

Egypt's Workers – From Protest Movement to Organized Labor

A Major Challenge of the Transition Period

Nadine Abdalla

In the aftermath of the Egyptian revolution, the number of labor protests has increased sharply and added to an already dire economic situation. Undoubtedly, this escalation reflects both the culmination of the social problems in general and labor's representation crisis in particular. The organization of the labor movement via the establishment of new trade unions that are truly representative of the labor force would be the most effective solution. It would decrease the expansion of irregular workers' protests as well as help in realizing greater "social justice" – one of the main demands of the January 25 revolution and an essential component for stabilizing Egypt's transition. Moreover, the consolidation of new unions would be an important step toward the empowerment of civil society, and thus add to democratization. However, Egypt's new unions are facing several challenges that hinder their capacity to represent the workers effectively and keep them in a state of legal limbo. The lack of official recognition harms their legitimacy on the ground and they face several obstacles to the institutionalization process. Therefore, supporting the capacity-building of newly established trade unions is crucial for establishing an effective labor representation in Egypt and for supporting the Egyptian transition process.

Even before the revolution of January 25, 2011, a normalization of workers' collective protests had become apparent (see table 1, p. 2). Between 2004 and 2008, more than 1.7 million workers participated in contentious collective actions. In the absence of a credible body representing Egyptian labor, strikes and demonstrations had become the only influential tools for labor to exert pressure on employers (in the private sector) or the government (in the

public sector). Calls to focus attention on workers' grievances were consistently ignored if they were not backed by contentious collective action. Labor activism had begun to emerge in Egypt in 2004 as a consequence of the economic policies established by the government of Ahmed Nazif (2004–2011). His government's promotion of economic growth at the expense of social justice resulted in vast social inequality. The protests displayed a set of

distinctive characteristics, three of which seem to be of essential importance for the emergence of the labor movement and its development after the revolution.

Table 1
Total Labor Protests per Year

<i>Year</i>	<i>No. of worker protests</i>
2006	222
2007	614
2008	609
2009	700
2010	584
May 2011 – April 2012 (i.e., after the revolution)	1.137

Source: own calculations.

The emergence of the labor movement outside of ETUF: The Egyptian Trade Union Federation (ETUF) was founded by Gamal Abd el-Nasser in 1957 as the only official representative body for workers. It includes 23 trade unions and has 3.8 million members (see table 2). In spite of its dominant position, ETUF has not adequately fulfilled its duties of labor representation in the past. The trade union has rather functioned as a mouthpiece for state or regime interests. Therefore, while being forced to remain officially under the umbrella of ETUF, workers have simultaneously organized in protest movements to express their discontent. ETUF leaders have at times been hostile to the strikers' claims and tried to prevent strike actions. This was the case in the real-estate tax collectors strike in December 2007. It is no coincidence that the tax collectors were the first ones to

launch a new trade union in 2009. Thus, there is a causal link between ETUF's co-optation by the regime and the emergence of new trade unions in Egypt: The workers' firm decision to establish new and uncompromised representative bodies that would represent their true interests came as a direct result of their sobering experience with ETUF.

The de-politicization of workers' grievances: Hosni Mubarak's regime carefully distinguished between peoples' demands – those referring to their socioeconomic situations and those touching on political issues. Any kind of linkage was considered a red line not to be crossed. Hence, labor movements consistently rejected alliances with political parties, because they were aware that a violation of the regime's unwritten rules of the game would result in systematic repression – but also because of the political parties' political weakness.

The suppression of the Ghazel El-Mahalla labor movement strike – the Misr Company for Spinning and Weaving, located in Mahalla, is the biggest of its kind with 24,000 workers – on April 6, 2008, is an exemplary demonstration of how the authoritarian regime dealt with the politicization of social protest. Cyber activists took up labor's call for a strike and sit-in inside the factory, and transformed it into a call for a "national" strike. Followed by several political opposition parties and movements, they turned the purely economic demands of the labor movement into a harsh critique of the broader social and political situation of the country – for example, continuous price increases, widespread corruption, and the torture of political activists by the police. Since 2005 the regime had mostly reacted to workers' protests with a mixture of indifference, toleration, and concessions – rarely had it resorted to violence to disperse protest actions. But in the April 6 strike, it used its security apparatus to oblige the labor leaders to demobilize the workers and even cancel their strike call. Leaders who did not concede were arrested. The bitter experi-

Table 2
Labor Union Federations

<i>Name of the federation</i>	<i>No. of affiliated unions</i>	<i>No. of workers (in millions)</i>	<i>% of labor force (23.346 million; working with & without salaries)</i>
ETUF	23	3.8	16.2
EFITU	261	2.4	10.2
EDLC	246	n.a.	n.a.

