultimately rejected the "background stabilization program" the IMF proposed because he deemed its demand for cuts in subsidies for basic commodities too politically destabilizing. The crisis of Arab socialism before the 1967 Arab-Israeli war (not as a result of it, as Nasserists typically argue) suggests that a return to those policies is not the cure for Egypt's economic maladies.

### Left Out

Before the end of 2012, the National Salvation Front's stability as a political formation was tested. Revealing the essential compatibility of the policies of the Mubarak regime and those of the Muslim Brothers, except as regards the role of Islam in society, Amr Moussa issued a five-point program for a one-year political truce between the opposition and President Mursi. He proposed forming an emergency cabinet including representatives of all political currents and led by Mursi (which might have been designed to forestall the rumored appointment of Muslim Brother strongman Khayrat al-Shatir as prime minister); calling a moratorium on labor strikes; respecting the right to demonstrate peacefully; forming a committee of constitutional experts to review the disputed articles in the newly approved constitution; and allowing the emergency government to consider the committee's conclusions.

The SPA denounced Moussa's offer to call off strikes as "arrogant" because it "ignores the fact that the reasons for workers' protests and strikes are humiliating working conditions, low wages and daily rising prices...and submits to the ruling authorities' policies that favor the rich." Adopting this proposal would be the "shortest path to dismantling the Front," said an SPA statement issued on January 2. This analysis is only partially correct.

Many among the elites and upper middle classes would find Moussa's plan attractive. He won over 11 percent of the first-round presidential vote, and there is no reason to believe he has lost that support. Al-Sayyid al-Badawi and the business-oriented Wafd would also be supportive. Many workers, however, would reject Moussa's no-strike proposal. If it were to be adopted in any form, there would be no way other than brute force to impose it on them. No unified leadership speaks for them. Virtually all strikes and collective actions are wildcats directed by local leaderships.

Given the mutually contradictory economic and political orientations of the Front's component parts, its capacity to hang together through the upcoming parliamentary elections is in question. If it does endure, it may or may not replicate the electoral showings of Sabbahi and Moussa, who between them won one third of the votes in the presidential first round. In the best of circumstances, the Front faces substantial obstacles.

Sabbahi, Moussa and al-Badawi are figures of the Mubarak era. As Moussa's truce proposal indicates, he, as well as others, have not transcended the top-down, centralized, less-than-transparent and paternalistic political style of those years. The lack of women in the Front's

leadership and its silence on the question of sexual harrassment, which has become a 24/7 plague in downtown Cairo, is symptomatic of its inability to address the pressing needs of key grassroots constituencies. If the National Salvation Front does not meet the challenge, the contest over Egypt's future will continue in workplaces and in the streets.

## **Joel Beinin**

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### *Endnotes*

[1] Statistics for the 2000s, for 2011 and for 2012 were compiled by different NGOS, using slightly different methods to classify strikes, factory occupations and other forms of collective action. All depend on reports in the media, not a fully accurate source. Although the precision of the figures is questionable, the orders of magnitude are almost certainly correct.

[2] Egypt Independent, October 15, 2012.

[3] Egypt Independent, December 21, 2012.

[4] Al-Yawm al-Sabi', November 23, 2012.

[5] Dina Bishara, "Egyptian Labor Between Mursi and Mubarak," Foreign Policy, November 28, 2012.

[6] Al-Watan, December 25, 2012.

[7] Interview with Khalid 'Ali, Cairo, December 25, 2012.

[8] Wikalat Anba' al-'Ummal al-'Arab, November 29, 2012.

[9] Al-Shuruq, December 22, 2012.

[10] Al-Watan, December 25, 2012.

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## **P.S.**

\* From the Middle East Research and Information Project (Merip), published January 18, 2013:  
<http://www.merip.org/mero/mero011813>