



**Center for Trade Union and Workers Services**  
**CTUWS**

**THE EGYPTIAN WORKERS POSITIONS  
BETWEEN  
NEW LABOR RELATIONS AND OLD TRADE  
UNION ORGANIZATION**

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## **Introduction:**

Mr. Kamal Abbas the General Coordinator of the Center for Trade Union and Workers Services presented this paper to a conference organized in May 2002 by the Developing Countries' Studies and Research Center of the Faculty of Economics and Political Sciences, Cairo University on "The Workers and the Social, Political and Economic Changes".

## **THE EGYPTIAN WORKERS POSITIONS BETWEEN NEW LABOR RELATIONS AND OLD TRADE UNION ORGANIZATION**

Many queries and question marks surround the position of the working class at the present time.

They are queries and questions that may reach the limit of accusation in some cases.

They are accusations of negligence and failure to push forward the wheel of economic development; accusations of negative attitude towards the societal causes and inability to perform the historical functions which should have been carried out. Over and above all, the accused parties are not limited to the well known enemies of the working class. They include some of the old advocates who were disappointed and some others who started to reconsider the previous concepts and visions in this era of globalization.

The concept of the working class itself became questionable and doubtful. Some people consider it as obsolete. Others claim that it is a mere theoretical concept that is found only in the minds of thinkers and ideologists. Whether these accusations are authentic or fake, fair or unfair, they cannot be discussed without opening the files of the Egyptian working class and reading its actual positions, conditions and the changes that happened thereon. It is essential to get acquainted with the features of the Egyptian labour movement and in particular the confiscated trade union rights and freedoms. This may help us draft the questions in a logical manner and establish sound basis for dialogue or debate on these issues.

It is not the scope of this paper to discuss in detail the historical development of the Egyptian working class. However, the quick study of this history and its main stations may be a necessary approach for our subject matter.

### **Historical Background:**

The early beginnings of labor movement in Egypt is still debated by the historians of the Egyptian working class. However, it may be safely assumed that the end of the 19<sup>th</sup> century witnessed the early beginnings of the mass actions that drew the features of the Egyptian labour movement. The movement goes back to the tobacco workers strike that started in December 1896 and continued till February 1897 until the conclusion of the first collective agreement in the history of the Egyptian workers.

## **The Working Class in Fifty Years:**

The working class entered the 20<sup>th</sup> century seeking its way towards active action in defence of its collective interests in fairer wages and work conditions. If the foreign workers, especially those from the north of the Mediterranean played an active role in transferring their more crystallized experiences of the older organizations and movements, the Egyptian workers very soon discovered their route and began to organize themselves in the national movement of the Egyptian nation as a whole. The national movement at that time was rediscovering itself and proceeded towards more crystallization in its march for independence and freedom.

The Egyptian participated with all categories of the Egyptian population in its major revolution of 1919. They emerged from this experience more aware of their Egyptian and class identity. Three decades after this new birth, the working class took part in the national struggle. Meanwhile, it launched special battles for improving work conditions and the right to autonomous organization.

With the relative development of the Egyptian capitalism and the remarkable expansion especially in the spinning and weaving industry, the number of the Egyptian workers was ever growing. The active movement and successive class battles accelerated the merge of the new comers with the rank and file that was actually gaining shape and form within the movement.

Similar to any movement, the Egyptian labour movement witnessed periods of ebbs and tides during the first half of the 20<sup>th</sup> century. The 23<sup>rd</sup> July 1952 Revolution, that was the outcome of long struggle, was a success that led to the realization of several achievements. It was a considerable development that crystallized the autonomous organizational tools of the movement. The struggle for better working conditions before the revolution not only led to a series of partial gains but also to a societal recognition of this right represented in the issuance of labour laws in the 1940's. but these laws remained incapable of meeting the acceptable minimum of working conditions. The analysis of the parliamentary discussions at that time and the statements of Al Wafd leaders (the then majority party) indicate without doubt the general societal tendency towards more benefits for the workers to exceed those stipulated by the labour law. Such tendencies would have been perfected in more legal provisions if they were left to develop in the same direction.

Improving work conditions was not the only field of the class struggle of the Egyptian labour movement. In addition to its increased involvement in the Egyptian national liberation movement that led to the formation of the workers and the students committees during the second half of the 1940s, the struggle for autonomous organization was the most important feature that characterized the labour movement.

The working class managed to obtain its right to autonomous organization bit by bit before there was legal recognition of the trade unions. The movement rejected any domination from the government as well as from Al Wafd Party (the then party of

the then middle class or bourgeois). Amidst this struggle, the features of an autonomous movement were being shaped; and its organizations and leaders began to crystallize. Towards the end of the 1940s the movement was looking forward to form a national federation of trade unions to integrate all these efforts. Since then the concept of the federation was still a mere slogan and a demand till before the outbreak of the July 1952 Revolution that changed the political life in Egypt.

The labour movement was optimistic. But when it started to express its effectiveness as an autonomous movement in a strike of Kafr El Dawar workers in 1952 - which was just a strike similar to many other strikes – it was surprised by a high degree of oppression that reached the limit of standing before an unfair military court. Two workers (Mustafa Khamis and El Baqary) were sentenced to death.

### **The Position of the Working Class and the Labour Movement ... How and Why?**

It was necessary to give this long historical background of the working class positions in order to highlight the roots of the movement. It was important to refer to this extraordinary chapter in the history of the Egyptian working class because the a950's showed an array of complexity for the working class. There were very delicate move, sharp turns and in some cases very serious changes that led to what may be considered the present crisis.

Thus, our approach towards the Egyptian working class and labour movement will start from this point and though the following pivots:

- The historical settlement<sup>1</sup> (the implicit exchange between the Egyptian working class and the July 1952 regime).
- The working class and the public sector.
- The decades of reversed positions (developments of the working class conditions during the nest decades).
- Current positions of the Egyptian working class.
- The present crisis.
- Conclusion.

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<sup>1</sup> The term "Historical settlement" is borrowed from Goel Benin because it is the author's viewpoint that it is more accurate than terms used by other researchers such as "bargaining" or "deal".

