

This document was simultaneously published in three languages--Czech, English and French. According to the authors, “This is not because we are such efficient translators but because it is the result of a common effort by speakers of these three languages since its very conception. It is a joint effort by comrades from *Kolektivně proti kapitálu*, *Mouvement Communiste*, and others. We hope that this analysis, as an initial phase of a common political project, will be confirmed and amplified in a way which tends towards the unification of communists.”

The *Insurgent Notes* editors have made stylistic and syntactical changes intended to make the meaning of the original text clear. They have also deleted some sections which appeared to be redundant.

The *Insurgent Notes* editors also want to acknowledge their appreciation for the extraordinary effort of the document’s authors to provide a rich empirical context for the events in Egypt.

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# **EGYPT: HISTORICAL COMPROMISE OVER AN ATTEMPT AT DEMOCRATIC CHANGE**

## **WHAT HAPPENED IN 2011**

### ***INTRODUCTION***

In the wave of riots and uprisings that have shaken the Arab countries since December 2010, Egypt was the second country, after Tunisia, to arrive on the stage, but with dramatic differences, not only because of the size of the country and its geopolitical importance, not only because of the number of deaths (864) and injuries (roughly 9,000), not only because the respective economic backgrounds and capitalist development were different, but because the two major actors in the regime change were different. In Egypt, a social compromise between the Army and the Muslim Brotherhood cadenced events from the beginning of the mass protests (but not in launching the movement). Unlike Tunisia, there were no unions (such as the UGTT) or, still less, political parties able to play any part.

And this compromise is still in effect as the results of the referendum on constitutional reforms proved in March. But, as in every compromise, each partner is trying to push the balance in its favor at the expense of the other. Within this constrained framework, the movement against the Mubarak regime and for democratic demands has tried to make its way but, up till now, it has not been able, despite many attempts, to overcome the limits from which it has suffered since the beginning. Remaining a desperate minority, it is not able to incorporate all layers of Egyptian society, including the poorest of the poor living in Cairo slums, not to mention the poor peasants who still represent 40% of the population.

Even in the working sectors of the Egyptian proletariat, figures are not necessarily so encouraging--if you only stay on the superficial level of "strikes", "discontent", "something is going on." Obviously, a lack of detailed and accurate data is a big burden that interferes with drawing definitive conclusions. Nevertheless, the working class (albeit a weight among others leading to Mubarak's toppling) has not organized any strikes or agitation in some important sectors--like the Army owned factories and the industrialized tourism sector while other strikes were going on.

Egypt is important in the Middle Eastern scene both for geo-political and religious reasons. The US is paying careful attention. It is quite aware of what happened in Tunisia; it favors reform from the top and wishes to see the Muslim Brothers participating in a compromise rather than acting fiercely in an opposition. It is also concerned because, in the Sunni world, Cairo is regaining its predominance as opposed to Mecca and Saudi Arabia, which is still the strongest partner of the US in the area.

What is sure is that in all Arab countries and Egypt too, people are not struggling for Communism (whatever we can put behind this word, at least a classless society) but for Democracy. And what we have to explain is what this Democracy and all the democratic demands mean by examining deeply what is going on in these countries even under the umbrella of a still powerful army. From this fact and since the main actor of transformation towards Communism is absent from the front line as itself, we must question if Democracy is "the rifle at the shoulder of the Proletariat" or "the best capitalist trap to bury the Proletariat." Perhaps something is in between.

The text therefore includes:

- What happened in 2011,
- Background of Egyptian situation,
- A bit of geopolitics,
- The pillars of social compromise,
- On working class side,
- An attempt at a conclusion,
- Appendixes.

## ***CHRONOLOGY***

January

January 1

Attack against a Coptic Church in Alexandria. Confrontation between Copts and police on the same day in Alexandria.

January 2

Confrontation between Copts and police in Cairo.

January 12

Egyptian Christian killed on train in random police shooting incident

January 13

Protesters clash with Egyptian police after fatal train shooting of Copts.

January 18

Egyptian Court convicts and sentences to death a Muslim man for killing six Copts and a Muslim guard last year.

January 19

Suicide attempts in Cairo emulate death in Tunisia as men torch themselves. Coptic religious celebration cancelled by Pope Shenouda over security fears.

January 20

The government considers discounts on basic commodities for workers in an attempt to fend off potential labor protests. Government is currently engaged in earnest discussions with the Egyptian Trade Union Federation to establish class cooperatives that offer basic commodities for laborers at wholesale prices. Meanwhile, the Syndicate of Commercial Professions has decided to hold a meeting with representatives of staff at the Omar Effendi retail chain to preempt possible strikes by workers who are threatening a sit-in if the company does not disburse January salaries.

January 22

Dozens of protesters in the Gharbiya governorate call for the abolition of the Emergency Law, the establishment of a minimum wage and the improvement of social conditions. Surrounded by intense security, protesters raise Egyptian and Tunisian flags and applaud the Tunisian uprising.

January 24

Egyptian government points finger of blame at Army of Islam for New Year's Day Coptic Church bomb.

January 25

Furious Egyptians in Mahalla, Gharbiya, west of Cairo, destroy a picture of President Mubarak during Tuesday's protests, which had been called by different opposition groups. 5,000 demonstrators chant "Down with Hosni Mubarak". Egyptian Government warns protesters will be arrested; security forces say will deal with any lawbreaker firmly and decisively.

January 26

Two protesters and a policeman are killed in Cairo protests calling for end to Mubarak's rule; protesters, angry at poverty and repression, vow to continue; security forces disperse protesters with water cannon; US stands behind Mubarak.

January 27

Protesters rally in Cairo on Tahrir Square calling for Mubarak's ouster; Six protesters killed; between 500 and 1,200 detained by police; Muslim Brotherhood denies organizing the protests.

January 28

Massive anti-Mubarak protests sweep Cairo, more expected after Friday prayers; ElBaradei calls for Mubarak to resign; entire internet system down; protester shot dead in Sinai; members of Muslim Brotherhood arrested; Obama calls on Mubarak to make "absolutely critical" reforms.

January 29

Street clashes in Egypt leave 24 dead, 1,000 injured; protesters demand his Mubarak's, end of emergency state; army troops deployed to help quell unrest; NDP HQ set on fire; curfew declared in Cairo, Alexandria and Suez.

January 31

Protesters insist Mubarak should step down. Omar Suleiman named vice president and Ahmed Shafiq named prime minister. Protesters mandate ElBaradei to form "salvation government". US and UK press for reforms as the way out. Egypt's Information Ministry tells Qatar's Al Jazeera to close its office.

February

February 1

Millions protest to demand that Mubarak step down; New Vice President Omar Suleiman is delegated to negotiate with opposition leaders. Army backs protesters' demands, vows not to use force. New government is formed, rejected by Muslim Brotherhood. European Union

calls for authorities to hold talks with opposition groups, release jailed demonstrators and take steps towards democracy to end the unrest.

February 2

Mubarak pledges not to run for another term in upcoming presidential elections; insists on completing his present term in office, but opposition rejects offer. Obama tells Mubarak time for change is now; ElBaradei says Mubarak failed to meet demands of protesters; Brotherhood says resignation of Mubarak is only a matter of time.

February 3

Government opens negotiations with opposition leaders regarding the unrest. Muslim Brotherhood says Mubarak and his government "should go" in order to resolve the crisis. At least 6 killed and over 500 injured overnight in Egypt; pro and anti-Mubarak forces clash in main cities; Vice President Suleiman says riots must stop before dialogue begins. Protesters brace for 'Departure Friday;' talk about storming presidential palace. UK Prime Minister David Cameron says the process of political transition in Egypt needs to be quick and start now. Turkey's Prime Minister Tayyip Erdogan urges Mubarak to start a transition of power sooner rather than later.

February 4

Vice President Suleiman invites opposition leaders to discuss their demands; President Mubarak says in ABC interview that he wanted to leave office but he was afraid his departure would lead to chaos. Egyptian soldiers separate supporters and opponents of Mubarak in central Cairo to halt violence and prevent a further worsening of the turmoil on "Departure Friday'. Journalists are beaten and roughed up by protesters.

February 5

Thousands of protesters demonstrate on "Day of Departure" in Tahrir Square.

February 7

Representatives from all political parties, civil societies and the Council of Wise Men meet with Vice President Omar Suleiman and agree to draft a road map. US Secretary of State Hillary Clinton "cautiously" welcomes the step by the Muslim Brotherhood to take part in the current talks between the government and the opposition.

February 8

Protesters say they will not leave until Mubarak goes--planning a big push after Friday prayers; Brotherhood will quit talks unless demands are met.

February 10

Brotherhood says it will not field candidate in September presidential poll.

February 11

Mubarak refuses to step down; mob is furious, plans to storm palace; higher military council issues communiqué no.1; protesters demand exit of both Mubarak and Suleiman.

February 12

Mubarak resigns after 18 days of protests; Higher Defense Council takes over power, begins reforms.

February 14

Field Marshal Mohamed Hussein Tantawi is now de facto head of state; military suspends the country's constitution, dissolves parliament and forms a committee to recommend constitutional and legislative reforms, vows fresh elections in six months. Nissan is resuming operations at its plant in Egypt. The factory, near Giza, which builds the X-Trail SUV, Sunny sedan and pickup trucks with an annual capacity of 10,000 units, had been closed since January 30<sup>th</sup> to ensure the safety of workers during anti-government protests. Large international companies, Heineken, Unilever Chemicals Company, Akzo Nobel and Siemens say they'd resumed near-normal operations in Egypt.

February 16

Egypt's Higher Defense Council sets a period of 10 days for the constitutional amendment committee to finish its tasks. The Brotherhood says it will form a party once promised freer laws are in place, again says won't field a presidential candidate. Military appeals to trade unions to halt strikes; Egyptian authorities ask US and Europe to freeze assets of former government officials.

February 18

Rights groups accuse Egyptian military of using torture against detainees. Military will not field candidate in presidential elections; ex-ministers, prominent businessmen detained on suspicion of wasting funds; victory march planned for Friday; simultaneous march planned to apologize to Mubarak for his ousting; US pledges \$150 million to ease democratic transition.

February 19

Millions take to the streets to celebrate a new Egypt. Egypt gives Iran the okay for its warships to pass through Suez Canal.

February 21

Egypt's *Wasat* Party becomes an official legitimate political party after 15 years.

February 22

Muslim Brotherhood announces formation of political party; plans to branch out into media, launch satellite TV, papers, and magazines. Egypt's public prosecutor Abdel Meguid Mahmoud requests nations to freeze Mubarak's funds.

February 23

Egypt's military rulers swear in a new Cabinet that includes 11 new ministers.

February 24

Brotherhood announces amendments agenda of its "Freedom and Justice Party", which it is seeking to establish. First meeting of Egypt's new cabinet is held. Muslim Brotherhood calls for a march to seek cabinet purged of Mubarak's men. Mohamed al-Katatni, a former chairman of the Brotherhood's parliamentary bloc, is appointed head of its new party. Former diplomat, Abdallah Alashaal, establishes a new "Egypt the Free" political party; will run in election.