Source: own calculations.

ence at Mahalla deepened the split between labor and politics, and the labor movement remains suspicious toward involvement in politics to this day – even though the fear of repression has significantly decreased since the revolution, the continued weakness of political parties is not changing workers’ perceptions about political involvement.

Lack of structural ties: Labor movements mostly appeared as “islands,” isolated and with no structural ties linking one strike or demonstration to another: Every labor movement focused on demands related to its own sector, and engaged in protests and strikes separately. In consequence, collective actions never led to the formation of an overarching social movement encompassing several smaller labor movements – not even in one single industrial sector. Since 2008, the increase of the national minimum wage to 1,200 Egyptian pounds (some 150 euro) has been the single most important common claim forwarded by workers in different sectors. However, this common demand has not been followed up with the building of labor coalitions that could exert enough pressure on the government to achieve this goal. The integration of the different unions into an effective federation will therefore require tremendous efforts, as it cannot rely on any organizational linkages or prior cooperation experience.

After January 25:

New unions, new challenges?

After the revolution, new trade unions emerged at lightning speed. They were mainly organized under the roof of two umbrella organizations: the Egyptian Federation of Independent Trade Unions (EFITU), which regroups 261 new trade unions with some 2.45 million members (see table 2, p. 2); and the Egyptian Democratic Labor Congress (EDLC), which embraces 246 unions (see below). However, the new trade unions’ efficacy is constrained by several factors.

Legal obstacles: The legal framework regulating trade unions’ affairs poses a

huge obstacle for the formation of new trade unions. Law 35, promulgated in 1976 and amended by law 1 in 1981, recognizes ETUF as the only legitimate and legal federal body of labor representation. Labor activists had always criticized this law for contradicting the International Labor Organization’s Convention 87 of 1948 and Convention 98 of 1949, which stipulate the protection of the independence and freedom of trade unions – both Conventions were ratified by the Egyptian government as far back as 1957.

With a view to the outdated legal setting, several draft laws with competing visions for a new and precise regulation of union affairs have already been circulated in the Egyptian parliament. While most of these drafts agree on expanding union freedoms, they differ with regard to the scope and content of the envisioned freedom that has to be included in the law. Before the dissolution of parliament on June 14, 2012, its Labor Committee (*Lagnet El-Kowa El-A’mela*) agreed to adopt a draft presented by the Muslim Brotherhood’s Freedom and Justice Party (FJP), albeit EFITU and the EDLC were supporting a different draft that had been previously prepared by former Minister of Man Power and Immigration Ahmed El-Borei. The appointment of FJP’s Khaled El-Azhari, who is also the vice-president of ETUF, as the new Minister of Man Power to the newly formed government on August 2, 2012, ultimately changed the balance of power to the FJP’s side. Naturally, the new Minister of Man Power now officially supports the enactment of the committee’s draft law. In a meeting with him and the Minister of Legal Affairs, Mohamed Mah-soub, on September 18, leaders of new trade unions unanimously rejected the law. The day after, EFITU issued a statement clarifying the reasons for its refusal and its preference for El-Borei’s draft. Three arguments relating to the three most problematic issues seem to be of particular relevance here.

1. Civil servants and professional unions’ (such as teachers’ unions) issues: El-Azhari’s

law proposal does not cover civil servants working in the police and military sectors. The law also does not grant the right to establish new professional unions – a situation favorable to the Muslim Brotherhood that controls the administrations of the existing professional unions.

2. The structure of the trade union federation: Contrary to El-Borei's draft, which would empower local unions at the work places via strategies of decentralization, Al-Azhari's draft seeks to preserve the current centralized structure, which concentrates decision-making power at the higher levels of the federation.

3. Social funds: The law does not tackle the problematic issue of the social funds (*Sanadik El-Zamala*). To date, ETUF holds a monopoly on the social funds that provide social security services for members of affiliated trade unions, and pensions for their retirement. Contributions to the funds are included in the workers' membership fees for ETUF, which are usually deducted automatically from their salaries. Workers willing to establish new unions that are independent from the ETUF framework are faced with losing their claims to the social funds they have previously been financing. El-Borei's draft had tried to solve this dilemma by guaranteeing the workers' freedom to withdraw from ETUF without forfeiting their rights to the social funds. EFITU stressed in its statement that because of the social funds obstacle, El-Azhari's draft would entail substantial disadvantages for the emergence of new trade unions. Moreover, the statement added that this draft law would only favor the Muslim Brotherhood's interests, since it would ensure their control over ETUF. This is because Brotherhood members hold powerful positions in ETUF's current transitory administration board (recalling that the current Minister of Man Power had been vice-president of ETUF just before his appointment to the new government).