## **THE HISTORICAL SETTLEMENT (THE IMPLICIT EXCHANGE BETWEEN THE EGYPTIAN WORKING CLASS AND THE JULY 1952 REGIME)**

Historians have almost reached a consensus that the role of some trade union leaders in the events of March 1954<sup>2</sup> was "not only crucial for ending the battle that started between the camp of Mohamed Naguib and the camp of Gamal Abdel Nasser in favour of the latter, but also to put the foundations that consolidated the new regime".

These were distinctive events not only in the history of the Egyptian working class but also in the history of the country as a whole. Therefore, it may be useful to remember some of them in more details:

The leaders of the Transport Workers Union met on the eve of 26<sup>th</sup> March 1954 at the joint premises of the Transport Federation. They called for a general strike, went into hunger strike and announced their demands broadcasted then by Cairo Radio as follows:

1. Their refusal of the return of political parties.
2. Their support for the Revolution Leadership Council to continue governing the country until the evacuation of the British troops.
3. The call to form a national consultative council that includes representatives of the trade unions and political groups to discuss the decisions and procedures to be issued or conducted by the Revolution Leadership Council.
4. To cancel the elections.

According to the Egyptian Broadcasting Station, these demands were adopted by the Joint Transportation Federation, the Warehouses Clerks and Workers Federation, the General Union of Taxi Drivers in Cairo, the Agricultural Workers Federation and the Printing Press Workers Union of Cairo.

On the following day, March 27<sup>th</sup>, there were conflicting reactions to the strike. While transportation throughout Cairo was paralyzed, the tram workers stood against the strike that was led by Mahmoud Farghaly the General Secretary of Cairo Union who was attacked by police leaders and some workers. Some trams were forced to

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<sup>2</sup> Mohamed Naguib the then president of the Republic resigned all his posts in 24th February 1954 protesting that the Revolution Council did not give him real authorities as convenient to his position as the Chairman of the Revolution Leadership Council. The crisis took an explicit form. Consequently, when Nasser became the president of the Republic and the Cabinet of Ministers, there were massive demonstrations that supported Naguib and called for restoring democracy. In 4 and 5 March 1954, the Revolution Leadership Council agreed to call a founding council to meet in the following July to draft the constitution. It also approved cancellation of the emergency law in July 1954, to cancel censorship on newspapers at once. Naguib presided the Cabinet of Ministers and the Revolution Leadership Council again on 9<sup>th</sup> March 1954. On 25 March 1954 the Revolution Leadership Council issued decisions that allow for the formation of political parties and announced that it will dissolve itself and that it will not form a political party for itself on 24<sup>th</sup> July 1954 the date for convening the founding council.

stop. The Printing Press Workers Union of Cairo rejected the announced demands and denied its participation in the strike.

The most serious resistance to the strike and to the workers' demands came from Alexandria where a number of union leaders met and issued another list of demands that included the following:

1. To cancel the emergency law.
2. To dissolve the Revolution Leadership Council.
3. To secure the democratic freedoms.
4. To release all the imprisoned workers and return all the unions that were administratively dissolved.
5. To form a general trade union federation.
6. To denounce all the endeavors that aim at the workers' disintegration.

These demands were approved by the board members of the joint transportation federation of Alexandria, several textile factories, commercial maritime workers and the cinema workers.

A number of trade unions in Cairo adopted the demands of the trade unions of Alexandria.

In Kafr el Dawar, Misr Spinning and Weaving Company adopted a decision that supports the return of democracy and rejects the call for a public strike. As a result, some army units entered the factory and stopped the machines.

In spite of this clear contradiction of the positions declared after the first announcement of the strike, three days were quite sufficient to convince – or rather force – a large number of unions to go in the strike. On 29<sup>th</sup> March the streets were full of demonstrators cheering "No for Parties ... No for Democracy"!!

A meeting of the Revolution Leadership Council decided to postpone the implementation of the 25<sup>th</sup> March decisions to January 1956, and they were never implemented as a matter of fact. After that meeting, Gamal Abdel Nasser, Salah Salem and Kamal El Deen Hussein members of the Revolution Leadership Council visited the premises of the Joint Transportation Federation as if to launch a new era in the relationships between the working class and the political authority.

It is one of the historical paradoxes that a workers' strike becomes a weapon that military dictatorship - that opposes democratic freedoms (and most of all the workers' right to strike) - used to win its battle. The massive strike that was organized in March 1954 was exploited to support the continuity of that dictatorship. And it was the last wide strike that the working class managed to organize for so many years.

Whatever the trade union leaders who made that notorious bargain may be, and whatever the gossips that blasphemed those who individually obtained the price of the

bargain may be (some of them were at least rewarded when they were allowed to keep their positions as trade union leaders), the question that was confirmed and more worthy of attention was the implicit settlement and compromise between the labour movement and the July new regime. Such a settlement was rejected by some trade union leaders at the very beginning, but very quickly it became an irrevocable status quo. It became impossible to disengage from that settlement not only because the army troops had not returned to their barracks but also because it was generally accepted by the workers.

Thus the implicit trading was concluded between the Egyptian working class and the new regime. The workers traded their movement and autonomous organization with obtaining their economic demands: permanent and stable jobs, fair wages relative to the wage structure in the society, legally defined work hours and more humane and fairer work conditions.

As a matter of fact, this new choice was not limited to the labour movement alone. All the social classes and popular categories including the bourgeois had to do without their autonomous movement. They traded it off - for the national project that was offered at that time – in lieu of their autonomous ambitions. Needless to say that the fierce imperialist oppression that confronted any attempt to realize relative economic independence and the imperialist war launched against us and Israel's threats to the Egyptian borders left no other choice for anyone in shade of the massive support of the new leadership which established its legitimacy after the nationalization of the Suez Canal and the events that followed during 1956.