February 25

Egyptian Copts protest army's demolition of Anba Bishoy's monastery walls in the desert Wadi El-Natron. Coptic Christian priest is murdered in the Upper Egyptian city of Asyut.

February 26

A mass rally in Tahrir Square calls for the dismissal of Prime Minister Ahmed Shafiq and the current cabinet, the end of the emergency law, the release of all political prisoners, and respect for greater rights.

February 28

Secretary General of the Arab League Amr Moussa announces his plan to run in the presidential elections.

March

March 2

Military provisionally sets vote on constitutional changes for March 19; more ex-Ministers to be prosecuted; media reports say Mubarak in Saudi hospital,

March 3

Two Muslim Brotherhood prisoners, deputy general guide Khairat al-Shater and businessman Hassan Malek, released early from seven year jail sentence under an order from Minister of Interior.

March 4

Prime Minister Shafiq resigns; Sharaf named successor.

March 5

Egypt's new Prime Minister designate Essam Sharaf addresses crowds in Tahrir Square, saying he is committed to the goals of their revolution.

March 7

PM announces appointment of four new cabinet ministers. Nearly 3,000 Muslim and Christian protesters gather outside the state TV and radio building to protest the burning of a Coptic Church. Men in plain clothes, armed with swords and petrol bombs, attack protesters in Cairo at night during a demonstration demanding reform of security services with a reputation for brutality. PM and the State Prosecutor appeal to citizens to return documents stolen during a raid on security buildings.

March 8

New government orders arrest of 47 state security officers accused of burning state documents.

March 9

Amr Moussa says if, elected president, he would maintain peace treaty with Israel, fight corruption and turn the Middle East's most populous country into a modern democracy. One Christian youth shot dead during a protest between 1,300 Christians and Muslims.

March 10

Reformist Mohamed ElBaradei announces his candidacy in upcoming presidential elections. Thirteen killed, 140 wounded after Muslim-Christian clashes erupt; new government meets for first time; Brotherhood calls on Egyptians to stand together to support armed forces

March 14

Egypt's military rulers plan to scrap a law that restricted the formation of political parties.

March 15

Christian protesters say they will suspend protests if burned down church is rebuilt.

March 16

Brotherhood leader forbids members from joining or creating other political party; Egypt replaces state security with a new National Security Force. Hillary Clinton makes her first visit to Egypt since popular uprising; meets her Egyptian counterpart foreign minister Nabil Elaraby.

March 17

Muslim Brotherhood agrees in principle to run a joint list with other parties in the upcoming parliamentary elections.

March 18

Egyptian Islamists and reformists remain divided over amendment referendum.

March 21

With a participation rate of 41% (18.45 million of 45 million voters), 77% (14.1 million voters) vote in favor of constitutional amendments. This is a success for Muslim Brothers.

March 22

Former lawmakers form "February 11" in honor of the day Hosni Mubarak resigned as president. Judge Hisham al-Bastawisy announces his candidacy for the Egyptian presidency.

March 25

Egypt's state commissioner's authority calls for dissolution of NDP.

March 29

The military command announces that parliamentary elections would not be held until September 2011. The presidential election, scheduled for August, was also postponed.

March 31

Egypt's military rulers announce a new interim constitution incorporating the amendments approved in the March 19 referendum. The 18-member ruling council said it would hand over legislative powers after the parliamentary election in September 2011, and that executive powers would be transferred after the presidential election, which will be held by November.

April

April 8

Tens of thousands gathered in Cairo's Tahrir Square, waving flags and demanding the prosecution of the ousted president, [Hosni Mubarak](#), and his family. The protest was called the "Friday of Warning."

April 9

Security forces [shot and killed at least two protesters and injured dozens more](#) in a predawn attempt to disperse peaceful demonstrators spending the night in Tahrir Square. The crackdown was the most brutal since the overthrow of [Mubarak](#).

April 11

An Egyptian blogger was [sentenced to three years in prison](#) for criticizing the military.

April 13

The former president and his two sons [are detained for 15 days for questioning](#) about corruption and the abuse of power during Mubarak's three-decade rule.

April 16

The Supreme Administrative Court ruled that the National Democratic Party would be

dissolved and its assets seized by the government.

April 29

[Egypt](#) plans to open the blockaded border with Gaza and normalizing relations with [Hamis](#) and [Iran](#).

May

May 5

Abul Fotouh, the Muslim Brotherhood's labour affairs official, accused leftist labour groups of criticizing the Brotherhood adding that the Brotherhood represents an active force among labour groups and that its members outnumber leftist workers. The group plans to establish its own independent labour union, which will be able to vie for seats in any official labour elections.

May 6

During Friday prayers in Tahrir Square, an imam called for the formation of a volunteer army of 3 million soldiers to assist the armed forces in reinstating security and protecting Egypt's borders.

May 7

Over 2,000, scholars and activists, gathered in Cairo, in the biggest post-revolt meeting of political forces for a meeting dubbed "Egypt's First Conference: The people protect the revolution." Ten people have died and 186 injured in sectarian clashes between Muslims and Copts in Imbaba, a north western district of Cairo.

## **BACKGROUND OF EGYPTIAN SITUATION**

### ***SOME KEY ECONOMIC FACTS***

#### **Introduction**

In Egypt, like in Tunisia, rising food prices have been one of the major triggers of protests. Despite the fertile Nile Delta, Egypt needs to import large quantities of food (it is the world's largest importer of wheat).

Much of the population lives below the "poverty line". Rising food prices have an immediate effect on its ability to meet basic needs (in Egypt, the weight of food in household spending is about 56%). So far, governments have tried to limit the impact of rising food prices through subsidies, but the high budget deficit limited its flexibility.

Unlike the Tunisian economy, the structure of Egypt's economy depends to a significant extent on "rent". Although the proportion of rent relative to GDP is lower than in the years from 74-86<sup>1</sup> (37% of GDP and 130% of total exports of goods and services), it is currently around 20%. This "rent" has multiple components: Tourism, Suez Canal revenues,

<sup>1</sup> Ressources Exogenes et Croissance Industrielle : Le Cas de L'Egypte, par Hé lène Cottenet

remittances from expatriates, revenue from hydrocarbons (oil, gas, taxes and royalties of any kind) and various aid, including American. These resources have largely taken precedence over the export of cotton, rice and other agricultural products.

The rest of the Egyptian economy is focused primarily on the following areas (to which we return below): agriculture, textiles, construction, pharmaceutical, telecommunications, banking, steel production and a large sector of a "gray" economy more difficult to quantify<sup>2</sup>.

A significant change in the economic and social structure, initiated at the end of the reign of Gamal Abdel Nasser, came after the defeat of the Six Days War in 1967. The new policy, the so-called "infitah" or "openness", pursued by Anwar Sadat then by Hosni Mubarak<sup>3</sup>, has moved the majority of public sector industries, developed during the fifties and sixties, to the private sector. This change is a reflection of the state's inability to adequately manage the industrialization of Egypt rather than a stated desire to liberalize the economy.

This privatization resulted in the emergence of a class of beneficiaries, proponents of "rentier" capitalism, closely linked to the state apparatus and to the army, and has largely resulted in a deterioration of living conditions for most Egyptians, particularly peasants, workers and the middle classes who constitute the vast majority of the population (an estimated 40% of Egypt's population lives on +/- \$ 2 per day).

Egypt's economy has been resilient during the crisis of 2007-2009, not because its economy was flourishing, but rather because the financial contagion has been contained by limited direct exposure to structured products, low levels of financial integration with global financial markets, the lack of a pension system financed by pension funds, etc. (IMF Country Report No. 10/94 – April 2010). If, before the crisis, the growth rate was around 7%, it was 4.7% in 2009 and around 5.1% in 2010.

As regards the public and private sectors' contributions to economic growth (5.1 percent) in 2010, the public sector generated 1.1 percentage points (against 1.4 points a year earlier), and the private sector 4.0 points (against 3.3 points), indicating the key role played by the latter in economic development. The main contributors to economic growth were the sectors of manufacturing, wholesale and retail trade, construction and building, tourism, and agriculture. At the level of the public sector, the main driver of growth was the general government. (Source: Central Bank of Egypt, Annual Report 2009/2010).

This growth is distorted by a quite high inflation rate (16.2% in 2008, 12% in 2009

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<sup>2</sup> "The analysis of the economic situation, based on available data, cannot take into account the informal sector. It cannot be ignored, however: it involves between 27% and 40% of the workforce depending on the sources and depending on the extent of double counting; up to 40% of private economic units are not reported. The consequences of this phenomenon are considerable, both on a social level, because of the lack of protection (health, pensions) for employees, the tax shortfall that results for the state coffers, the difficulties due to the absence of control over the quality of products. The government began a review towards the possibility of legalizing the shadow economy, but the process will be long considering the issues in employment, access to consumption for small budgets and production." (Sophie Pommier. *Egypte, l'envers du décor*. La Découverte. P.154)

<sup>3</sup> If, in 1974, Egypt embarked on a liberalization of its economy, it was under pressure, from the IMF and the World Bank, to expand this process and bend to the laws of international competition. It waives its protectionist policies and thus benefits from international aid added to U.S. aid. Trade with the EU accelerates from the early 2000s. Exports grow from \$2 to 7 billion between 2001 and 2006, while imports increased from 5.2 to 11 billion dollars.

and 10% in 2010) and by a high unemployment rate, particularly among the young and university graduates (average age in Egypt is 24.8 years). Official rates are 9.2% in 2007, 8.1% in 2008 and 9% in 2009 (IMF), but the actual rate would be much higher (unemployment affects at least 50% of those aged 15 – 29 (Confluences Méditerranée n°75). Egyptian production, beyond what are apparently quite favorable macroeconomic indicators, generally suffers from a lack of competitiveness and serious defects in formation of its workforce, a concentration of production in primarily low value-added products (raw materials, aluminum, cotton, semi-finished products, pharmaceutical generics), a major deficiency in infrastructure, much non-observance of contracts, and corruption.

The latter, far from eroding, is almost universal and not confined to the public sector alone. According to Transparency International, the "corruption index" of Egypt between 2005 and 2007 went from 3.3 to 2.9 on a ten-point scale, where 0 is equivalent to massive corruption).

Economic growth is based on shaky foundations

The traditional pillars of Egyptian economic growth are tourism, money transfers, Suez Canal revenues and oil. But all are now suffering a downturn:

- Tourism is subject both to economic conditions of countries where tourists originate, but also the threats of terrorism (Egypt has seen several bombings in recent years which have scared off tourists).
- Money transfers from expatriates are in direct proportion to the health of the economies that employ them, and are therefore also dependent on the economic fortunes of other areas. They also depend on the evolution of migration policies, linked to economic cycles (in recent years, preference has been given to workers from South Asia and Southeast Asia over those from Arab countries).
- Suez Canal revenues are, in turn, sensitive to economic conditions, the commissioning of new pipelines, and the problem of piracy near the Red Sea near the coasts of Somalia.
- The oil resources are dwindling (production is constantly decreasing and does not even cover domestic consumption). Egypt is obliged to import expensive oil and to subsidize the price. Gas is doing better and new deposits are regularly discovered— leading to the substitution of oil by gas.