With regard to the further development of the new trade unions' struggle against legal obstacles, several scenarios seem plausible.

1) The best case scenario: The new union leaders succeed in putting more pressure on the Ministry of Man Power to engage in a process of social dialogue that would lead to the consensual adoption of a new law along the lines of the Borei draft.

2) The Ministry of Man Power gets the president (currently holding legislative power) to issue its draft law unilaterally despite the unions' rejection – a development that would lead to further protests and instability, since workers are already today organizing demonstrations against this law.

3) The dialogue remains deadlocked and thus no law is issued until the election of a new parliament.

Recognition and legitimacy: New trade unions face difficulties, both in the public and private sectors, in receiving recognition as legitimate representatives. Despite the Nazif government's privatization policies, Egypt's public sector remains large and includes a large industrial sector – with the Misr Company for Spinning and Weaving being but one example. Leaders of new trade unions in the governmental and public sector face barriers in officially registering their new organizations, since the legal framework is not clear yet. However, getting the practical recognition of their unions on the ground is at least equally challenging, as public employers prefer to deal with the leaders of the officially registered and traditionally established syndicates. The new trade unions' leaders are largely considered to be leaders of a protest movement. While public employers have occasionally agreed to negotiate with them over claims, such as bonuses, they have shown much more reluctance to recognize them as official representatives with the legitimacy to negotiate long-term agreements and more substantial demands. The new trade unions thus lack acceptance, which leaves them unable to negotiate on behalf of the workers and achieve their

aspirations, leaving contentious action as their only avenue to push demands.

The situation is even worse in the private sector, where it is mostly prohibited for workers to establish new unions. Private employers make use of their powerful position vis-à-vis their employees, often depriving them entirely of their labor rights to legal, social, and syndical protection. Therefore, workers suffer from severe repercussions or risk getting fired if they engage in labor activism. This situation has been entrenched because of the weakness of the rule of law – both in the former authoritarian regime and the current transitional one. The Center for Trade Unions and Workers' Services (CTUWS), a well known Egyptian NGO defending labor rights since 1999, showed in several cases that workers were fired just after organizing protests. In other cases, according to the CTUWS, newly hired workers are obliged to sign an undated document in which they submit their resignations, giving the employer the liberty to fire workers at any given moment, and with no legal protection whatsoever.

Resources and capacity: Two major obstacles hinder the capacity of new trade unions to turn into effective institutions: The first one is related to the new leaders' lack of experience in the most basic functions of a trade union. This is a shortcoming that largely results from the absence of any tradition of unionism in Egypt – at least outside of ETUF. Administrating a new trade union and managing it thus poses a major challenge. The second challenge is related to the lack of financial resources, due to the inability to collect regular membership fees. This is partially a consequence of the internal administration's weakness, but also related to the dilemma that members are already paying ETUF membership fees, as previously mentioned.

The unions that succeeded in overcoming those challenges were the ones built after successful collective action experiences, such as the 10-day sit-in of the real-estate tax collectors in front of the prime ministry of Cairo in December 2007. The long-lasting

collective action led to the building of strong social ties between the participating movement members, and a relation of confidence was established between the latter and their leaders. The same cohesion can be found within the public transport's new trade union, which was established in 2009, also after a successful collective strike.

EFFITU and the EDLC as new trade union federations

After the revolution, two federal organizations assembling new trade unions independent from the ETUF framework were established: the Egyptian Federation for Independent Trade Unions and the Egyptian Democratic Labor Congress. Contrary to EFFITU, the EDLC does not consider itself yet a federation of trade unions (it is also not formally recognized as such) but rather a labor-oriented coalition of local trade unions. The two organizations differ with regard to their strategic and organizational visions as well as views on political involvement.

The EDLC pursues an educational “bottom-up” approach, which is based on the belief that a strategy of slowly teaching workers about democratic trade unionism is the only long-term guarantee for a sustainable and effective institutionalization of labor representation. Institutions should be based on strong relations between the unions affiliated to it. Such stable ties need time and continuous joint activities to develop. The EDLC was established by Kamal Abbas, the president of the NGO CTUWS and former labor leader at the Helwan Iron and Steel factory. The CTUWS has always played an important role in supporting labor leaders legally and technically. Today, it is working on transforming the EDLC into a sustainable federation. Therefore, it is coordinating the EDLC unions' joint activities, working on enhancing their capacities to build and defend their rights. The CUTWS thinks that the process of transformation has to come as a result of a longer-term integration process as guar-

antee for the new institution's efficiency. In contrast to EFITU, the EDLC has shown no aspiration toward parliamentary elections.