### **The Working Class and the Public Sector:**

After the nationalization of a large portion of the national wealth and the transfer to a public state owned sector, all the aspects of the autonomous popular movement was nationalized. All the people with its social classes and categories behaved as if they were individuals expressing their full support to the formal political leadership. The revolutionary legitimacy, as it was called, confiscated all the other sorts of any legitimacy in shade of a network of emergency laws that regulated all sorts of life.

In shade of the public sector that involved almost every industry with very few exceptions, labour relations were regulated through labour legislations that were not very much different from those that regulated the work conditions of government employees. They defined for example all the details of these relationships including promotions, wage increments, leaves and penalties. The public sector became the main foundation for the state ownership and the economic structure through which the state provided subsidies to the popular classes either in the shape of fixed prices for products or basic services provided for the workers.



The working class developed considerably in number, and witnesses a remarkable structural change. New generations full of enthusiasm were employed in new industries that addressed the dreams of independence and development such as the iron and steel and military industries. Technical workers, in particular, witnesses a large increase in number after the expansion in technical vocational schools and the training centers annexed to many factories.

The availability of opportunities for promotion kindled the ambitions to be promoted to higher positions in the public sector. The word "workers" was substituted by the word "employees" that referred to everyone from the newly appointed worker to the chairman of the board of directors. Amongst the natural ambitions to reach higher administrative positions in the public sector and the justified ambitions for education (which became free of charge for every citizen) the class identity was almost lost especially with the discourse of the "alliance of the people's working forces". Instead of struggling for better wages and fair work conditions, they were just waiting for promotion and struggling to prove their right to be promoted using a complexity of successive laws and regulations.

As a result of the implicit bargain that separated the working class from its autonomous movement and trade union organizations, the trade unions were reduced to government or public sector administrations. The developments that affected the structure of the labour movement played a role in destroying the autonomy of the trade unions. The new generations of workers who joined the working class were cut off the struggle of the 1930s and the 1940s. They lacked trade union knowledge and experience. The fact that there were laws to regulate labour relations in the public sector did not leave any space for them to struggle or to raise their awareness and get involved in the labour movement. Under such circumstances, no partial or specific gains could be obtained without trading off at the social level. The improvement of work conditions was subject to the change of laws. The role of trade unions, which were the locomotive of struggle for better work conditions, diminished and became limited to social services and recreational activities. Thus, the workers lost their trade union organization. When they became in dire need for it, they discovered that it was totally lost by virtue of the issued laws and the status quo. To regain it, they had to launch bitter battles.

### **Decades of Inversion: (The Working Class Development During the Successive Decades)**

The duration of the national project was relatively short in comparison with the decades that followed although it had far reaching effects. In spite of the major changes that took place in the 1970s, the end of the working people's alliance and its failure to fulfill the ambition of economic independence and national development because of the setback and its subsequent results, the Egyptian workers continued to uphold the same positions they had during the 1960's. For quite a long time they were incapable of change.

The labour movement was involved in defending the public sector for two decades or more and continued to do so as much as possible. While the middle class turned its back to the public sector and considered it the source of corruption, bureaucracy and political despotism, the working class on the other hand considered it the only source for social security.

The illusion of public ownership and the trap which the working class fell into were connected with the following reasons:

- For the workers, the public sector was their work place and the secure source of sustenance vis-à-vis the insecurity of the private sector.
- The state's subsidy of goods and services provided to the popular categories and the public sector workers.
- The close link between the workers socioeconomic rights and the provision of services: health services provided by the public sector companies to their workers, the workers' housing projects, vocational training for the workers' children, social insurances for the public sector employees who enjoy permanent jobs and can pay their insurance contributions, etc.

All these burdens led to imbalances that made public companies fall into debt. However, it was the choice of the state to provide the popular classes with a social security network at the expense of the public sector which became overburdened with debts. But the workers had to pay for it. It is the obligation of the state to provide a social security network and a minimum level of social and economic rights (such as housing, health and education). But the collapse of the public sector was followed by a collapse of the social security network. No alternative network was developed to secure the workers basic rights in general.

At the beginning of the 1990s, Law No. 203 for the year 1991 was promulgated. By virtue of that law, the public sector was turned to a public business sector. The zero count for putting an end to the public sector started at that time. By the end of that decade, many public companies were liquidated and many others were sold. The number of workers in the public sector dropped to a minimum. The relatively balanced structure of the Egyptian economy was completely changed: the public sector was fading away giving rise to the private sector that gained a more important role and a synchronized increase in private enterprises.

The serious impacts of these major changes on the structure of the working class were manifested in the following:

### **First: Structural Changes of the Working Class:**

Privatization was not the real problem that affected the workers of the public business sector. The main problem was the "restructure" of labour in the public business sector units. Restructuring was just a plan to reduce the number of workers by

almost two thirds. This process started actually at the end of the 1990s with the negative reduction of labour: employment schemes were stopped and natural retirements were ongoing. This move was accelerated at the mid 1990s together with the accelerated processes to restructure the Egyptian economy. The dramatic departure of two hundred thousand workers from the public sector companies through early retirement schemes marked the most severe blow to the Egyptian working class throughout its long history. The old guards departed. New workers started to serve the private sector companies under work conditions that took us to the era before the issuance of the first labour law in the absence of any trade union organization.

Moreover, the relative weight of the various industrial sectors changed. With the retreat of metallurgical industries and the famous spinning and weaving industries, more space was given to services and tourism industries. Informal labour imposed itself on the manpower chart. It imposed new conditions and new problems.

## **Second: Unemployment:**

Changes in the structure of the working class was not limited to the departure of old workers and the introduction of new ones and the change of the relative weights of the different sectors. But there was the increasing rate of unemployment which reached 11.3% according to the World Bank or 8.3% according to the government estimates in the year 2000<sup>3</sup>. At the same time there were several other estimates<sup>4</sup>. Consequently, the negotiation power of the working class was weakened. Add to this the serious social and economic conditions in the absence of efficient social security network.