To add to this, the education sector is in complete decay. The Egyptian education system is damaged. Teachers are not paid and are virtually forced to turn to private lessons to try to get by. In public education, the emphasis is on learning by heart and standards are at very low level such that Egyptian private companies, despite the cheap labor power in Egypt, are turning to a better qualified Indian workforce.

The transformation of the Egyptian economy

If the Nasser period implied a protectionist and “socialist” economy with its process of nationalization (especially in textiles) along with pharaonic works like the building of the Aswan Dam, along with heavy industry creation (steel mills, foundries, cement plants)<sup>4</sup>, Sadat engaged Egypt in the early 70's on the road to liberalization.

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<sup>4</sup> But not, as mentioned below, affecting the modern factories for the Army already built in late '50s.

The beginning of this overhaul of the economy was in a period marked by a record growth rate. The years from 1974-1985 were years of economic splendor because of the rise in oil prices, a massive influx of foreign currency from Egyptian expatriate labor in the Gulf countries, and a significant increase in income from tourism.

"Under the policy of "dénassérisation", confiscation of goods made in the 1960s is declared illegal, foreign investment becomes the key to development and import-export activities open to the private sector."<sup>5</sup>

But this policy of economic "openness" (*infitah*) was not without social consequences that would mark Mubarak's reign. The agrarian reform of 1974 which restored land to its former owners ruined a large number of peasants.

Many state civil servants (whose numbers proliferated in the previous government) were faced with a drastic reduction in their wages and a deterioration of their living conditions, leading to clashes in 1977 against the rising price of bread.

In 1979, the signing of a peace treaty with Israel resulted in the exclusion of Egypt from the Arab League, and the abolition of related aid. This loss was offset by the premium to the peace treaty granted by the US.

The early Mubarak years (Sadat was assassinated in 1981) were accompanied by a still favorable economic environment. This enabled him to make concessions to public officials and to subsidize certain positions in the economy (energy, staples, transportation, housing, etc.). But this improvement was quickly overshadowed by the counter-cost of the oil crisis and the pressures of a growing population. The Egyptian government was forced to rely heavily on foreign debt and to cut some subsidies, while trying to preserve social peace. A precarious balance--if a balance at all!

Promptly, in a critical situation, and on the verge of bankruptcy, the Egyptian state was forced to sign an agreement with the IMF which imposed drastic measures including cutting subsidies, a fight against the shadow economy, etc. The government didn't have the political means to implement this agreement.

War against Iraq in 1991 was timely for Egypt. Indeed, the Egyptian state, in spite of being almost bankrupt, matched the American camp and would be greatly rewarded with new aid.

"Cairo got from its Western debtors of the Club de Paris cancellation of half of its 20 billion dollar debt and the rescheduling of the remaining 10 billion. In return, this time he must undertake reforms and implement the Structural Adjustment Program (SAP) of the IMF Agreement (May 1991) and World Bank (Agreement of November 1991), although a flexible schedule is authorized to prevent further rioting".<sup>6</sup>

A somewhat more favorable period (facilitated by higher oil prices) followed and the Egyptian state increased its spending again, and we witnessed a wave of privatization in the food and beverage, hospitality, construction industries.

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<sup>5</sup> (Sophie Pommier. Egypte, l'envers du décor. La Découverte. P.155)

<sup>6</sup> Sophie Pommier. Egypte, l'envers du décor. La Découverte. P.155)

But in 1993-1994, due to different conjunctures (reorientation of Western aid to Eastern Europe, falling revenues of the Suez Canal), the situation deteriorated. The government reoriented its spending towards the security forces and their administration to deal with the Islamism of the Muslim Brotherhood and attempts to create ideological counter-fires, for example, by assuming control over thousands of mosques. These expenses were made to the detriment of the productive sectors, education sectors, etc.

"The reform program is recovering and still running in the second half of 1990 with the sale of new public companies and liberalization of land rents, completed in 1997, which eventually causes not the peasant mobilization feared. In the course of the decade, domestic borrowings, undertaken to fund major projects and loans to businessmen, take precedence over external debt. This includes funding pension funds through the National Investment Bank, Treasury Bonds and Treasury bills. This public debt is now one of the main flash points of the economic picture."<sup>7</sup>

The early 2000s were marked by a slowdown of the economy (a growth rate of approximately 3%) leading in 2003 to an end of the linking of the Egyptian pound to the dollar, allowing a devaluation of the Egyptian pound and leading to improved price competitiveness. 2004 marked the acceleration of reforms of the economic structure. The privatizations were revived--particularly in the area of banking, telecommunications, retail trade, and cement. Since 2005, nearly 600 million dollars of revenue emerged from this process, and triple that amount in 2006. Customs procedures are streamlined, the fees are strongly reduced and the state sets up free zones (QIZ<sup>8</sup> - Qualified Industrial Zones) which open the US market for Egyptian textile products.

To stimulate consumption and fight against fraud (less than half of tax returns are completed each year), the state cut taxes on income in 2005 (from 40% to 20% for higher income and 27% to 10% for low income) and on profits (consolidated at 20%). In 2007, when the government made some amendments to the Constitution, any reference to socialism disappeared. Thus, in Article 4, "The economy of the Arab Republic of Egypt is based on the socialist democratic system" was replaced by "The economy of the Arab Republic of Egypt is based on the development of the enterprising spirit".

The structure of the Egyptian economy

### *The five pillars*

As we saw earlier, the Egyptian economy is still strongly marked by a "rentier" logic (+/- 20% of GDP).

#### Tourism

This sector provides 10 million direct and indirect jobs and thus occupies a very important part of the employment structure. In 2006, the industry reported \$7.2 billion in

<sup>7</sup> Sophie Pommier. idem. P.156

<sup>8</sup> "The establishment of Qualified Industrial Zones (QIZ) resulted from an agreement signed in late 2004 between Egypt and Israel under American sponsorship. It opens the U.S. market access for textile products made in Egypt, excluding taxes and quotas, provided that those products are made with a certain percentage of Israeli components. In late 2007, this agreement has been revised: the proportion of components was reduced slightly (from 11.7% to 10.5%). Meanwhile, the number of Egyptian companies involved in this partnership was increased from 54 to 203." (Sophie Pommier. Egypte, l'envers du décor. La Découverte. P.157)

revenues or nearly 23% of all revenue and \$11.8 billion in 2009/2010. Tourism is not limited only to hotels welcoming tourists and therefore did not have a only an “unproductive” role (in terms of value). It is also composed of a significant amount of construction companies that build not only hotels, but also all the infrastructures (roads, railway, airport, transportation, etc.), agricultural enterprises (for feeding all the tourists), etc. The major tourist areas are located in Luxor, Cairo, Hurghada, Sharm al-Sheikh, Aswan, Red Sea regions and the Sinai.

### Suez Canal revenues

The Canal generated \$4.7 billion of revenue in 2009/2010. The oil sector provides 15 to 20% of Canal revenues. Its revenues are closely linked to the geopolitical situations and the changes in the global economy (goods shipped to China and India, and the size of boats). Significant work is regularly undertaken to address the increasing size of vessels (5000 tons in 1869, 210,000 in 2006, 350,000 in 2012 – Pommier. P.162). This important economic and geostrategic waterway would be threatened by various projects moving goods by rail (connecting the port of Ashdod in Israel, to those of Eilat or Aqaba).

### Money transfers from expatriates.

These amounted to \$ 9.8 billion in 2009/2010. In 2006, approximately 4 million Egyptians were living abroad. This emigration, already initiated in the 30s was due to population pressure and lack of employment opportunities in Egypt. In the years 60/70, destination countries were mainly the Gulf countries and Libya. Currently, the Gulf countries are also confronted with unemployment and workers preferred their premises or call for reasons of cost and qualification of workers from Asia (Indians, Pakistanis, Filipinos). Egyptian workers occupying jobs less qualified as construction, catering, agriculture.

### The hydrocarbon sector (oil and gas)

Egypt is an oil producing country of the middle rank (its position is between the 19th and the 26th largest producers in the world during the years we are taking into account) with relatively few reserves. Its peak production was in 1996.

The proven Egyptian oil reserves were 4.07 billion barrels in 2008 (6th place in Africa), or 16 years of production. The proven gas reserves reach 2060 billion m<sup>3</sup> (the third largest in Africa), supplemented by more than 3000 billion m<sup>3</sup> of probable reserves. In terms of gas production, Egypt occupies the 22nd position globally.

The oilfields are concentrated in the Gulf of Suez (42.6%) and in the Libyan Desert (24.7%). Gas reserves are located in the Mediterranean and the Nile Delta (Port Faud, Tamsah South and Wakah) and in the Western Desert.

All exploration, production, refining and distribution are managed by public institutions under the Egyptian General Petroleum Corporation (EGPC) for the oil sector and the Egyptian Natural Gas Holding Company (EGAS) for the gas sector. Any exploration activity and production require the creation of a Joint-Venture (JV) with EGPC or EGAS. Contracts for exploration and production take the form of a concession for a fixed period.

With a production of around 700,000 barrels/day, the major oil producers are BP Egypt (12,000 bpd), Eni Egypt (97,000 bpd) and Apache Energy (66,934 bpd). Egypt

currently has nine refineries with a production capacity of 747,000 b/d. Several new refineries are expected to see the light of day: a plant with a capacity of 500,000 b/d near the Suez Canal as part of a joint venture between Egyptian, Saudi and Kuwaiti investors; another plant of 130,000 b/d at Ain Sukhna on the Red Sea coast. In February 2009, Egypt and Libya agreed to a deal to build a new refinery of 250,000 bpd, the extension of Asyut refinery and construction of 500 service stations (investment USD 6 billion)<sup>9</sup>. That is, of course, a very uncertain prospect at this time.

Egypt has become a net importer of oil because its domestic consumption exceeds its own production. This requires imports at high costs, and because the price of this material at the pump is heavily subsidized, this leads to drains on the state budget. This is why Egypt is currently developing a significant gas production, both to overcome the deficit and to increase its oil export revenues.

The main gas producers in Egypt are BG Egypt (18 billion m<sup>3</sup> per year alone accounts +/- 40% of total production), Eni (8.39 billion m<sup>3</sup> per year), BP Egypt (3.24 billion m<sup>3</sup> / year), Apache Energy (billion m<sup>3</sup> per year) and Dana Gas (0.2 billion m<sup>3</sup> per year).

