Egypt hit by wave of strikes and protests

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"It's like a time bomb. You don't know when this will explode." These are the words of Hassan Nafaa, an Egyptian political analyst, on the recent wave of strikes and protests that have been gripping Egypt. By different calculations, over 600 strikes and sit-ins have taken place in Egypt this year.

Protests were reported nearly every day in October, relating to poor working and living conditions and the non-payment of wages. Egyptian bloggers and the Egyptian press reported regularly on the protests.

On September 17, 3,500 textile workers from the Abu Sabae factory in the industrial town of Mahalla al-Kubra took to the streets. They marched to the house of the factory owner in order to demand payment of their wages and to protest against the implementation of an unpaid two-week break in production. The workers then proceeded though the city, paralyzing traffic, until they were stopped by security forces.

Blogger Mohammed Maree, who reported on the protest, was threatened by the security forces with arrest and the confiscation of his camera. He had already been imprisoned for three months for reporting on the major demonstration held in Mahalla on April 6 and 7, 2008.

According to a report in the independent daily paper *Masry al-Youm*, 1,200 workers from the privatized Telephone Equipment Company in Helwan, a suburb in Cairo, began a 12-day strike at the start of October. Workers took the company management as hostages. Security forces quickly surrounded the factory, but were unable to force the workers to give up their occupation. The hostages were freed following the intervention of the minister for labour and migration, Aisha Abdel Hadi, who immediately promised that the workers would be paid their wages and bonuses.

During the same period, 1,500 workers from the Misr Spinning and Weaving Company in Mahalla al-Kubra took strike action and also took part in the hostage-taking of management. The company had refused to pay out wages, claiming that a slump in demand for the company's products made payment impossible.

On October 12 workers in a textile factory in the free trade zone "10 of Ramadan" began their own strike action. This time the Labor Ministry initially rejected paying out wages and the workforce only returned to work on October 19 after the ministry agreed to compensate them with payments from a so-called emergency fund.

On October 22 the *al-Youm al-Saba* newspaper reported that security forces had moved in forcefully to suppress protests by workers from the Nasr Glass and Crystal Company in Shubra (a workers' quarter in the north of Cairo). Workers there had protested against threatened mass redundancies following the privatisation of the company.

On October 26 police and security forces once again intervened against workers, surrounding the Tanta Flex and Oil factory, where 1,000 workers have been on strike for five months. In the course of this strike the textile workers' union has openly intervened to sabotage the workers' actions, and has refused to pay out strike benefits.

Workers had voted against a deal worked out by management and the union and had decided to continue their strike. Then, at the start of November, a new agreement was struck by the union and management that would have permitted the payment of some outstanding wages, but did nothing to meet the fundamental grievances of the workforce. Workers again voted down the deal. On November 5, they occupied the factory and forced members of management and the security forces to quit the premises.

In addition to industrial workers, in recent months teachers, public transport workers, government employees and garbage collectors have also launched protests. Broad layers of society feel the impact of the government’s neo-liberal economic “reforms” and privatizations that are now intensified by the world economic crisis. Estimates suggest that economic growth in the country will decrease by 3 percent this year.

In recent years, economic growth has been consistently high, at about 7 percent, and the authoritarian Hosni Mubarak government was hailed by the International Monetary Fund (IMF) and neo-liberal economists for its structural adjustment programs. Egypt was made a poster child for their agenda of economic liberalization. But the high rates of economic growth as a result of foreign investment, relaxed price controls, and an opening up of trade are now revealed to have been fragile and beneficial only to the rich.

“The average citizen did not benefit from growth,” declared Ahmed Kamaly, a professor of economics at the American University in Cairo. He is one of the authors of the latest report of the General Authority for Investment’ (GAFI), the principal agency of the Egyptian government concerned with regulating and facilitating investment. The report reveals that the open-door economic policies during the last two decades deepened the gap between the rich and the poor tremendously. Only the upper 10 percent of society benefited from economic growth. The foreign investment that poured into Egypt went into sectors like finance, oil and gas and did not create any new jobs.

Since the IMF forced Egypt to adopt its policies in 1991, the Egyptian people have been steadily impoverished. When the structural adjustment began, 20 percent of Egyptians were living on less than two dollars a day. Today this number is 44 percent. During the decade when the rate of economic growth reached its highest level, absolute poverty increased from 16.7 percent to nearly 20 percent.

Furthermore the GAFI report reveals that the Egyptian government regarded the rise in private investment as an opportunity to cut expenditure on social services, such as education and health care. Beyond that, the report acknowledges official government corruption, underdeveloped infrastructure, and low literacy levels.

The social misery in Egypt exposes the free-market propagandists who proclaimed that high rates of economic growth would increase the living standards of the people. The Egyptian government has done everything to implement the demands of the IMF and the major banks. After the last elections in 2004, Mubarak's new cabinet cut the top rate of tax from 42 percent to 20 percent. This means that a millionaire pays proportionally the same as a worker who earns less than €50 month. The minimum wage in Egypt stands at less than €5 a month, a figure that has not increased in the past 25 years.

Amr Hashem Rabie, an expert on Egyptian politics at the Al-Ahram Centre for Political and Strategic Studies, told the international news agency IPS: “Popular perceptions of the NDP [Egypt’s ruling National Democratic Party] have never been worse. The obvious coupling of wealth and authority hurt the party’s image as the guardian of public welfare.”

Despite this devastating balance sheet, Egypt’s ruling NDP announced at its sixth annual conference at the beginning of November that it would continue the policies of privatization and neo-liberal reform. At a time when the world financial crisis is afflicting Egypt more and more, Mubarak announced a 6 percent increase in Egypt’s GDP and a boost in foreign direct investment. These policies will continue to intensify social inequality in Egypt and lead to ever more violent social struggles between the Egyptian working class and the ruling elite.