In shade of the current circumstances, it is difficult to predict a decrease in the unemployment rates. On the contrary, the adopted policies may increase unemployment rates:

- the number of workers in the public business sector (the former public sector) dropped from 1 200 000 workers in the 1980s to 423 608 workers until 30/6/2001<sup>5</sup> as a result of the early retirement policies, the adoption of arbitrary measures and severe work conditions.
- The early retirement schemes increased the number of the unemployed. Many of the early retiring workers were in the age bracket of 40 – 45 years. They

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<sup>3</sup> Al Ahram Newspaper, 23/3/2001.

<sup>4</sup> Mr. El Sayed Rashid President of the Egyptian Trade Union Federation announced in the same reference above that the accumulated unemployment rates reached 32%.

<sup>5</sup> It is expected that another 40312 workers will take early retirement compensations until 3/12/200. thus, the estimated number of workers in the public business sector at the end of 200 will drop to 383296 workers.

started to seek employment. As a result the competition on the available job opportunities became fierce.

- The implemented investment projects do not encourage employment. On the contrary, Egyptian businessmen did not invest in labour intensive projects. Many of them liquidate their projects and change their activities in order to enjoy more tax holidays leaving tier workers to their unknown dark future. A good example of such attitude is the United Chemicals Company of the 0<sup>th</sup> Ramadan City whose workers had to sit in for about one year because their wages were not paid since September 1999. The factory owner (Mr. Mukhtar Ramadan) pledged the factory to the Arab Islamic Bank as a collateral for a credit line. When the loan was not repaid, the Bank took the necessary legal procedures. At the same time, the factory owner bought two other factories.
- The adopted policies do not encourage small and medium enterprises (SMEs). The loans that the Social Fund for Development offers are insufficient to start a new small enterprise. In many cases the borrower becomes unable to repay the loan and the problem gets more aggravated. On the other hand, the early retirement pension did not exceed the amount of 35000. Pensioners could not take the risk of starting new projects and consequently they spent these amounts to meet their daily life needs. In addition, the chance for the growth of a small project is very limited under the conditions of economic slow down and the increasing problems of the Egyptian market.

### **The Present Conditions of the Egyptian Worker:**

Some people may think that privatization and structural adaptation policies were applied in a gradual process; and they are right. But it is important to note that the Egyptian workers endured the heaviest burden of the invoice of such an application especially during the seven years that followed the signature of the regulations of the public business sector companies in July 1995 and the recession of the umbrella of Law No. 48 for the year 1978.

The following lines explain the actual conditions of the Egyptian workers in shade of the privatization and the economic restructuring policies and highlight the present and the predicted changes in labour relations.

#### **First: Service Termination:**

There was a considerable rise in the cases of termination of service through the last few years. The public business sector workers were subject to unprecedented victimization. On the other hand, the private sector workers were employed by people who believe that they have the ultimate right to fire any worker at any time. Termination of service took place according to the following processes:

- In the private sector enterprises, termination of service takes place either as an obvious violation of the law or by manipulation and trickery. Many employers do not even admit the presence of the tripartite committees that should consider the service termination case before it is effected, otherwise the termination decision is considered illegal. The employers' methodology sees the worker as a property and refuse to give the employer/employee relationship a legal form. Thus the employer fires the worker directly regardless of the law. There are many examples for such violations. The Medical Accessories Company fired 21 workers in 2000 without submission to the Tripartite Committee. Lukma Chemical Group fired about 50 workers within the last six months. El Samouly Spinning and Weaving Co. fired six workers at once after a strike for a few hours as a protest against unjustifiable wage reductions and heavier penalties.
- The labour contract between the employer and the employee is usually a temporary contract. The employee's service may continue for several years, but the contract remains temporary. If renewed, a certain period is dropped out before the new contract is signed. Thus, the period of service becomes severed and the worker cannot prove the permanent contractual relationship with the employer. Strange enough, the phenomenon of temporary contracts and interrupted period of services was transferred to the public business sector companies, most of the companies' owners and some public authorities. The General Authority of Exhibitions fired 25 workers under the pretext that their temporary contracts were over.
- Many businessmen take a short cut and force the worker before he starts his employment to sign an undated resignation accompanied by Form No. 6 which requests the liquidation of an employee's Social Insurance dues. If a worker complains to the Labour Office of the Ministry of Manpower, the employer presents the resignation form (duly signed and dated); and his complaint goes in vain. Other employers do not like this method, but they use other techniques. Cadbury Co. for example forced about 100 of its workers to resign together at once.
- More serious are the massive resignation cases due to partial or total stoppage of the company's activity. There are endless cases of this type such as the Middle East Carpets Co., Mahalla Carpets Factory, a multi national factory owned by Nestle and Fawzy Aly Factory for Spinning and Weaving in Mahalla El Kobra.
- In the Public Business Sector companies, termination of service takes place by two main methods:
  1. The worker's service is terminated as a penalty for committing an infringement even though such an infringement does not deserve more than a slight penalty. But in fact companies – in contravention of the law - do not

exhibit their penalty codes and keep them unknown to the workers and to their unions. An outstanding example is Misr Spinning and Weaving Company of Mahalla El Kobra which fired two workers at the end of 1999 because they entered from a gate other than the gate decided for them!.

2. Service termination may be effected if a worker is absent for a period longer than that stipulated by the law. What happens is that some companies do not give a worker the sick leave decided by law even if the worker is suffering from a chronic disease. Then the worker is fired. This penalty is very often effected on some workers with special needs who are appointed in a company according to law provisions and within the legally determined percentage.

In many cases, a threat to terminate a worker's service as a temptation to accept an early retirement scheme. (After all being idle and obtain an early retirement compensation is better than being idle without any compensation at all).

## **Second: The Right to Fair Wages:**

The wages of Egyptian workers are divided into 2 categories: the basic wages and the changeable wages (incentives, allowances, etc.).

