Egypt: Textile workers protest trade union collaboration with employers

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12 February 2007

Over the past month, textile workers in Egypt have staged a series of large-scale strikes, protests and demonstrations against low pay, non-payment of bonuses and privatisations. An important factor in these strikes has been the open collaboration of the trade union bureaucracy in the General Union of Textiles Workers, who have sought to prevent any opposition to the attacks on working conditions. This has provoked a widespread confrontation between the workers and the trade union leadership.

On January 30, 4,000 workers employed at the Ghazl Shebeen el-Koum textile factory took strike action and occupied the plant to oppose the non-payment of bonuses. The action happened just days before the plant was due to begin operating as a private concern. In November, the government sold off the factory to a transnational firm, Andurama.

The majority of the workforce at the plant participated in the sit-in, with estimates of between 2,500 to 3,000 workers involved.

As part of the deal to sell off the factory employees had been informed that they would receive 140-day bonuses as payment for fulfilling a six-month production plan.

According to an article on arabist.net web site, the morning shift workers "were shocked to find that only a 45-day loan (not bonus) was awaiting them. They refused to receive the pay, and staged a sit-in, as the afternoon shift workers were coming in. The latter, when informed of what happened, joined the sit-in and refused to work, demanding to meet any government official to get an explanation for the unfulfilled promises."

Night shift workers arriving at the plant later that day also joined the strike.

The article also quotes an unnamed engineer at the plant, who stated that the local Factory Union Committee opposed the strike and that one of its members told workers to "go away, we received our bonuses. There's nothing we can do for you."

On February 4, thousands of workers at three plants in the northern Delta region of the country took strike action. The strike began at the Kafr al-Dawar textile mill in the Nile Delta.

In December, 27,000 workers at the Mahalla al-Kubra textile factory—the largest in Egypt—had struck to protest low pay and non-payment of bonuses. These bonuses comprise most of the annual salary received by the employees. Textile workers are amongst the most poorly paid workers in Egypt, with an average salary between LE 150 and LE 250 a month (US$26-42). This compares with the average wage of a steel worker of around LE 4,000 a month (US$700). Their wages are barely enough to pay for rent and food.

The strike ended after five days, with the management agreeing to pay 75 percent of the owed bonuses. During the strike, workers came into conflict with the local trade union leadership of the General Union of Textiles Workers who sit on the 21-member factory union committee. Workers angrily opposed the union bureaucracy in a number of meetings and accused them of working with management to sabotage the strike. Other accusations against the local leadership include claims that they were fraudulently elected.

On January 29, more than 200 Mahalla textile workers presented a 13,000-signature petition to the General Union of Textiles Workers at a meeting. The petition condemned the role of the local union during the industrial action and demanded the factory committee leadership be impeached. The workers made a threat to leave General Union of Textiles Workers and form their own independent trade union if their demands were not met.

The General Union of Textiles Workers has agreed to respond to the demands of the Mahalla workers by February 15.

The state-controlled General Federation of Trade Unions was formed in 1957 and is the federation to which all unions in Egypt belong. It functions as an arm of the state in suppressing workers' struggles. Strikes are illegal in Egypt.

Most of the Egyptian workforce is not unionised. The federation numbers 3.7 million workers, which is under 25 percent of the total workforce.

A January 29 article in the *Daily Star* newspaper reported that Mohamed El-Attar, the spokesman of the Mahalla workers, said of the petition, "This is a legitimate demand. Law 35 obliges the state to respond to us. Section B of Article 26 entitles us to impeach our local union if we feel it does not represent us. This has never happened in Egypt before."

Trade union activity is closely monitored by the state and security forces in Egypt and the formation of an independent trade union would be the first such action in more than 50 years. El-Attar also alleged that the General Federation of Trade Unions was working with the government and security forces to prevent workers from breaking with the official trade union structures.

According to the *Daily Star* article, workers claim that "two buses containing more than 300 more factory workers who planned to attend Monday's meeting were barred from entering Cairo at a check-point outside Shubra, and that leaders from Mahalla received phone threats by police and security forces."