"Investment opportunities abound. The Gaz de France Group is an operator since 2005 in the West El Burullus concession. The French company has pledged to invest 22 million dollars over 8 years in prospecting for digging three new wells. Britain's BG, main gas producer in Egypt (40% of total production), announced it would invest 1 billion USD in Egypt in 2009 and 2.5 billion USD in 2010. The energy group Edison (48.96% owned by EDF and 51% by the Italian group A2A), which acquired the rights to the exploitation of the Abukir site, plans to invest 1.7 billion USD over twenty years. In May 2009, the Italian Eni committed to invest 1.5 billion USD over the next five years in exploration and production. Dana Gas (UAE), which made significant gas discoveries in October 2008 in West Manzala, also confirmed its intention to increase its presence in the country and to double its reserves. Finally, the company Total announced in May 2009 that the Egyptian authorities had assigned it an exploration license in Block 4 of the site of the El Burullus Offshore East located about 70 km from the Mediterranean coast (100-1600 m depth).<sup>10</sup>"

### International aid

This is the fifth pillar. By itself, U.S. aid (including armaments – see below) was about \$3 billion in 2009/2010 and more generally on the order of 1.7 billion dollars per year --about 400 million dollars for civilian aid and the rest for the military). In July 2007, 13 billion dollars in additional aid over 10 years was granted by the US to Egypt. But this is not the only source from which the Egyptian state drinks. Assistance from the World Bank (\$2 to 2.8 billion between 2005 and 2008 to promote investment and economic, social and financial reforms), from Europe (\$2 billion to upgrade the Egyptian economy and form a free trade agreement), Japanese aid, and also from Arab Gulf countries.

Besides these five pillars of "rent", other important sectors include some traditional activities, such as agriculture and textiles, and other more "modern" ones, such as construction and telecommunications.

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<sup>9</sup> Source: Oil and gas in Egypt. UBI France. June 2009.

<sup>10</sup> The oil and gas in Egypt. UBI France. June 2009.

## Other sectors of the Egyptian economy

### Agriculture

Acreage devoted to agriculture is approximately 3.8 million hectares, equivalent to 4% of the country's land area. Agriculture is based almost entirely on an irrigation system fed by the Nile. Nile waters are of poor quality, partly because Egyptian agriculture uses pesticides and fertilizers in bulk (a rate among the highest in the world), but also because many polluting industries discharge their waste unfiltered directly into the Nile. From a food viewpoint, the country is not self-sufficient. It is the world's largest importer of wheat. The importance of agriculture in the GDP growth rate has steadily declined from 50% of GDP in the late 70's, to 10% in the late 90's and to 5% currently.

### Industry

The sector employs about 14% of the Egyptian workforce. Industries are divided into forty industrial zones and ten free zones<sup>11</sup>.

#### Textiles

The textile industry and its exports are no longer subject to the state monopoly since the 1990s. Nevertheless, the state continues to dominate spinning and weaving, while the private capitalists are focusing on finishing operations (dyeing, etc.). This sector is in crisis, because since 2005 it suffered the effects of a quota removal ordered by the WTO (loss of preferred access conditions to the European market) and is subject to competition from China and India (lower quality but much less expensive) or the US in cotton. The sector is undergoing restructuring, many companies were sold to foreign manufacturers who are constantly trying to modernize the manufacturing process and increase the pace of work, which has led to numerous strikes in previous years (such as that of the Misr Spinning and Weaving in Mahalla al-Kubra in 2007).

#### The construction industry

Cement production is growing rapidly since the late 80s. This sector was privatized in early 2000; foreign private capital is invested in mass in this sector—including French (Lafarge, Ciment Français and Vicat), Portuguese, Italian and Mexican. These foreign groups represent over 50% of total production.

#### Telecommunications

This is a sector that has been significantly restructured and expanded in recent years. Egypt has the highest number of lines per capita in the Middle East. There were 22 million mobile phone subscribers in 2007, against 4.3 million in 2002. The mobile network covers major cities, the Suez region and major axes of the Delta, and is growing rapidly. The mobile sector is wide open to private capitalists. The main actors are Mobinil (owned by Orascom Telecom group also active in construction), Vodafone, and Etisalat (Emirates Telecommunications Corporation).

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<sup>11</sup> "Alexandria, Madinet Nasr (Cairo), Port Said, Suez, Ismailia, Damietta (Delta North), Six-October (Cairo); Media Public Free Zone, Shabina al-Qom (Menoufiya Governorate, Delta Center), Qoft (Qena governorate, Upper Egypt), Port Said East Port. (Sophie Pommier. op. cit. P.165).

The development of this sector is due in large part to international aid for development. In 2007, the number of Internet users was 8.6 million and is now close to 17 million:

"Within Telecom Egypt, established in 1996, a team of managers largely from the private sector maintains the momentum. Giza, Six-October, Mansoura, Asyut have seen the birth of Silicon Valley dedicated to IT, called "smart villages" considerable investments have been made, training in new technologies has been the subject of several initiatives, with major international support (IBM, Microsoft, Lucent Technologies, Alcatel), modern methods have been generalized as the fiber optic cables.<sup>12</sup>"

#### The pharmaceutical industry

Characterized by low-cost production, equipment and labor, it represents 30% of the regional market and is the first player in this regional area. This sector is heavily subsidized. It imports its ingredients from abroad at high prices, making this activity less attractive for private investors, because of price controls.

#### The banking sector

During the 20<sup>th</sup> Century, the banking sector underwent movements of nationalization and privatization. In the early fifties, foreign banks largely control the Egyptian banking sector. In 1956, on the 32 banks operating in Egypt, 12 have their headquarters abroad. These foreign banks collect approximately 54% of bank deposits and distribute nearly 47% of credits.

Under Nasser, a great wave of nationalizations affected the Egyptian banking sector in 1960 and 1961. Following that wave of nationalizations, the state controlled 100% of the banking sector. However, public ownership of the Egyptian banking sector has been accompanied by a significant deterioration of the performance of Egyptian banks. From 1961 to 1974 the Egyptian banking sector was highly concentrated (10 banks in 1963 and 6 banks in 1971) and very rigid. This sector practiced its traditional activities within a specialization framework decided by the State and with the complete absence of competition or development of services.

An initial correction took place in 1974 with the enactment of the Act of June 10 (called the Law of Arab and Foreign Funds Investment) and the organization of the Free Zones. Foreign banks were permitted to establish banks on Egyptian territory either through branches or in association with the Egyptian capital. In carrying out their activities in local currency, the banks created must be founded on the form of a joint enterprise involving Egyptian participation of at least 51%.

Despite this early privatization, the state still controls the majority of the banking sector through the four major state commercial banks which represent nearly 60% of the capitalization of banks in Egypt. In addition, the state owns indirectly (through public banks alone or with other agencies) majority stakes in the capital of most joint venture banks created since 1974.

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<sup>12</sup> Sophie Pommier. *idem.*, p.167.

A new privatization of banks started in 1993--largely dictated by the IMF and World Bank. In 2003, the country still had 64 banks (28 commercial banks and 31 investment and business banks), but the market is dominated by public sector institutions which include the four largest banks in Egypt. The "Big Four"--Bank Misr, National Bank of Egypt (NBE), Bank of Cairo and Bank of Alexandria--control over 50% of the total activities of the banking sector, but they also hold a significant amount of bad debts.

As of December 2004, there were 57 banks. In June 2006, there were only 43 banks and in June 2010, only 39. The aim of the restructuring led by the Central Bank of Egypt is to reform the banking sector by creating large banks capable of meeting international standards set by the Basel Accord (including international solvency ratio), and to cope with increased international competition. The banking sector in Egypt is composed (since 2006) of three types of banks: commercial banks, specialized banks (relating to specific economic sectors) and Islamic banks. The bulk of bank capitalization remains in the hands of commercial banks. But, despite the restructuring that has lasted more than 10 years, compared to international standards, the Egyptian banking sector is still not fully open to competition. Within the private sector, lack of access to credit is important, restrictions on foreign exchange rates and excessive government bureaucracy are often cited as barriers to investment and Egypt remains an economy with very basic banking services. The banking sector accounts for about 4% of GDP. In 2011, the privatization of four large state banks (the "Big Four") is still ongoing.

#### Rapid population growth

In 1962, Egypt's population totaled about 30 million. In 2010, it was 77.8 million. These are the numbers of Egyptians living in Egypt. Taking into account expatriates, there is a population of over 80 million people. In 48 years, there has been a growth of 193%. Nearly 43% of the population lived in urban areas in 2008 and the average age is 24.8 years. (Source: World Bank). Much of the country is uninhabited, 95% of the population is clustered on 5.5% of the surface in the Delta and Nile Valley, in the coastal areas and in the northern governorates. (Confluences Méditerranée N°75).

Almost two thirds of Egypt's population lives from day to day, without an assured income. They lack access to health services, education, etc. In 2006, in the country as a whole, the illiteracy rate for women was 37% compared to 22% among men. In rural areas, this rate reached 47% compared to 27% for men.

A quarter of the population (middle class) has access to mainstream services (health, education in the private sector, housing) and a regular salary giving them access to more and more automobiles and various leisure activities. 10% have a standard of living corresponding to a high level of skills (senior administration, business executives, etc.) and 1% have a life of leisure and travel and have access to the best universities in Europe or states in the US (less than one million people). (Confluences Méditerranée N°75).

Cairo city alone accounts for 25% of the population, with a high proportion of poor farmers from the countryside living off the crumbs of the rich.

"The 'rentier' structure of the economy is no longer based on the exploitation of a local labor force, beyond the needs of tourism, the processing of local resources (cotton, oil, agro-industries) or the semi-manufacturing of imported products such as automotive or electromechanical, and merchant services. The result is a proliferation

of fake service jobs and a saturation of the administration, coupled with corruption and disguised begging, which is omnipresent and grips the economic and social machine, while also allowing the survival of millions of “useless” mouths.<sup>13</sup>”

This situation of a large surplus population in the labor market, unprepared for working conditions in industry, leads to chronic instability, evidenced by more than 1,000 strikes in 2009, including factory occupations<sup>14</sup>. This instability is not confined to a single working class sector. All categories of public servants, middle classes, are also affected (judges, doctors, teachers, etc.):

“The answer provided by the State in response to contestations of its neo-liberal orientation is modulated repression: social stability is based on the control provided by several security apparatuses, crisscrossing the entire country. But the state must make occasional concessions, being subjected to a vigilant press criticism, which is granted a unique space of freedom in the region as a result of the new electronic media, news relayed by the *diaspora*, and that of foreign powers concerned with regional stability.”<sup>15</sup>

### The role of the army in the economy

From the Nasser period, the military had access to the business world. The military is involved in real estate from which it derives substantial profits because of the high population growth. The military also manages important properties, including many farms; they also participate in a program of land reclaimed from the desert and in the development of infrastructures for tourism.

They are also found in various industrial activities (construction and armaments, in particular) for which they receive subsidies for the purchase of raw materials, and are exempt from laws they find to be too restrictive. The arms industry is directly managed by the army. They are found involved in several major projects like the construction of roads, the Cairo Metro and airport development. The army controls between 33% and 45% of the Egyptian economy. (See below for more).

## **THE CREEPING OPPRESSION OF WOMEN**

### A bit of history

To support the war effort during the First World War, the British government largely drew on the resources of its Egyptian colony. This led to a severe deterioration in the living conditions of the Egyptians, causing a rise in unemployment, the requisition of crops, forced conscription of peasants, etc. This generated a reaction that led to the formation of an inter-class national independence movement. The arrest of three of their leaders and their exile in 1919 triggered a wave of strikes and demonstrations, with clashes with British police.