- Basic wages are stipulated by Law No. 137 for the year 1981. Annual increments are decided by the decisions issued according to this law. The minimum monthly wages of a worker is about 90 Egyptian Pounds.
- Changeable wages which are the essential source of income for the workers, are not regulated by any law or general rules. In the public business sector, they are subject to the companies' regulations or administrative decisions. In the private companies, they are subject to the employer's will. Thus, changeable wages were subject to continuous decrease throughout the last few years:
  - In the public business sector, changeable wages are always decreasing and used as a tool to force workers to resign. There are many examples of such practices (the Cables Co., Simo Co., Cefeca Co., etc.). Slogans such as rationalization of expenses, reforms, etc. have but one meaning: to reduce the item of wages in the budget).
  - In the private sector, the workers' right to fair minimum wages is jeopardized. Workers have to accept less than the minimum wages in order to feed their families. Workers of El Samoly Spinning and Weaving Co. of Mahalla El Kobra for example work for 12 hours daily without any leave (including Fridays) in order to get about Egyptian Pounds 180 per month.

- In addition to the reduction of the workers changeable wages, companies reduce their expenditures on services such as transportation and health care. During the last seven years the majority of companies reduce the number of their cars used to transport their workers to and from their work places. Sick workers get less than the required minimum medicines. Permits to transfer a sick person to a hospital are allowed under very severe conditions, whereas the companies' clinics limit the daily number of the patients they serve to very few cases in specific hours.

### **Third: Administrative Abuses and Extraordinary Work Conditions:**

- The private sector workers are considerably increasing. Nevertheless, they are subject to unprecedented severe conditions. They lack trade union protection, sign resignations before they sign their temporary labour contracts, work for unlimited long hours and are deprived of social insurance coverage. It is almost next to impossible to form a trade union in the private sector. A worker is punished just for thinking to join a trade union.
- In the public business sector, administrative abuse and oppression is an every day fact of life. Penalties take several shapes and forms and sometimes workers are subject to collective penalties where the workers of a whole department are deprived of incentives for example (as in Meit Ghamr Dakahlia Co.). Incentives represent over than 75% of the worker's wages sometimes. However, this deprivation may last for several months although it is not amongst the penalties stipulated by the law, so it is a flagrant contravention to the labour law.
- On 19<sup>th</sup> May 2004 one of the workers of the Egyptian Iron and Steel Co. died in the office of the company's chairman. He had an open heart surgery and during the convalescence period he got a sick leave paid by 75% of his wages. He applied for a sick leave at 100% paid sick leave. The Company's chairman called him and asked him to choose either to be deprived of the incentives or to get an early retirement compensation. He could not stand the shock and dropped dead.
- Sometimes, workers are deprived of their emergency leaves. Some companies do not allow their workers to choose the appropriate dates for his annual leave. Others do not allow annual leaves at all and do not forward the balance to the following years.

The workers' life in the public business sector companies is made very difficult. As a result, a worker will find himself forced to accept what they call "voluntary" early retirement.

#### **Fourth: The "Voluntary" Early Retirement:**

- Early retirement schemes entered the public business sector when they were supposed to be liquidated or privatized. Later on, the companies' managements made it an alternative of service termination. Workers said that jumping to the unknown with "an early retirement compensation" is better than jumping without any compensation at all.
- But workers discovered very soon that the early retirement compensation cannot sustain the family for a long period. The establishment of small enterprises was not the proper solution for those pensioners especially because the Social Fund for Development does not give loans to early pensioners.
- The first batch of workers who got early retirement compensations expressed their refusal to such schemes. When other workers refused early pension, they were forced under severe work conditions to "accept" it. Following are some examples:
  - Workers of Hindal Co. at Helwan were deprived of their incentives in order to sign early retirement forms. They refused and had to sit in for one month (April 2000). Then the company was obliged to pay their full incentives and wages; and entered into negotiations for better early retirement conditions and compensations.
  - El Nasr Refractory Co. (Surnaga, El Saf, Giza) forced its workers to sign early retirement forms. Some of them refused to sign. Fifteen workers were given open leaves and prevented them by force from entering the company. (February 2000). Other fifteen workers were threatened to be fired or to sign retirement forms. After long struggle some of them were given better early retirement conditions and a few others found new jobs in other companies (by a decision from the Holding Company). Many others could not resist the strong pressures they were subjected to.
  - It is worthy noting that all the above mentioned workers are from the age bracket 30 – 40 years and do not have the right to any social insurance benefits after the termination of their service. In other words, it is a case of early retirement. It is a case of collective dismissal.

#### **Fifth: Social Security and the Right to Services:**

It was mentioned earlier that the social security network was closely connected with the public sector; and that dismissal or service termination means deprivation from all sorts of social insurances and services including medical care, surgeries and obtaining housing units from the companies that have such projects. Thus, early retirement became another threat for the workers.



Social insurances in Egypt lack a very important element, namely unemployment insurance. The compensation of unemployment according to law is only paid for six months, provided a worker has paid social insurance contributions. But a fired worker does not have the right to enjoy this benefit. Also, private sector employers do not list their employees in the social insurance system. So, they lose their right not only to unemployment insurance but also to any other insurance coverage. Only a very small percentage of the private sector workers enjoy such a benefit.

Outside this collapsing social security network, workers become completely unable to get their basic rights in health care and housing. Even education, which is free of charge, has become an expensive process. The percentage of children's drop out from schools is getting higher. The type of education given in government schools is low and does not entitle the workers' children to develop without taking private lessons. The actual cost of education in Egypt became higher than in any other place in the world.

#### **Six: Legal Protection and Labour Legislation:**

The People's Assembly "the Parliament" discussed and promulgated the unified labour law which is, as a whole, a retreat from the legal protection for labour relation. The new law does not give sufficient protection for the workers who are the weak party in the contractual relationship.

According to the new law, the labour contract may be for a temporary or a permanent period according to the will of the contracting parties. Logically enough, the permanent contract will disappear and the employer will choose the temporary contract which does not stipulate any rights for the worker. The employer may terminate or cancel the contract at any time without having to enter into the trouble of arbitrary dismissal. He may not ask the worker to sign a resignation in advance, the temporary contract will save him this trouble.

The law gave the employer the right to change the work conditions mentioned in the contract (wages, hours and nature of work) according to the economic conditions of his establishment. Thus, the workers lose their negotiation power especially in the absence of autonomous trade union organizations. The law restricts the right to strike and makes it almost impossible, while it gave the employer the full right to close up his establishment.