In contrast to the EDLC, EFITU has adopted a "top-down" approach for the promotion of workers' interests, stemming from the idea of seizing the "political opportunity" in the relatively open and fluid political arena of post-revolutionary Egypt. EFITU is led by Kamal Abu Eita, the leader of the nationalist "Karama" party and member of the parliament dissolved in June 2012. As the founder of the real-estate tax collectors' union, Abu Eita can be regarded as a pioneer of Egyptian unionism. Unlike the EDLC, EFITU is officially labeled as a federation with institutional and legal competence for the political representation of labor. It is also hierarchically organized and has a centralized internal structure (giving some powers to local trade unions though). To raise its political leverage, EFITU seeks to incorporate as many of the newly founded trade unions as possible into the federation. At the same time, EFITU is trying to become more integrated into the political arena. It considered participating in the parliamentary elections as a way to secure workers' interests. However, the high electoral committee refused to recognize the candidatures of EFITU's workers and their right to compete for the parliamentary seats allocated to the "workers quota." It thus chose to ignore the Egyptian Administrative Court's verdict from November 16, 2011, which had granted EFITU's candidates the right to compete in parliamentary elections. In spite of this, the committee instead only accepted candidates associated with ETUF.

While EFITU is focusing on seizing "political opportunities," the EDLC is focusing more on capacity-building. The organizational split of the labor movement into these two organizations was caused by both personal disagreements (between two powerful labor leaders who were unable to cooperate), as well as differences with regard to the strategic visions. However, when it comes to the actual representation

of workers, programmatic differences between both entities are barely visible: They both share the same vision about the increase of the minimum wage to 1,200 Egyptian pounds, and both are lobbying for Ahmed El-Borei's trade union law.

EFITU as a political actor

EFITU has been successful in recruiting members among public service workers, such as tax collectors, aviation workers and pilots, teachers, etc. The membership's strong affiliation with new trade unions that have recently emerged in the public sector might offer a potential source of strength in the future, especially when taking collective actions. However, EFITU is much weaker in terms of membership in the industrial and manufacturing sectors. The latter suffers from a workforce with low levels of education and hard working conditions. This makes many workers regard the formation of a union a luxury they cannot afford at the moment.

In general, EFITU faces two major internal challenges.

The first is a lack of structural capacity: Apparently the "top-down" approach adopted by EFITU has created a lag between its coordination mechanisms and the increasing number of unions that have to be integrated within the new structure. Given EFITU's limited staff and resources, this has resulted in devoting less time to other issues, such as the setup of administrative capacities and the professional training of leadership personnel – both of the federation and of its affiliated unions. This has affected the functionality of the institution on two main levels: First, EFITU's governance has started to suffer from a lack of professionalism (and sometimes transparency). For instance, the rules regulating the representation of local unions on the federal level are not clear. Similar problems emerge when tackling the issue of the rules for the selection of the representatives of the federation abroad. These issues were

also two of the major complaints of the public transport union, which left EFITU and instead joined the EDLC. Second, the emphasis on embracing as many new unions as possible came at the expense of internal harmony between the federation's components. Obviously, the interests of the peasants' new trade union differ from those of the teachers' or tax collectors' unions. This situation could have, in the future, a negative impact on EFITU's capacities of coherent, collective decision-making.

The second is an ambiguous relation to politics: In periods of transition, it can be of great benefit for labor movements to form alliances with political actors, especially parties. It provides them with an additional channel of influence on politics, since the latter has the duty of putting the workers' demands on their political agenda. However, in the Egyptian case, this kind of alliance appears to be problematic for labor due to political parties' weakness. In the 2011 and 2012 elections, the leftist coalition "Revolution Continues" achieved only 8 of 508 parliamentary seats. The Tajammu' Party and the Egyptian Social Democratic Party – the remaining leftist parties that were not part of the coalition – won 3 and 16 seats respectively. This leads to a continued feeling of mistrust among ordinary members of the federation: As parties remain unable to provide the workers with concrete political impact, the latter feel that they are being used by parties to exploit their leverage. In addition, workers mistrust parties also because of their potential to divide them with different ideological approaches.