Women joined the movement, notably in spontaneous demonstrations by students from secondary schools and a demonstration called by Hoda Shaarawi (1879-1947), a founder of the feminist movement in Egypt. At these events, women choose to remove the veil (the

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<sup>13</sup> Confluences Méditerranée N°75.

<sup>14</sup> Joel Beinin: «The Egyptian Workers Movement in 2007», in Chroniques égyptiennes 2007, CEDEJ 2008.

<sup>15</sup> Confluences Méditerranée N°75.

veil is part of the clothing imported by the Ottomans) as a sign of their claim of independence and equality with men. Following this trend, during the next 20 years, a women's emancipation process developed in different fields (education, media, and literature)--always in the context of a struggle for national independence from British rule.

The process accelerated after 1952 (the Nasser period) with the introduction of a new constitution which stipulated equality between men and women. Girls' enrollment, access to higher education and women's work were encouraged by the Egyptian authorities. From that time until Sadat's arrival in power, the gap between laws and their application in all matters directly or indirectly related to the situation of women was the opposite of what it would become during the Sadat era. That is to say that, at that time, social practice was far ahead of the law. Sadat reintroduced the "religious" in the public arena where it had been expelled during the previous period. Sadat built a "State of Science and Faith," granted pardons to Islamic activists, and allowed the Muslim Brotherhood exiles to return.

The post-Sadat governments continue in the same manner. Paradoxically, it is therefore during the Sadat and post-Sadat periods that, under the pressure of the United States in order to keep its financial support, laws concerning women were improved in comparison to the laws before 2000. Legally, the right to divorce was reformed. Women can obtain a divorce in a legal process (long and complicated); they can also transmit Egyptian nationality to children of a non-Egyptian father, and finally, in the case of polygamy, a man must inform the first wife and get her consent. But unlike the Nasser period where social attitudes were ahead of the law, the case is exactly the opposite:

“Especially revealing of the difficulty in promoting women's rights despite a more permissive legal tool are the judgments in the cases of violence against women, including rape. Almost always, the judges apply the minimum penalty under Article 17 of the Penal Code section that entitles judges to reduce the sentence based on their assessment of the gravity of the facts.

This inability to increase penalties against perpetrators of sexual violence resulted in the last ten years in a surge of violence against women. In this grave context, a new phenomenon, particularly shocking, has recently developed: it is the collective harassment of women in public places where groups of men target one or more women in a crowd.

These acts have led repeatedly to scenes of public and collective sexual aggression. In all these sex cases, NGOs and associations are struggling to collect data on the subject, first because the victims and their families do not complain and secondly because the publication of official data was suspended by the Ministry of Interior since 1997.

Another recent example of the gap between the apparently favorable legislative history and the reality of the recognition of the role of women is the very massive refusal of the General Assembly of the State Council to appoint women to judgeships. The rejection of a proposal in March 2010 was all the more surprising because the government proposal was supported by the Grand Imam of Al-Azhar.

That judges dare reject a demand from the political power in a country where it is all powerful, eloquently expresses that this issue is more important than the satisfaction of the presidential will." (Confluences Méditerranée. P. 72, 73)

Religion is central to Egyptian law. Eighty percent of legislation is based on *shari'a*. However, the feelings of superiority of men over women is rather diffuse in people's minds and do not necessarily always find their source in religion--but rather their legitimation. The woman is an object, at the hands of man. Section 2 of the Constitution stipulates that:

"The coordination between the duties of a wife to her family and her work in society, given their equality with men in political, social, cultural and economic [shall be] without prejudice to the rules of Islamic Jurisprudence (*Shari'a*) and the provisions of Article 2 of the Constitution which stipulates that "the main source of legislation is Islamic Jurisprudence (*Shari'a*)."

Article 9 says:

"The family that has its roots in religion, morality and patriotism, is the foundation of society. The State shall preserve the authentic character of the Egyptian family, values and traditions it represents, while affirming and developing this character in relations within Egyptian society."

As a result:

"Today, any reform of family law not based on the invocation of Islamic law would be very difficult or impossible to introduce. Under the effect of the re-Islamization of society, the various political actors that are the state, Islamic movements and political parties put the public debate on a religious and ideological terrain and each advances their interpretations of the classic texts. The consensus on religion is almost universal, although the differences in interpretation are immense. Each refers to the same texts by claiming to have discovered its true meaning and disqualifying the interpretations offered by other players.

This enclosing of personal status by Islamic references is imposing more and more on the organizations of civil society. Accused by Islamist movements, governments and even left nationalist movements of promoting Western values and playing the game of Western cultural imperialism, the Egyptian feminist movement increasingly chooses to place itself in the field of religion. Feminist NGOs also draw on new interpretations of classical sources in the Islamic heritage to legitimize their claims to the modernization of the status of women, saying the current interpretations of *shari'a* which enshrine the inferior status of women are the result of a patriarchal society which has led to male misinterpretations of the Islamic standard. For them, a new interpretation of the *shari'a*, taking into consideration the current economic and social conditions, would end these inequities." (Confluences Méditerranée. P. 75)

Women: slaves of men

The usual representation of a woman in Egyptian society is that of a helpless person that needs to be protected. In exchange for this protection, the woman must give allegiance to the man:

- Women cannot travel without the consent of their husbands even if they are entitled to have a passport.

- Inheritance is based on inequality between men and women, favoring the male. Women can claim only one eighth of an inheritance if there is a male descendant and a quarter if there is none.
- Marriages are usually contracted beforehand. Polygamy is tolerated and the provisions for divorce, despite a change in the law in January 2000, benefit husbands. If before, it was enough for a man to divorce his wife by saying three times "I divorce", the latter in turn had to prove she suffered abuse. Since the new law, a woman divorces at the expense of her inheritance, alimony and any dowry involved. Leaving home means for a wife to live penniless and be doomed to misery. No shelter and no financial assistance can be provided until the divorce is pronounced. Egyptian women of the Christian faith must look to the Coptic Church to validate the annulment of a marriage. Either path typically exposes the ex-wife to financial problems.

### Honor crimes

A man who murders a wife accused of adultery will receive a sentence of between three and seven years. It is called a "crime of honor" that would not have taken place if the wife had guarded her virtue. An adulterous man is seen differently. He is sentenced to between six months and two years. A simple love letter is enough to accuse a woman of adultery. Rape in marriage is not considered a crime. Instead, the wife must be available according to the wishes of her man.

Examples of murders are not lacking: a brother who has doubts about the conduct of his sister; a farmer who beheads his daughter after having discovered a boyfriend; a mother who finds herself with a pregnant daughter from a stranger who punishes her by electrocution. Victims of rape generally experience the same fate, not to mention cases of incest, a taboo subject, which sees an incestuous father forced to kill his daughter if she is pregnant by him to cleanse the family honor. Some of these killings are also used as a pretext to eliminate a troublesome heiress for an inheritance.

In Egypt, they prefer to consider disappearances as simple suicides. According to the Center for Egyptian Women's Legal Aid, 75% of perpetrators are men compared to 25% women. For only the city of Alexandria, 47% of women who died were murdered by a family member because they had been victims of rape.<sup>16</sup>

An increase of 49.8% was found during the second half of 2010. Domestic violence and honor killings have increased respectively by 13.2% and 7.9% during the same period. According to UNESCO, 50% of females aged 15-49 years believe that a husband is justified in hitting his wife.

“Violence against women in Egypt remains both culturally and legally permissible, and is typically accepted by the general public as a normal and legitimate form of “discipline”.”<sup>17</sup>

The status of women in Egypt, which is similar to a minority status, thus designated as irresponsible, makes her totally dependent on her husband, her brothers, cousins, the extended

<sup>16</sup> Krug et al. 2002. World Report on Violence and Health. Geneva: WHO. 93.

<sup>17</sup> Human Rights Watch, Vol. 16, No. 8 (E), December 2004.

family of males but also older women (especially mothers) who are usually the primary vector for the transmission of traditional values and precautions against males outside the family unit and even against other women—making women vulnerable to male violence, enslaved and socially and economically dependent on men. A woman that pursues a professional career becomes tarred with a bad reputation and is the real cause of the violence she suffers on the street.

The woman is a “reproduction of life” machine, preferably male, and a nurturing housewife whose family home is the border. This state of affairs transcends all social classes. This situation is aggravated by geographical location. The manners in rural areas are more conservative and archaic than in towns while the south, Upper Egypt, is known as more reactionary in terms of manners than the North, because the code of honor, the “Tar,” is applied very intensely against women. Because a male remains a guarantee of survival for the family, the birth of a daughter is considered as a financial burden. Since his birth, a boy is spoiled and has a privileged status compared to his sisters for whom he must first ensure that he preserves their virginity before marriage, which will generally come soon because “the loss of virginity [before marriage] is a disgrace that only blood can wash.”<sup>18</sup>

To these different types of oppression is added infibulation. According to a report by the World Health Organization, 91% of Egyptian women have undergone this type of mutilation. This practice predates the advent of Christianity and Islam in Egypt and affects both Muslim and Christian women. In June 2008, the state passed a law condemning this practice.

In education, the gap between boys and girls has narrowed in recent years due to a deliberate intervention by the state. However, according to a 2008 report, the country recorded a 34% illiteracy rate.<sup>19</sup> According to a report by an Egyptian agency, 37% of women can neither read nor write as compared to 22% of men. This rate for women reached 47% in rural areas compared to 27% for men. Families are reluctant to invest in the education of girls because they doubt the benefits of this investment or simply refuse to enroll in a coeducational institution.

The proportion of young women with a university degree in 2006 was 12%. In 2009, unemployment among women was, according to figures from the World Bank, 22.9% as compared to 5.2% for men<sup>20</sup>. In 2010, according to a report by a state agency, unemployment among women, 15 to 29 years old, was 32% as compared to 12% of men the same age. As for the professions, some are reserved to men.

“Yes, more women are working, but not all work is liberating,” said Iman Bibars, chairwoman of the Association for the Development and Enhancement of Women, based in Cairo. [...] “At the same time that women are out to work, and this is a modern indicator, traditions continue to have the upper hand,” noted Madiha el-Safty, professor of sociology at the American university in Cairo.”<sup>21</sup>

## Sexual harassment in the street

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<sup>18</sup> Poverty and Development, Calling for Change, Development Strategies to End Violence Against Women, Dutch Ministry of Foreign Affairs.

<sup>19</sup> UNICEF, [http://www.unicef.org/infobycountry/egypt\\_statistics.html#77](http://www.unicef.org/infobycountry/egypt_statistics.html#77)

<sup>20</sup> <http://donnees.banquemondiale.org/indicateur/SL.UEM.TOTL.FE.ZS>

<sup>21</sup> In Egypt, women have burdens but no privileges, New York Times, 13 July 2010.

