Egypt: Wildcat strikes and protests continue

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Strikes and protests by Egyptian workers in several industries have continued for several weeks. The strike movement began at several textile plants in December, before spreading along the belt of the Nile delta. At the time of writing, more than 50,000 workers in textile, cement and poultry production have been involved in the strike wave.

Since 2003 there has been a sharp increase in industrial action in a country where strike action is illegal and trade unions function as little more than appendages of the state and security forces. Other sections of workers involved in sporadic strikes and protests over the past year include train drivers, hospital journalists, engineers, truckers and miners.

The immediate causes of the strikes are nonpayment of wages and bonuses, inflation and falling social benefits. These are a key aspect of the austerity measures being implemented by the government of President Hosni Mubarak. In addition, the price of state-subsidized fuel was increased by 30 percent last year, leading to a further impoverishment of the working class and rural poor.

All trade union activity is systematically monitored by the officially sanctioned General Federation of Trade Unions (GFTU). The federation is made up of 23 labour bodies that control more than 2,000 local committees. These regulate some 4.8 million workers, mostly employed in the public sector, in various industries including textile production and transportation. State employment accounts for around 10 percent of Egypt's workforce of more than 22 million. Most of GFTU's leaders are members of the ruling National Democratic Party.

A bitter five-day strike was mounted in December last year by 27,000 workers at the state-owned Al-Mahallah Spinning and Weaving Company. On January 30 this year, 4,200 workers at the Misr Shebin Al-Kom Spinning and Weaving Company on the Nile delta began strike action to demand seven months worth of unpaid bonuses. Within days of the strike beginning, a hundred of the workers began a hunger strike.

The Al-Kom Spinning and Weaving Company was founded as a state-owned company in 1962 and was recently sold off to an Indian firm, Indo Rama, for LE125 million on a 25-year lease. Under the deal, the company keeps 70 percent of profits, 18 percent goes to the Egyptian government and 12 percent is reserved for a workers' "profit share" scheme.

Indo Rama intends to step up productivity at the plant and many workers fear for their jobs. The company plans to reduce the number of workers per spinning machine from two or three to one. According to accounts published in the *Daily Star* newspaper, many employees at the plant already struggle through a working day without breaks. Workers are also being financially crippled by the cost of a monthly health scheme to which they must contribute 75 percent of the overall cost.

At the end of January, 11,700 workers from the Kafr Al-Dawwar Spinning and Weaving Company struck to protest the nonpayment of a 45-day bonus promised by Minister of Investment Mahmoud Mohieddin. Other demands included increased pay, improved healthcare, fair trade union elections and the sacking of the chairman of the company. The workers occupied the plant and were subjected to intimidation and violence by police squads during the strike.

On February 4, some began a hunger strike. They have also called for the impeachment of their trade union representatives and other "worker representatives" who sit on the board of the company.

Other strikes followed at two nearby textile plants in the same town—the Artificial Silk Factory and the El-Beda factory—involving some 9,000 workers. El-Beda offered the workers a 21-day bonus, but some remained on strike demanding a 45-day bonus.

Another strike was held at the Zefta Textile Company, an affiliate of the Delta Textile Company. On February 5, the strike ended after management at the firm agreed to pay a 45-day bonus within four days.

Unrest spread to the capital city, as 3,000 workers at the Cairo Poultry Company staged a two-day strike earlier this month to demand unpaid bonuses and to protest management's refusal to pay them work-related hazard compensation. This also prompted another strike in an agricultural sector and the fodder factory in the town of El-Saff, outside Cairo.

Since the early 1990s there has been a sustained attack on the social position of the working class and rural poor in Egypt. In 1991 the Mubarak government received a $372 million loan from the International Monetary Fund in return for implementing a raft of free-market policies, including cutting public spending, slashing its budget deficit, freeing oil and other prices from state control and deregulating its farming sector.

The government increased domestic energy prices and introduced a 10 percent sales tax to reduce its budget deficit. Over the next decade tens of thousands of jobs were lost in many state-owned industries. The Kafr el-Dawwar textile mill, for example, employed 28,000 workers in 1993 but just 11,700 today.