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El-Attar said at the meeting, “I want to say this in front of the media: we are being intimidated by the labour union. It is very important that no intimidation takes place during this process.”

The article excerpted some of the angry exchanges that took place at the meeting, as El-Attar and other workers condemned the pro-management role of the General Union of Textiles Workers.

The article continues, “Accusations that the local union plotted with management against the workers in December provoked a heated exchange inside the crowded hall.

“‘These are all lies! Lies!’ shouted one member of the Mahalla Factory Union, to a foreign visitor.

“‘No they are not,’ said El-Attar, responding directly to the union leader. ‘Not one single member of our syndicate stood with us during the strike. You stood on the side of management. As our representatives you had an agreement with us, and you broke it.’

“‘Look at what happened at Tora Cement factory,’ he continued, referring to the successful strike at Tora Cement factory in late December. ‘When the workers there went on hunger strike, eight members of the factory committee joined them and were sent to the hospital. Their demands were met in 12 hours because their union stood by them. But when we had our strike, where were you?” he said, pointing at the local union leaders.

“He added: ‘We want a union that really represents us. It’s simple. That’s our demand’.”

At the meeting workers booed and heckled the comments of Said Ghory, the chairman of the General Union General Union of Textiles Workers. Workers pointed out that nobody from their elected trade union had been seen by the strikers for three days during the strike.

In response to growing international competition in the textile industry, particularly from China and India, big business has stepped up its attacks on the workforce in order to increase productivity. In 2001, the government of Hosni Mubarak devalued the Egyptian pound. The currency was floated in 2004. This was implemented largely in order to enable businesses to become more competitive and reduce the pay and living standards of the working class.

The same year the government appointed a number of businessmen and technical advisers to the cabinet. This was aimed at pushing through a privatisation agenda and a concerted attempt to establish Egypt as the low-cost, high productivity economy in the Middle East.

An article in the December 13, 2006 *Financial Times* revealed how businesses began to reap the profitable rewards of this policy. It quotes the managing director of Farm Frites—a part Kuwaiti-owned company in food processing—saying, “Overnight we became competitive.”

Due to the currency devaluation, since 2001 exports of textiles, furniture-making and white goods have increased tenfold to $700 million.

In 2005, Egypt signed a free trade agreement with Turkey, which has led to a number of Turkish owned firms beginning to set up factories. Many of these are to be located in six new free trade zones. In order to facilitate this investment the government enacted a steep reduction in customs tariffs in 2004. This in turn has led to locally owned firms having to intensify the exploitation of their workforce in order to compete with firms in the newly established free trade zones. The workers who struck at the textile plant at Ghazl Shebeen el-Koum are located in such a zone.

In December 2006, the Ministry of Trade and Industry appealed to the private sector and international experts to promote and upgrade the six new zones. An estimated 800 factories are to be set up in the zones, including plants with Swiss, Italian, Turkish and Pakistani investment.

Commenting on this phenomenon the *Financial Times* states, “As operating costs rise in Europe and Turkey feels the pinch of competition from India and China, Egypt’s potential as an industrial hub has suddenly come to life. Its labour costs are among the lowest in the Middle East, its energy—subsidised by the state—the cheapest and, unlike much of the rest of the region, it has abundant water from the Nile. In the past few years it has also entered into a slew of trade agreements that give it preferential access to Europe, the US and Turkey as well as other parts of Africa and the Middle East.”

China was among the first to establish an economic foothold in Egypt following the government reforms of 2004. It is expected that within eight years China will be Egypt’s largest trading partner, displacing the United States. Only Egypt’s combined trade with European nations will be worth more than its trade with China. Egypt’s total trade with China was worth about $2 billion in 2005, compared with just over $5 billion in trade with the US.

In September last year China and Egypt signed a deal to establish a Chinese industrial zone in Egypt. This is to facilitate joint investment in textiles, footwear and pharmaceuticals. The deal also will also lead to the creation of an international exhibitions complex outside Cairo, with planned investment of $500 million.

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