#### **The Present Crisis:**

It may be safely said that the Egyptian working class since the bargain signed with Nasser's regime in the 1950's finds itself now in a real crisis. The state is no longer obliged to meet the workers' basic economic rights. On the contrary, the state

left this issue to the balance of power in the society. Thus, the presence of autonomous trade union organizations has become once again indispensable in order for the workers to have negotiating powers in shade of the new circumstances and the withdrawal of the state's role.

However, we find ourselves in a difficult situation. One party of the bargain withdrew. At the same time the working class is still deprived of its trade union rights and freedoms. Why? This is the question that will find its answer in the next part of this article through the following points:

- The legal development of the trade union organization.
- Deformation of the trade union concept.
- The right to strike.
- The position of the Egyptian Trade Union Federation "ETUF".
- Endeavors to escape.

### **The Legal Development of the Trade Union Organization:**

While tens of trade union leaders were in prison, the labour law No. 91 for the year 1959 was promulgated. It confiscated the workers right to form their trade unions. By virtue of that law, there became one trade union federation formed in a hierarchical manner with the authority concentrated on the top of the pyramid. It became easier for the top to manage the bases which became powerless.

This concept was not limited to Egypt. it was copied from the Soviet experience (with a few amendments that suit the Egyptian culture). Consequently the trade union organization was annexed to the one party regime. The Federation was not the legal offspring of the struggle of the working class all over the previous decades. Nor was it the outcome of historical development. It was a tool improvised by Nasser's regime to dominate the movement. It was found out that it to control one federation and 59 general trade unions is easier than to control the 1400 plant unions that existed at that time. Plant unions were transformed into trade union committees that belonged to general trade unions and lost their legal characters. Trade union membership meant that a worker belongs to a general trade union and pays his monthly fees. The fees were cut off from the worker's monthly salary through the check-off system.

Law No. 62/1964 made the trade unions a part of the socialist regime and confined their roles to increase production, reduce cost and rationalize consumption. To make a more strict control, the number of the general trade unions was reduced from 59 to 27 then to 23 general unions at the present time.

According to Law No. 35/1976 and its amendments by Law No. 1/1981, it is not allowed to form more than one trade union federation or more than one general trade union for the same industry or a number of allied industries (Article 16 and 13). The amendments that followed in Law No. 1/1981 and Law No. 12 /1995 put an end to the legal character of the grass root or plant unions and their right to file lawsuits on

behalf of their members. The general assembly of a trade union committee has the right to convene once every five years to elect its new board members. The committee does not have the right to hold the elected members responsible or accountable for their actions. In spite of many attempts, there is no recorded success realized by any trade union committee to withdraw confidence from its elected board

Law No. 12 /1995 contains articles specifically drafted for "formal trade union leaders"<sup>6</sup>. Those leaders have the right to stay in post after their retirement, provided they are employed in the same industry which they represent. Those people can easily fake contracts or get contracts from a workshop or a firm that belongs to one of the friends or relatives.

Nobody can easily find a job after retirement other than those formal trade union leaders. At the same time the "actual" worker cannot maintain the right to elect or to be a candidate for trade union elections when he or she loses his/her job.

Article 36 of this law protects trade union leaders against any change and provides them with all the legal support they need to remain in their positions. Even an elected member who wants to be a candidate for a top position in the organization must have spent one trade union term at least as a board member at a lower level of the organization.

These principles were stipulated during the 1950s and were developed in the same attitude until the last law amendments in 1995. The state put an end to the old bargain but left the other party with more restrictions.

### **Deformation of the Trade Union Concept:**

The July regime reshaped the trade union role in shade of the state's ownership of the basic means of production and made the trade union organization one of its governmental institutions. The Charter stated that trade unions were no longer a party against management and that they have to increase the workers' productivity and to organize the physical, health and psychological benefits. Once again, this draft was never Egyptian by nature. It was copied from the Soviets who went a long way in nationalizing the trade unions.

That totalitarian expression was interpreted into legal provisions that restricted trade union freedoms and to concepts and systems that made trade unions an integral part of the management: they defended (or at least justified) the management decisions even though they were against the interests of the workers. Trade union action was

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<sup>6</sup> This term refers to trade union leaders who monopolize their posts for so many terms and so long periods. They represent the majority of the trade union leaders at the present time who stand against trade union independence and development.

reduced to public services such as journeys, summer resorts and providing social assistance in case of death and marriage.

A worker became a union member by virtue of the law as soon as he or she is appointed. The new members did not even know the difference between the management and a trade union. Their contributions were automatically deducted from their salaries. They never cared to know what a trade union is or what it does.

Trade union elections became an automatic process that used mechanisms far from trade union action. Most of the winners in a trade union committee elections were those who belonged to big tribes and had a big number of relatives in the plant or factory; or members of the services departments (the medical care department, the labour office, the time control officers, etc.)

Amongst this deformed structure, there were attempts to regain the autonomy of the trade union movement. Those who monitored the movement in Helwan, Shubra, Mahalla el Kobra, Alexandria, Kafr el Dawar, etc. witnessed the mutual hatred that dominated the relationship between the workers who protested against the status quo and the members of the trade union organizations. Protests called for dissolving one or more trade unions and withdrawing confidence from the organization.

Moreover, many protests were not just calling for dissolving trade unions, they raised the slogan "down with the trade unions". Things became out of control for trade unions which became a part of the management and lost the confidence of the workers.

Amidst the current changes, the shrinkage in the number of the public sector workers, the increase in the number of the private sector workers, the retreat of the legal protection for the workers' interests; the private sector employers denied the presence of trade unionists and attacked them morally and physically. Others denied the right to assemble in trade unions and were very much comfortable in the absence of trade union organizations in their plants or factories.

### **The Right to Strike:**

Many are those trade union rights that are jeopardized as a result of the above mentioned deformity. One of the most serious jeopardized rights is the right to strike, which was the essential cause for the essence and presence of trade unionism and the well known tripartite concept: union → strike → union. It was natural to destroy the right to strike during the bargain that was concluded over fifty years ago, because it is one of the most important mechanisms to gain social justice for the society. In fact, the principle of strike was attacked and oppressed by the July regime since the events of August 1952. A military order was issued on 8 December 1952 that considered strikes as criminal actions.