83% of Egyptian women have faced sexual harassment. According to a survey of ECWR, victims of such harassment are mostly veiled women. Generally, the few complaints with the police remain unanswered.

“The *Badeel* daily's editor-in-chief Muhammad El Sayyed Said wrote that the behaviour of the crowd was characteristic of oppressed societies, where the majority identified with the oppressor.

He blamed the increase in sexual harassment on what he said were "three decades of incitement against women" from the pulpits of some of Egypt's mosques. "This verbal incitement is based on the extremely sordid and impudent allegation that our women are not modestly dressed. This was, and still is, a flagrant lie, used to justify violence against women in the name of religion." (18 July 2008.)<sup>22</sup>

## A BIT OF GEO-POLITICS

### THE US GAMBLE

*“I really consider President and Mrs. Mubarak to be friends of my family.”*  
Secretary Of State Hillary Clinton, March 2010

What is remarkable about the US response to events in Egypt is that there wasn't one. The US government has essentially been a spectator, with its representatives making various vague remarks, initially supportive of Mubarak - "I would not refer to him as a dictator," (Vice President Joe Biden) – then calling for an “orderly transition” and finally accepting regime change as it became inevitable. It is impossible to speak of the US having a “strategy”, other than just “wait and see”. On February 6th, Clinton said she would not "prejudge" a bid by the Muslim Brotherhood to enter Egypt's political process. On 8 February, Defense Secretary Robert Gates said Egypt's military had behaved in "an exemplary fashion" by standing largely on the sidelines during the demonstrations. On February 7th, White House spokesman Robert Gibbs stated, rather implausibly, that: "The United States doesn't pick leaders of other countries!"

If the rulers of the US are concerned about the popular uprisings in the Middle East, it is not because they fear worldwide proletarian revolution or even a liberal democratic utopia in the oil-producing countries. It is because they are concerned that the whole basis of their Middle East policy may be upset by the coming of populist regimes which actually have to take account of Arab public opinion. Any action by the US judged to be too aggressive may render these regimes even more likely to adopt policies hostile to the *status quo*.

The basis of US policy in the region can be summed up as: Israel is the number one ally, supported by heavily bribed Egyptian and Saudi elites who know they can't survive without US support. In addition, Iranian influence must be contained at all costs. The first sign that the balance may be shifting came in mid-February when the new ruling military council granted permission for two Iranian navy ships to transit through the Suez Canal to the Mediterranean on their way to Syria. No Iranian vessel had done this since the “Revolution” of 1979. Once again the US response was muted – a State Department spokesman simply said “We have, you know, ongoing concerns.”

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<sup>22</sup> BBC News, 18 July 2008.

The 1978 Camp David Accords serve as the basis for the Egyptian-Israeli-American relationship. Under these accords, paid for by the United States, Egypt agreed to not invade Israel, to serve as a security buffer between Israel and the Arab world, and provide Israel with half of its natural gas. This costs the US \$1.5 billion annually in mostly military aid to Egypt. Israel receives \$3 billion in US aid each year. President Mubarak was, naturally enough, an enthusiastic supporter of the Camp David Accords for three decades.

The changing relationship with Israel became apparent in early May when leaders of the rival Palestinian factions Hamas and Fatah signed a reconciliation pact in the Egyptian capital. Egypt's secret role in brokering the agreement caught both Israel and the US by surprise. The Israeli Prime Minister, Benjamin Netanyahu, called the deal "a great victory for terrorism."

There are also signs that that Cairo hopes to renew ties with Iran and renegotiate the long-standing contract to supply Israel with natural gas. Then there are reported plans by the Egyptian authorities to open the Rafah crossing into Gaza, something that would effectively end the four-year blockade. Furthermore, Egypt's foreign minister, Nabil Elaraby, has called on the United States to recognize a Palestinian state – a reference to a move expected in September by Mahmoud Abbas, the Palestinian president, to seek recognition of Palestinian statehood at the United Nations. Israel and the US have previously insisted that the Palestinians can achieve statehood only through negotiations with Israel.

These changes in the policies of one Middle Eastern country don't amount to a dramatic shift in geopolitical certainties in themselves but, combined with the continuing quagmire of US involvement in Iraq and Afghanistan and the lack of any resolution of the situation in Libya, they can only accelerate its decline as kingmaker of the Middle East.

## **THE PILLARS OF SOCIAL COMPROMISE**

### ***THE POWER OF THE ARMY***

The army in Egypt is not only important because it is ranked as the 10<sup>th</sup> largest army in the world; it has provided all the country's leaders since the fall of the monarchy--Neguib (July 1952-November 1954), Nasser (November 1954-September 1970), Sadat (September 1970-October 1981) and finally Mubarak (October 1981 February 2011). Of course, it was defeated abroad (1948, 1956, 1967, 1973), but it remained strong at home as a force for internal repression (1977, 1986), as a strong economic power by holding private or state owned companies both for civilian and military sector, but especially because it is the only political power able to counter balance the strength of the Muslim Brothers.

#### Organization of the Egyptian army

The Egyptian army is organized around four main components—the land army, the air force, navy and the air defense command.

	Land Army	Air Force	Navy	Air Defense Command
Regular Troops	468,000	30,000	60,000 <sup>23</sup>	30,000
Conscripts	450,000	10,000	None	40,000
Main Equipment				
M-1 Abrams tank	NA			
M-60A1 tank	700			
Hell fire missile	500			
Aircraft		884 <sup>24</sup>		
Helicopters		306		

The fifth component is a [paramilitary](#) force totaling 397,000--[Central Security Forces](#) of 337,000 and Border Guards of 60,000, under the control of the [Ministry of Interior](#). The Ministry of Defense controls the [National Guard](#) for the defense of the Presidential institution and the Capital.

### Budget

The US provides annual military assistance to Egypt amounting to \$1.3 billion in 2009 (adjusted for inflation-\$1.33 billion in 2011). Here the pillar of the state is, without any contest, the army--with a million men. Provided with its own industries, occupying almost all the higher levels of the state administration, it is the guardian and the foremost beneficiary of the lucrative rent from the Suez Canal (\$US 3.5 billion in duty collected per year out of a GDP of less than \$220 billion) and international financial aid, American first and foremost (around \$2 billion per year). Joshua Stacher, an American specialist on the country, estimates that the military controls between 33% and 45% of the Egyptian economy. The army which made Hosni Mubarak and which was behind Omar Suleiman is the uncontested political protagonist, along with the Muslim Brotherhood (five to six million paying members), of the present events in Cairo.

### Structure

It is very difficult to consider the Egyptian Army as a unified body. Not only because, as in any army, there is competition among the Air Force<sup>25</sup>, Navy and Land Forces but because the Egyptian army is deeply divided from top to bottom between high ranking officers generally trained in the USA [5 ranks from Brigadier General to 5-star Generals], middle level officers [5 ranks from 2<sup>nd</sup> Lieutenant to Colonel], low level officers [2 ranks] and the troops.

Among the last two, we know that the influence of “political Islam” is important. It should be remembered that Sadat’s killers were officers close to Islamic Jihad. On the other hand, high ranking officers have been trained by the US army and not by the Soviet army as was the case for their predecessors after Sadat’s political shift in 1974.

### Some historical facts

<sup>23</sup> Of which, 2,000 are coast guards.

<sup>24</sup> Of which, 240 are F16s; 62 are MIG 21s; 60 are Mirage 5s; 53 are Chengdu F7s and 18 are Mirage 2000s.

<sup>25</sup> Mubarak was a famous pilot and former Air force commander.

In January 1977, during “hunger revolts” launched in protest against price increases of necessities, the army supported the regime by organizing a severe repression that killed at least 800 people. (The riots ceased when the increases were rescinded).

In 1986, the army repressed the mutinies of Central Security Forces (an equivalent to the French “CRS”) that led to the expulsion of 20,000 CSF members among 300,000 thus indicating the influence of the Muslim Brothers within this force. During the “war” against the Muslim Brothers, the army was obliged to be in charge of repression and brutally swept away Muslim Brother “soldiers” in the countryside by burning crops in villages of the Nile Valley. Afterwards, the army remained “quiet” in the 1990’s and 2000’s.

## Evolution

Despite peace agreements and treaties signed with Israel since 1979, Egypt remained engaged in maintaining its military power vis-à-vis Israel. Therefore, the Egyptian State decided that the army should self-finance its expenditures. To cope with this, the army began to invest in industry, energy and in real estate development.

Due to the Camp David Accords, the Egyptian army has received from the US \$40 billion, but many in the Pentagon and other American military agencies believe that this money has been diverted from pure military expenditures to benefit high ranking officers directly or indirectly.

For officers, new cities have been created (as Nasser City near Cairo) where they can enjoy good living conditions and have access to special stores and shops. This leads to a separation between “military” society and “civil” society.

## The Army: an economic power

The Egyptian army is not only a power in a military sense but also in an economic one. Since 1978, it has become the owner (or the majority owner in case of joint ventures) of 28 large Egyptian factories with an estimated workforce of roughly 80,000 workers--of whom 3,000 are engineers. A majority of these factories, in a very soviet style, produces for both military and civilian needs covering a wide range of products of which, on the military side, the Abrams M1A1 tank is the crown jewel.

Geographically speaking, those factories are overwhelmingly (27/28) located in the greater Cairo area (Helwan-10 factories; Heliopolis-7 factories; Kalioubia-1 factory and Cairo itself-9 factories).

The vehicles through which Army the runs those factories are:

- the Ministry of Military Production for 16 military factories, of which 14 are producing both civilian goods and military products;
- the Arab Organisation for Industrialization (AOI) a joint investment fund created in 1975 by Egypt, Saudi Arabia, Qatar and United Arab Emirates and since 1993 managed by Egypt and wholly owned by the Egyptian State (and managed by a committee chaired by Egyptian president) for 9 military factories, of which 2 produce both civilian goods and military products;

- the National Service Products Organization (NSPO), created in 1975, a state owned entity, for 3 companies.

## ***THE POWER OF THE MUSLIM BROTHERS***

A long history

The Muslim Brotherhood (*Jamiat al-Ikhwan al-Muslimin*) was founded in 1928 by a schoolteacher, Hassan al-Banna, while Egypt was under British occupation. The creation of the movement was a reaction to the winds of freedom blowing on some Egyptian cities in regard to customs and ideas. 32

The Brotherhood's project has been to establish an Islamic state based on *shari'a*. To arrive at that lofty goal, it was necessary to "re-Islamize" all segments of Egyptian society through preaching, *da'wa*, to encourage a return to the practice of Islam of the ancestors (*salaf*), the 'original Islam. The first members of the Brotherhood were from both the urban working class and the petty bourgeoisie. But the Brotherhood's project was meant to be a popular movement that transcended all social classes, especially among the people of the hinterland.

The values of Islam have to enter every home, every school, and every factory. The family is a cornerstone of the ideology of the Brotherhood. In addition to the *da'wa*, the Brothers set up charities to offset the shortcomings of the state. The social question is a base for their actions to provide an incentive to make people aware of their message. Since the Brothers profess that they want to come to power by peaceful means, they are careful not to put forward their ideas about the use of violence. From the birth of the Brotherhood, Al-Banna was thinking about this issue in the event of a confrontation with the Egyptian government and believed that, once the whole society was mature enough, or pious enough, it would be able to take power.