An article published in the *Financial Times* in May last year contrasted a growing economy and a huge increase in foreign investment with the dire and worsening plight facing the vast majority of the almost 79 million-strong population:

"The current account is well in the black, the surplus set to rise as conduits for exporting Egypt's abundant natural gas come on stream. Foreign investment, much of it from the oil-flush Gulf, is expected to touch $6 billion this year, triple the level of three years ago.

"But the view from Cairo's crowded streets is far darker. Speeding growth has yet to lift living standards for the masses, even as needed further reforms, such as cutting costly subsidies on such things as fuel, threaten a tighter squeeze. State schools, universities and hospitals that were once free have worsened; often, only private courses or fee-paying sections provide a decent service. For many, meat has become a luxury."

According to figures collated in 2005 by the United National Human Development Index, 43.9 percent of the Egyptian population lives on less than $2.00 a day while a further 3.1 live on less than $1.00 a day. There are approximately 1.5 million child workers.

A study by the American Chamber of Commerce in Egypt in 2004 showed that the average wage of an Egyptian textile worker stood at $110 per month—just 19 percent of the comparable wage in Turkey, and 8 percent of that in Israel.

But another study by the same body pointed out that low wages alone were not sufficient for Egypt to position itself as a location for foreign investment. The report was concerned that "certain features of the Egyptian labour market need to be modified if economic reform and growth is to be attained." It called for the abolition or reform of job security provisions for employees and the end of wage-setting rules for public enterprise workers, adding that "a flexible labour market attracts investors."

Many of these measures were legislated in the 2003 "reform" of Egyptian labour law.

On December 26 last year, Mubarak announced that the government intended to carry out 34 changes to the constitution. Egypt, he said, "has not seen such a large number of proposed amendments since 1980." Stressing the importance of the amendments, he added that they "not only aim to rid Egypt of socialist principles launched in the 1960s, but also seek to create a more favourable atmosphere for foreign investments."

His speech was commended by the chairman of parliament's Economic Affairs Committee, Mustafa El-Said, who said, "Although the socialist policies of the 1960s were scrapped very early in the 1990s, they were not followed by a change in the constitution to reflect the government's official embrace of economic liberalism." He added it was time "to rid the constitution of these socialist foundations and make it more harmonious with the new market economy and liberal policies."

When the government speaks of "socialism" and "socialist measures," it refers to the national regulation and state nationalisation that laid the basis for the economic development of Egypt under Gamal Abdel Nasser—beginning most famously with the nationalisation of the Suez Canal in 1956. Nasser dressed up his pan-Arab nationalist programme in pseudo-socialist garb in an attempt to consolidate popular support for his regime, coupled with his building of a military and political alliance with the Stalinist regime in the Soviet Union as a counterweight to the US and other Western powers.

Last month the Ministry of Investment announced that 100 state-owned companies would be privatised this year. On February 18, the Investment Minister Mohieldin met with several international financial institutions, including Merrill Lynch. According to a press release by the ministry, among the items discussed were "trade liberalization," "attracting more direct foreign investments" and enabling the "Central Bank's independence in managing the monetary policy without the government intervention."

The most prominent feature of the recent strikes and protests has been the open confrontation between the working class and the leadership of the GFTU and the General Union of Textile Workers (GUTW). The recent strikes have all been wildcat stoppages, met with outright hostility by the trade union heads.

According to a recent survey by the Land Centre for Human Rights, the first half of 2005 saw 109 worker protests, including strikes, sit-ins and public demonstrations. This represented a 30 percent increase from the first half of 2004. Some 265 protests were recorded by the organisation in 2004—the most since the LCHR began keeping track in 1997.

A February 20 article in the *San Francisco Chronicle* quoted Ragui Assaad, an Egyptian labour expert, stating, "Control over the unions has always been thought of as a national security issue. It's not about wages and collective bargaining, it's about making sure the state has control over an active, organized, movement that can make trouble."

The workers involved in the December strike at Al-Mahallah initially struck to demand the payment of promised bonuses, but this developed into the call for the impeachment of the leadership of their local GUTW leadership, such was its blatant collaboration with the company.

Following the strike a mass meeting was held in which the union leaders were confronted and denounced as workers called for the creation of a new trade union, independent of the state. The workers have since warned that they will strike again if the GUTW leaders are not removed.