On the other hand, EFITU's leaders, with a number of them having clear political stances and leftist political affiliations, acknowledge the need of the federation to forward its demands effectively through all available political channels. Hence, between the federation's top and bottom, contradictory stances have emerged. While the former is ready to adopt more proactive political positions, the latter is still reluctant to either get connected to political

parties or to take any explicit political positions. The ambiguous decision issued by the federation's administration board on EFITU's participation in the national strike on February 11, 2012, provides an illustrative example for this: Several youth activists' movements had called for a "national strike" and for civil disobedience in order to create pressure to end military rule in Egypt. EFITU's board decided that the federation would join the national strike, but that it would leave it to the respective leaders of the affiliated unions to decide whether to participate. The ambiguous relation to politics is made clear also by the unwillingness to take a decision to back any candidate in the May 2012 presidential elections, although many of the federation's leaders were already members of the campaign of the leftist-nationalist candidate, Hamdin Sabahy.

Conclusions and recommendations

Besides the necessity to reform ETUF, the organization of the labor movement through the establishment of new trade unions that are truly representative of labor would be the most effective solution for lowering the number of workers' protests and their disruptive effects. New unions are, however, facing structural obstacles that affect their legitimacy and influence: They suffer from a lack of financial resources and know-how. To support the consolidation of unions and the promotion of labor rights in Egypt, the following measures should be adopted by European policymakers:

Help trade unions develop into bodies that effectively represent their members:

It would be helpful if European organizations, such as Germany's political foundations working in the field of labor, for example the Friedrich Ebert Foundation, as well as unions and their umbrella organizations continue to provide Egyptian labor leaders with technical support and financial know-how regarding the establishment of democratic and professional trade

© Stiftung Wissenschaft und Politik, 2012
All rights reserved

These Comments reflect solely the author's views.

SWP
Stiftung Wissenschaft und Politik
German Institute for International and Security Affairs

Ludwigkirchplatz 3–4
10719 Berlin
Telephone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org

ISSN 1861-1761

unions, both on the organizations' local and federal levels. This should be achieved via multiple approaches: Training courses can provide labor with the needed expertise. However, it would be preferable to conduct these training courses at least partially at the offices of the respective unions. Otherwise, union leaders would have to travel and leave their labor environments, which would negatively affect relations with their social base and the union's members. In addition, the support of new trade unions and federations should invariably be subjected to attentive monitoring to guarantee its efficiency. Setting up benchmarking mechanisms will push new trade unions to adhere more carefully to rules of transparency and professionalism. Moreover, partnerships and experience exchanges between European labor unions and federations and their Egyptian counterparts should be encouraged.

Help Egyptian institutions to improve the legal situation and labor relations:

If the EU wants to be a credible normative power, it needs to consistently promote democratic values and human rights, also with regard to labor rights. The foundation already exists: Not only does the EU-Egypt Association Agreement include a human rights clause, but it also stresses the right of both partners to initiate talks on reciprocal bilateral agreements on working conditions of workers (Art. 32, part IV of the Association Agreement). At this juncture, it would be opportune to start a dialogue with the Egyptian government while the new trade union law is still in the making. Targeted and consistent European pressure could influence the current legislative debate, and thereby support the adoption of a more labor-friendly law.

However, the Egyptian case admittedly proves the limits of "positive conditionality" as one of the major approaches of the new European Neighborhood Policy for the promotion of human rights, as well as the support of economic and political transformation. This mechanism has, as of now, no concrete tools (in the form of

concrete incentives or disincentives) – and little effect when applied to the promotion of labor rights. In the absence of such incentives and disincentives, the EU should still encourage European companies to refrain from trade with Egyptian companies that do not respect international labor standards, especially regarding the freedom of association.

Moreover, for a successful promotion of human rights, the EU should not only create awareness of, and thereby a demand for, labor rights, but should also provide a supply for it – in terms of support for good governance (laws, regulations, and effective enforcement). In this sense, the EU should offer capacity-building for politicians and government officials, for example in the Ministry of Man Power and Immigration in the best practices related to labor rights, the implementation of modern labor laws, as well as the best ways for a partnership between capital and labor.

Convince multinational companies (MNC) to adhere to labor rights standards:

Several MNCs with branches in Egypt currently have their head offices in European states and are therefore bound to the social responsibility standards, such as the OECD guidelines on corporate social responsibility. However, MNCs should adhere to these international standards for the protection of labor rights also in their dependencies abroad. In this way, they would set a good example for their Egyptian counterparts. In addition, MNCs should use their bargaining power and resources to effect positive changes in the factories producing for them. Here, the implementation of codes of conduct that incorporate the freedom of labor association should be made a pre-condition for supply contracts.