This is why in the early '30s, the Brotherhood created a clandestine military arm, "the Special Organization". The existence of this unit and its direction were known only to insiders. Broadcasting a peaceful message in public, Al-Banna and his minions, however, were preparing to use force if obstacles confronted them on the way to building an Islamic state.

"We pray by night, and we are knights by day! Islam is religion and state, Koran and sword, worship and command, country and belonging. God is our goal, the Prophet our model, the Koran our law, jihad our way, martyrdom our desire. "<sup>26</sup>

The "Special Organization" fomented attacks against the ruling regime and participated in the '48 war against Israel, the new arch-enemy.

The Brothers are the spiritual fathers of today's *jihadi* armies. Sayyid Qutb, executed by Nasser, theorized the armed struggle under the banner of Islam. Attracted by the writings of the eugenicist Alexis Carell, Sayyid Qutb did not hide his admiration for fascism. Even today, Qutb is a figure of reverence for contemporary jihadists.

The Brothers are in the expression of power that we would be tempted to call the

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<sup>26</sup> Martine Gozlan, Understanding Islamic fundamentalism p. 50.

"party of Islam", an assembly composed of elders headed by a guide, a leader:

"[...] Islam refuses party affiliation because it undermines the unity of the community and its consistency; a multi-party system is not a condition for the foundation of a system whose base is consistent with the principles of government in Islam; the existence of parties is not a condition for practical political work, and finally, a multiparty system is not a guarantee of opinion and expression." <sup>27</sup>

Hostile to foreign capital and against any social revolution, the ummah, the mass, in their eyes, constitutes a model of social peace:

"In terms of domestic policy, they called for the union of the classes, understanding and harmony between workers and management, between landowners and fellahs. These were the characteristics of "conservative reform" in the middle class in the Arab world." <sup>28</sup>

Al-Banna expressed an admiration for fascism and Nazism in Europe, sharing with them a certain conception of the state.

"Communism, socialism and capitalism are western inventions to replace religious convictions. The West has not even settled for the best choice to build or revive a civilization [...]. A Party was mentioned in the Qur'an fourteen times, associated with the idea of evil and wickedness." <sup>29</sup>

The supreme leader of the time, al-Tilmisânî, added:

"I reject the one-party rule from deep within myself and based on my religious beliefs. Also, I do not accept the principle of multi-parties and especially the principle on which it is currently based: opinion and its opposite. Islam knows no competition in arriving at power." <sup>30</sup>

Severely repressed by Nasser, the Brotherhood would be reintroduced on the Egyptian scene because of its anti-communism, by Sadat. This left the field open for the Brothers to fight against communist atheists in Egypt.

"How can we claim that the Marxist left is in agreement with Islam, when salvation in Islam is only realized by the disappearance of Marxism?" <sup>31</sup>

During the Sadat period, the Muslim Brotherhood fought a merciless battle against communists, atheists and leftists. In the Palestinian Territories, the Muslim Brotherhood pursued and assassinated all those who identified themselves as Marxist and atheist. Later, a section of the Brotherhood created Hamas.

The 1973 defeat of Israel was responsible for the end of the honeymoon between the Brothers and power. Sadat became the first Arab leader to visit the Jewish state to negotiate the withdrawal from Sinai. In return, he signed a treaty formalizing mutual recognition

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<sup>27</sup> Amr Elshobaki, p 20.

<sup>28</sup> Ibid., p, 22

<sup>29</sup> Ibid., p. 117

<sup>30</sup> Ibid., p. 117.

<sup>31</sup> Al-da'wa, n. 2, 1976, p. 18 in "Les frères musulmans des origines a nos jours."

between the two countries. Following the assassination of Sadat by dissident Brothers, the crackdown on the Brotherhood began again. For the Brotherhood, most of the Mubarak years represent a new decline. Meanwhile, the Egyptian government is trying to pull the rug out from under the Islamists by enacting laws conforming to *shari'a* and engaging in a hunt for anything that does not conform to Islam. Note, however, that since its inception, the Brotherhood has not managed to achieve any of its projects without the probably unintentional help of the Egyptian State—making Egyptians pious, religious and conservative.

### The Brotherhood and the Copts

During the 70s and 80s, the Christians of Egypt were considered as a fifth column of the Crusaders and the Communists. Copts who officially represent ten percent of the population are seen as conspirators, proselytes and conquerors advancing a politics that would favor the goal of becoming the majority in Egypt. Churches are burned, farmers forced to sell their land, traders are ordered to pay the tax imposed on non-Muslims. Like Jews, Christians bear a lower status compared to the Egyptians of the Muslim faith.

The Brothers accused the Copts of causing the violence that hit them. They call for consensus for the good of the nation during the British occupation and the recent protests in Tahrir Square. The Brothers, nostalgic for the golden age of Islam, want to offer Christians and Jews the status of *dhimmis* and "protected"-- subject to the Islamic order.

### The Brotherhood and the unions

The Brotherhood has benefited from the disinvestment and the vacuum left by the state in matters of social protection by providing union members health coverage or loans at preferential rates. The Brothers have always used this weapon through their charitable network. In addition, they benefit from the disorganization of the very weak traditional trade unions rather weak and their lack of attention to the needs of their members. However, their infiltration of organized labor was weak because the unions were mainly controlled and financed by the Ministry of Labour (since 1952) in order to neutralize their political influence and since 1957 absorbed by the General Union of Workers' Unions. After the death of Sadat, the AFM embarked on industrial action with some success. The brothers came to align their message with that of the upper classes:

"The majority of Brotherhood unionists belong to the younger generation who led the student movements of the seventies. The "New Brothers" accept a peaceful arrangement of the political game and set out to achieve their goals by following a smooth and progressive approach and seeking popular support." At the same time, the "new Brothers" learned from the experiences of the older generation. "They use now the power of the organization, specific actions and collective work, having realized the power of faith in a society where the religious component weighs heavily."<sup>32</sup>

Today, they principally control the unions of engineers, of doctors and lawyers (who fight for pensions, the end of the state of emergency, a multi-party system and human rights). These unions denounce the economic imperialism of the northern hemisphere, domineering and exploitative, which plundered the South and left it destitute.

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<sup>32</sup> Op.cit., p. 171.

If the Brothers had long neglected the working class, a sudden interest has emerged in the last two decades. Strikebreakers in the '40s, the brothers have always thought that this weapon in the hands of the proletariat was contrary to Islam was the work of Communists, even if they supported certain strikes. This feeling is always present and the brothers are capable of taking action to discourage the workers from demonstrating. The Brotherhoods modern approach to unions considers it as "an instance of reconciliation of the interests of capital and workers".<sup>33</sup> In 2006, they presented 2200 candidates for positions in labor unions. In twenty years, the Brothers were able to obtain, primarily through preaching, a certain visibility in the working world.

### The Brotherhood and women

The role of women in Islam for the Brothers is simple: they have the noble task of generating and educating future generations of men:

"We must not forget that women have an important and noble task entrusted by God Almighty-- reproduction and motherhood. A man can not undertake these most noble tasks, which is disparaged by some today; the human race would disappear in the absence of this process. In addition, the mother breastfeeds the baby with her milk, giving care, education, the effects of which remain with him throughout his life. The woman is the mistress of the house and her task is to take care of the family and prepare the house as a place of comfort; her role is a huge responsibility and a noble mission that must not be neglected in any way or underestimated.

These characteristics, duties and rights that were granted to women by Allah are in balance with the duties she owes to her husband and children. These duties must take precedence over other responsibilities and they are necessary for the stability of the family is the fundamental unit of society and the cause of its cohesion, strength and effectiveness. However, the husband has the right to allow his wife to work. This right should be governed by an agreement between husband and wife. These rights should not be regulated by law and the authorities should not interfere with them except in rare cases."<sup>34</sup>

Islam gives women rights and allows them to work in certain industries. If women are educated and work, their proper place, according to the Brotherhood, is still their home.

"On the other hand, there is nothing to prevent them from working in what is permissible since public service is a type of work that *shari'a* has permitted women to undertake. Women can work in professions such as doctors, teachers, nurses, or in areas in which the society has need."<sup>35</sup>

Their conclusion on the status of women is explicit:

"We, the Muslim Brotherhood, draw attention to the need to distinguish between a person having a right and the manner, conditions, and appropriate circumstances for use of this right. So if today's societies have different traditions and social circumstances, it is acceptable that the exercise of these rights should be progressively

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<sup>33</sup> H. Tammam, P. Haenni, The Egyptian Muslim Brotherhood against the social question: Autopsy of a socio-theological malaise.

<sup>34</sup> <http://www.ikhwanweb.com/article.php?id=4914>: The Role of Muslim Women in Islamic Society.

<sup>35</sup> Ibid.

introduced so that society can adapt to these circumstances. More importantly, such an exercise should not lead to the violation of ethical rules fixed by Shari'a and mandated by it.

We reject completely the way Western society has almost completely stripped women of their morality and chastity. These ideas are built on a philosophy that is at odds with *shari'a* and its morals and values. It is important in our Islamic society, that the Islamic principles of morality and values are maintained with the utmost conviction, honor and austerity, in obedience to Allah, exalted be He.

And all praise is due to Allah, in the beginning and end. May the blessings be upon His Messenger and his companions and his family.”<sup>36</sup>

### The Brotherhood, the economy, workers and peasants

In addition to charities, the Brothers have a network of companies and enterprises. Although hostile to foreign capital, the Brothers are liberal economically. In favor of a state of limited government, they have always supported the various policies of privatization and structural adjustment of Nasser's successors--considering private ownership as a right blessed by Islam.

The Brothers have supported the land reform enacted in 1992 which led to peasant revolts. This consisted of a gradual increase, over a period of five years, the rent for farmland from seven to twenty-two times the amount of property tax. Then, each owner would be allowed to freely set the price of rent. Indebted farmers, unable to pay their debt, would be expelled from the land. The Brothers consider that it is "tantamount to the law of God." <sup>37</sup>

If, in the public rhetoric of *al-Ikhwān*, social issues and charity are important, they are closer to the middle class than to workers and peasants, particularly in terms of active members. The Brothers include members who are businessmen. The Brotherhood invests in health, construction and real estate, education, transportation, and tourism. The Muslim Brotherhood has never been for the end of the exploitation of man by man. The Brothers are conservatives in favor of maintaining the MPC, the class division between exploiters and exploited, offering, in exchange, the illusion of a fictional community of common interests, the community of Islam. As we wrote in 2001:

"What is there in common between the young unemployed in Gaza and Algiers and billionaires of the Gulf or the ruling classes of states in the region, except for religious affiliation? Nothing, of course! Islam is only here to create a so-called community of interest between oppressor and oppressed "Muslims"—while the proletariat in these regions continues to pay the price. " <sup>38</sup>

The poor, the disinherited, the exploited, the proletarian represent the root of business for the Brothers, as for all the monotheistic religions:

"The new Islamists never talk about social justice or redistribution (...). Their claim is that they must be rich to be good Islamists; they never reverse the argument and say

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<sup>36</sup> Ibid.