This was the case for many years and strikes were dealt with as crimes according to the Egyptian laws. But in 1986 the railway workers went on strike. The strike leaders were arrested and had to stand before the court. The court issued a historical judgment that confirmed the right to strike based upon the international labour conventions which the Egyptian government has ratified, namely the International Convention on Economic and Social Rights and the ILO Convention No. 87. accordingly, the court decided that Article No. 124 of the Egyptian Criminal Law is null and void according to the two above mentioned international instruments.

However, Law No. 12/2003 takes us many steps backwards. It recognized in form the workers' right to strike, but it stipulated very strict rules and conditions in order to exercise this right. Moreover, it excluded the workers of the "vital institutions" from exercising this right. According to a decision of the Prime Minister, these vital institutions include hospitals, educational institutions and all the means of transportation and communications and military industries. Strikes are not allowed during mediation or arbitration procedures. In order to announce a strike, two thirds of the General Trade Union's board members must agree to go in strike and must provide a prior announcement and decide the period of the strike; otherwise it will be considered illegal. Strikers in such a case will be treated as criminals according to Article No. 124 of the Criminal Law.

Before 1952, the Egyptian workers used either to strike or to sit in. At the present time they practice the right to strike differently. They use one of two methods:

1. The first method cannot be considered a strike or a sit in. The workers stay in the factory. They do not go back to their houses after the shift is over. They continue to work in a more productive manner.
2. The second method is that they refuse to get their wages, incentives or compensations.

It is apparent in both cases that they punish themselves. They work for longer hours. They do not return to their families or rest in their homes. And they do not take their wages which are seriously needed. But they do this for two obvious reasons:

- The state (with all its power and authority) is the owner of the public business sector. The workers do not want to be victims of the state's punishment. So they punish themselves.
- The workers are keen to preserve public property and to increase production, protect the machinery, offices and work places as much as they can.

The concept of strike is still unclear for many of the Egyptian workers. However, it is still considered a crime in spite of the continuous discussions of the values of freedom and human rights.

## **The position of the Egyptian Trade Union Federation "ETUF":**

The Egyptian Trade Union Federation which was founded in 1957 was not the democratic organization that the workers wanted to express their interests.

The federation was turned to a giant institution that comprised 23 general trade unions, a workers' university, a social organization and institutes for trade union training. It employed hundreds of employees. But it was a real manifestation of the crisis.

Most of ETUF's membership came from the public sector whose numbers were subject to sharp reduction during the last seven years. Meanwhile, the private sector and the informal sector workers are still outside this organization representing a serious defect in its structure.

The ETUF is the only trade union federation allowed by law. However it is unable to overcome its own structural crisis or to organize any more workers. Consider for the example the following points:

- According to formal statistics, there is one trade union committee in Borg Al Arab City which contains 270 factories, two trade union committees in 166 factories in Sadat City, six trade union committees in 680 factories in 6<sup>th</sup> October City and 16 trade union committees in 1000 factories in 10<sup>th</sup> Ramadan City. In other words, there are twenty five (25) trade union committees in 2116 factories.
- All the 23 board members of ETUF are from the National Party.
- All the board members of ETUF are retired, and are working according to labour contracts that are far from being authentic.
- Most of the top leaders of the trade union organizations do not have work sites to represent after their retirement of the liquidation of the companies where they used to work.
- Most of the elections of ETUF's board of directors - for many successive terms – do not take place through direct voting but by acclamation

The elections for the trade union term 2001/2006 expressed the utmost crisis of the trade union organization in Egypt. The election was concluded the annulment of the election results by court judgments. However, such judgments were never enforced. This raises question marks on the legitimate position of the Egyptian Trade Union Federation and its legitimacy as a representative of the Egyptian workers.

## **Endeavors of Recovery:**

The labour movement revived during the 1970s after the angry demonstrations of 1968 which had a political character. The workers of the Military Factory 135 kindled the first spark when they demonstrated calling to bring before the court those who were actually responsible for the defeat of 1967. Other workers in the airplane factories and a number of the factories of Helwan (Semaif, Al Nasr for Automobiles and the military factories at Ein Helwan) collaborated with them.

But the labour movement that lost its autonomy, its organizational tools and its memory started to revive and to rediscover itself again.

## **First: Features of the Movement Demands:**

The protests of the 1980s and the 1990s preserved their partial defensive character. The majority of the protests came as reactions to the violations of the workers' rights in work sites. For so many years, such protests took place in the months of January, July and August, i.e. the months of computing the profits or allocating the incentives' percentage. The defensive reactions were not united but were partial and limited to one work site at a time.

The worker's basic salary became incapable of meeting the necessary needs. More reliance was on the changeable wages and incentives which differ from one industry to another and from one company or department or section to another. This phenomenon was another factor behind the partial defensive character of the movement.

Struggle for partial demands was stronger during the second half of the 1980s. The second half of the 1990s witnessed battles in defence of the public sector which was giving way to the public business sector. Meanwhile there were moves against administrative corruption and against privatization. But such moves never affected the complete package of policies for liquidating and selling the public sector units.

During the last few years, the private sectors began to join the move to satisfy more demands. They were stimulated by their severe work conditions. Some of them could not get their wages for several successive months.

## **Second: The Democratic Movement:**

It was natural that Egyptian workers before the revolution joined the national movement for independence and democracy. New generations of labour leaders were formed throughout several years after 1952. They were mainly from the public sector and had strong relationships with the leftist organizations that played a major role with the universities' students.

Through successive trade union elections, the new generation crystallized a democratic program for the labour movement that highlighted the following points:

- The autonomy of the trade union organization.
- The workers' right to strike.
- Candidates for trade union elections should not necessarily be members of the Socialist Union.
- The adoption of the plant stewards system.

Many of those democratic leaders failed to become board members of trade union organizations (with a few exceptions), but their democratic program gained the sympathy of many work sites: Al Mahalla Spinning workers, Coke workers, the Maritime Arsenal workers, the Iron and Steel workers, Helwan Synthetic Fibers workers, Abou Zaabal Ahlia workers, Alexandria Spinning and Weaving workers, Kafr el Dawar Spinning and Weaving workers and many others. The still waters were stirred up and the files of trade union rights and freedoms were reopened. Sensitive issues such as trade union plurality were raised for discussion.

This new generation of leaders joined the protests of other workers in different sites. They confronted the police oppression and the administrative arbitrary decisions using several tools: lawsuits to appeal decisions that affect the workers' interests negatively, wall magazines in factories, independent workers' magazines such as "the voice of the worker magazine" and the "Sanayia magazine" which was issued by the Iron and Steel Workers. At the same time, those leaders helped establish the trade union representatives or plant stewards in some work sites.

In the trade union term 1979/1983 the Socialist Prosecutor was used for the first time as a weapon to prevent the unwanted candidates from standing for elections. They succeeded to remove 54 candidates from the election lists. They resisted the move and fought against it until they succeeded to stand for the elections (with the exception of 4 of them).

They succeeded in the elections, became members of their trade union committees and expressed the spirit of challenge and strong will. But since then, a new battle started between the new current in the movement and those who controlled it. But could this new current make the difference? Could they change the shape of the trade union organization? The answer is no, because of the following points:

First: The trade union committees have no independent legal character that enables their board members to act as representatives of their work sites.

Second: The bureaucratic mechanism of the trade union organization and the involvement in daily problems. In addition, they were but a small minority surrounded by antagonistic majority.



Until 1995, the general assembly of a trade union committee used to meet once at least every year and to hold extraordinary meetings upon the request of the president of the committee or two thirds of its board members. Nevertheless, such an explicit provision was never utilized. Other provisions concerning plant representatives or stewards were never put to action. Any ambition to reach a higher level in the hierarchy (such as the boards of the general trade unions or ETUF) were in vain. There remained the partial battles for specific and limited demands and the picture of the honest trade unionist who is tired and exhausted inside the trade union organization.

As a matter of fact, this new category of trade unionists were subject to oppression from government bodies. Twenty one persons from Helwan Synthetic Fibers Co. were accused in the lawsuit No. 100/1977 for the famous events of 18 and 19 January 1977. Many of those democratic trade union leaders were imprisoned during the era of President Sadat. The well known "September Arrests" affected a big number of those leaders.

The government policies remained for a long time against any labour protests. The protest leaders were arrested and imprisoned. Some of them were transferred to work in other locations so as to deprive them from the votes of their supporters. The labour movement became aware of such moves and helped the transferred leaders to win the elections that followed.

But the new current which defended democracy and trade union autonomy faced the same destiny and the same crisis with the privatization of the public sector that contained the real grassroots of the movement.

The Egyptian working class is working in shade of the fierce free market mechanisms, with a bureaucratic trade union organization incapable of responding to these new changes. It is a working class without leadership. Its leaders have either disappeared with the liquidation of the public sector, retired, surrendered or got involved in the daily problems of the remaining entities of the public sector. The only hope is to form a democratic trade union organization capable of defending the workers' interests. The Egyptian working class is waiting for a renaissance such as that of the 1930s or the end of the 1960s.

## CONCLUSION

There are some prerequisites without which the labour movement cannot play its expected role in social and economic development. They are summed up as follows:

**First:** The removal of all legal restriction on the workers' right to organize in order to form free and authentic trade unions that express the working class. In this respect, those concerned with the Egyptian labour movement had two opposite viewpoints:

1. Some of them could not find any other means to form democratic organizations without establishing trade union plurality. Examples on the failure of the one federation system is the present organization and its subjugation to the political authority.
2. Others believe that a single central organization is better than many. They ask: where will all these giant assets of ETUF will go if the principle of plurality is applied.

Although such a debate may seem disagreeable while there are millions of unorganized workers without any trade union representation; I believe the subject may be better debated if we put aside the experience of ETUF which is over 45 years old. What we need is an authentic trade union organization capable of improving work conditions. To do so, it must be:

- a democratic organization with democratic elections, and
- an autonomous organization subject only to the authority of the workers.

The working class may be satisfied if it finds such conditions in a single organization. Meanwhile, there is no objection to have more than one organization. Guided by the experiences of other countries such as France which has several trade union organizations, or Germany which has a single organization, the most important issue is that the organization must be genuine and authentic.

**Second:** The removal of all barriers and restrictions on the workers; basic rights in democracy and especially on the right to strike. The national laws must be amended according to the international conventions and agreements ratified by the government.

**Third:** As we are debating constitutional and political reforms, and as many voices call for a constitutional reform to annul the condition that 50% of the seats of the parliament must be for the workers and farmers; I add my voice to those who call for this annulment. The 50% workers and farmers have never been the true voice that represented the workers in the People's Assembly or in any national council. They have never affected the decision maker or expressed the

workers' interests in law making processes. The real protection of rights and interests is realized through proper defence mechanisms, free trade unions and free political parties. The workers should have the right to form their own political parties.

**Fourth:** There must be radical changes and improvements for the social security and social insurance networks vis-à-vis the huge changes that took place during the last few years. Citizenship must be the source of the right to enjoy social security. With the collapse of the public sector and the rising rate of unemployment, the state must play an effective role in safeguarding every citizen's right to social security regardless of the previous service, payment of insurance dues and the period of subscription period in the insurance system.

The state must ensure the right to work as stipulated by the constitution. A citizen who does not have an appropriate job opportunity must be entitled to a compensation that satisfies the needs of his family and secures its honorable life.

**Fifth:** The work systems of the Ministry of Manpower should be improved in order to be capable of performing its functions with especial emphasis on the following tasks:

- To monitor the changes that take place in the labour market, and organize the provision of job opportunities for the unemployed.
- To maximize the retraining systems and put training plans as appropriate with the market requirements.
- To activate the Ministry's ability to control and inspect the labour market and detect the violations of labour legislations and the workers rights.

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