<sup>37</sup> <http://www.cetri.be/spip.php?article757&lang=fr>: Paysans contre Propriétaires.

<sup>38</sup> [http://www.mouvementcommuniste.com/pdf/leaflet/tract\\_011008\\_contre\\_la\\_croisade\\_et\\_le\\_jihad](http://www.mouvementcommuniste.com/pdf/leaflet/tract_011008_contre_la_croisade_et_le_jihad)

the good Islamists are those working for social justice and redistribution." <sup>39</sup>

In other words, the Brothers, like any middle-class philanthropist, intend to respond to poverty and exploitation through charity and a good conscience. The moral obligation to give alms, *zaakat*, is an integral part of the five pillars of Islam constituting an obligation for every good Muslim if he wants his place in heaven. Through God, the Brothers legitimate the capitalist order in which man exploits man and present this state of affairs as natural.

The strike of April 6, 2008 against unemployment and the high cost of living was marked by the absence of brothers who refused to participate. Besides the fact that the Brothers are generally against workers' demonstrations, it is difficult for them to support especially because one of them, Saad Husseini, was the owner of a factory on strike. However, they decided to make a small appearance on May 4th. A year later, the Brotherhood was reluctant to participate in the commemoration of the 2008 strike but eventually advised demonstrators to march peacefully and agreed to let university students take part. It is true that in January 2008, the Brotherhood denounced, in a statement, the high cost of living and social injustice, but this approach was undertaken in order to prevent potential problems that could undermine the bourgeois social order.

The return to the scene

In 2005, the Brotherhood won eighty-eight seats or one fifth of seats filled in the parliament. Five years later, they would boycott the second round of elections accusing the government of fraud. The repression against the movement has never stopped. This is why, during the events of this year, the Brothers have kept a low profile at the beginning of the demonstrations before entering the scene, being cautious and watching to see which way the turn was going to take before intervening.

Faced with repression, different trends compete in the Brotherhood, including the old guard and new recruits on tactics. The first are for a new focus on the *da'wa*, the second are more open to presenting themselves as reformists and fighting against the power of the old guard of the Office of Orientation. The Turkish AKP serves as their model.

Now

Today, we can identify three major trends in the Brothers: two hard wings of the heirs of Sayyid Qutb, the Salafis, and the young guard seduced by the Turkish AKP. Others see an antagonism in the movement between apparatchiks and reformers.

Lurking in the shadows and representing a unique opposition force, the Brothers are an asset to those in power for its sustainability. Far from being revolutionary and not wanting to run for president, the Brothers claim a place on the Egyptian political scene in exchange for their influence to calm the ardor of those who chased Mubarak away. The Brothers are the only opposition group, comprising 600,000 members, able to take to the streets if the government asks them to bring opponents to their senses. The Brothers have also been quick to negotiate with the state after their demand to see Mubarak step down. On March 19, 2011, the AFM and other Islamist groups have been campaigning heavily to amend the constitution rather than effect a complete overhaul.

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<sup>39</sup> Op.cit. Les frères musulmans égyptiens.

On June 6, 2011, *al-Ikhwan* received the tacit approval for the legalization of the Party for Freedom and Justice, a political showcase among whose 8,000 founding members are one hundred Copts.

### **Side Bar: The Situation of the Copts**

The Coptic<sup>40</sup> Church is one of the most ancient Christian Churches in the Middle East; the first Egyptian church was established in 42 AD. In 451, at the Chalcedon Council, the Coptic Church split and has since lived a separate life from the other Christian churches, both Catholic and Orthodox. It withdrew to Egypt and self-identified itself with the Egyptian memory of ancient times; thus the Copts were promoters, during the 19<sup>th</sup> Century, of modern nationalism. Its principal religious specificities are the cult of the martyrs, as the consequence of persecution by the Roman Empire, but the use of the Coptic language<sup>41</sup> for religious ceremonies. From the Islamic conquest in 640, the influence of the Coptic Church continually declined through periods of relative tolerance and those of hard prosecutions like the one's of 1010 (under Caliph al-Hakim) or 1320 under Mamelouk's domination. The Copts are both followers of a religion and a people coming from this community.

The bourgeois revolution of 1921 opened a road for Copts' participation (mainly the Coptic bourgeoisie) in national life. Copts were militants of the *Wafd* party and two were prime ministers and one president of parliament. But success for the Coptic bourgeoisie was such that it owned 50% of national wealth--like the Boutros Galli family which owned 10,000 feddans (1 feddan = 40 Ares or 0.4 hectares) of land and private capitalists in various industrial sectors.

After the fall of the monarchy in 1952, during the so-called Arab socialism represented by Nasser, it was easy to expropriate the Coptic bourgeoisie, mainly in the countryside, in the name of nationalism and socialism. A lot of Copts (along with Jews) left Egypt thereby reducing the importance of Copts in the society. In compensation, freedom of practicing the Coptic religion was guaranteed as a counter balance to Nasser's repression of the Muslim Brothers; but this changed after the defeat of 1967 during the 6 days-war. To consolidate his weakened power, Nasser called for the unity of the nation behind Islam. During the '70s and '80s, Copts suffered from Islamist pressure leading to Islamic taxes for shop keepers, forced sale of properties and lands, boycott of doctors and drugstores, etc. The State ignored this but changed its mind when it again attacked the Muslim Brothers and Islamists like *Gamaat Islamiya*, starting in 1992. Nevertheless, Islamists began in 1997 to target Copts by placing bombs in Coptic neighborhoods and schools, like in Abu Qourqas (Middle Egypt) in February 1997 where 10 Copts were killed, while spontaneous pogroms burst up. And the fact is that if Islamists killed in public places, individuals attacked others that lived close to them and like them without any reason other than panic or fear of others. The worst was the one in January 2000, in *Al-Kocheh* in Upper Egypt, when a dispute between street vendors (one Coptic and one Muslim) degenerated after a call from mosques for "Christian hunting" that led to 21 dead and many houses burnt.

In June 2001, Copts demonstrated in the streets of Cairo for protesting against rumors planted in newspapers that a Coptic priest had sexual relationships in a monastery in the Asyut area.

<sup>40</sup> Copt comes from an ancient Greek word "*Aegyptos*" meaning Egypt, coming itself from old Egyptian word "*Het Ka Ptah*"

<sup>41</sup> This language comes from an ancient demotic Egyptian language and is written with an alphabet mixing Greek and Coptic letters.

This led to 70 demonstrators injured, but no deaths.

The Copts are second-class citizens. They are prohibited to be upper officers in the army, deans and high rank professors in university, judges of any ranks; they represent no more than 1.5% of public sector employees. They are out of “politics.” In 1995, the NDP (Mubarak’s party) had no Coptic candidates and it’s only because, according to Egyptian law, the president can designate 10 deputies that 6 Copts were in the Parliament’s lower chamber (among 454 deputies).

On the other hand, in the Cairo and Alexandria areas, Coptic capitalists are very active like the Sawiris family which owns a building company, telecommunications, tourism and services. As a sign of good will, in 1999 Mubarak appointed Youssef Boutros Ghali, a Copt, as Minister of Economy and Finance.

In fact, the Mubarak regime had an ambiguous attitude towards the Copts. In 2004, the Coptic Christmas (January 7th) became a national holiday and, in 2005, it was determined that destroyed Coptic churches could be rebuilt. This was before the elections of December 2005 that saw a relative victory of the Muslim Brothers. The official representatives of the Coptic Church, like Pope Shenouda III, appealed publicly for a vote for Mubarak’s party. During the campaign, in Alexandria, fights between Copts and Muslims occurred.

In January 2011, after a bombing of a Coptic church in Alexandria, that killed 21 people and injured 96 people, riots erupted along with confrontations with the police in Alexandria the same day and in Cairo the day after.

During the events of February and March, no sign of anti-Coptic agitation was noticed.

Today, it’s difficult to estimate the number of Copts because the term of “minority” is nonsense in Egyptian statistics, and the word is also rejected by some Coptic intellectuals because they argue that: “*Copts are not a minority of Egypt but an essential part of it.*”<sup>42</sup> But estimates are around 8 million—they are especially present in Cairo and Alexandria, the big cities of modern Egypt, but Copts are also living in the Upper Nile valley from Asyut to Luxor (the *Saïd* area) where they represent 1/3 of the population (roughly 4 million of Copts) and are the majority in several villages. In this area, Copts are not different from their Arab neighbors: poor and very poor, peasants fixed to the land and following the *Tar*, the local honor code.

It is therefore not possible to say that the Copts are, even in Cairo, a unified community of wealthy people. For instance, dustmen jobs are not performed by a public authority but by “private” entrepreneurs who negotiate their work with neighborhood authorities; they are called *Zabbalin* and 90% of them (roughly 150,000) are Copts and are living in the *Moqattam* neighborhood. They are despised also because they raise pigs, which is the worst sacrilege for Muslims. In April 2009, under Islamist pressure, the government decided to slaughter 250,000 pigs belonging to Copts on the pretext of swine influenza. This reduced the means of survival for a lot of poor Copts.

Copts are not a unified body even in religion: there are 350,000 Catholic Copts and 200,000 Protestant Copts, not counting the atheist Copts.

<sup>42</sup> Muhammad Haykal

What is sure regarding the recent massacres of May 2011 is that the Copt situation will not be improved.

### **WHY TURKEY AND NOT EGYPT?**

What could be the fate of Egypt according to the intentions of the Muslim Brotherhood? Their broad political offer could indicate a will to normalize their position by shifting from “classical” Islamist party towards a modern one like the Turkish AKP (*Adalet ve Kalkınma Partisi* –Justice and Development Party), the party lead by Erdogan who has been at the reins of Turkey since 2003 as prime minister and 2007 as president. But is this really possible? We must examine the reasons that explain Erdogan’s success but beyond him and his party, reasons must be found and compared both on historical and economical sides.

A bourgeois revolution and establishment of a real state started in 1922 after a war against foreign countries and internal minorities. The outcome of these wars enabled the Kemalist state to rule over a new era of a modern Turkey. The politics of this state led to the liberation of women, the adoption of western laws and education systems, along with strong industrial development in state controlled sectors. Even the countryside was modernized with a vast agrarian reform.

The Egyptian bourgeois revolution of 1921 was a failure and the country remained under British control until 1952. During those 30 years, industry developed slowly and the state was not modernized. The Nasserite way of “Arab socialism”, using Soviet investment and Soviet style industrial development (exemplified by the Aswan Dam) was not a success and the reforms in the countryside hit only Coptic or foreign landlords and did not change poor peasants’ lives.

In Turkey, the army was a strong pillar of the Kemalist regime and intervened three times in political life (1960, 1971 and 1980) by taking power from civilian parties, and again in 1997 when it helped push away the pro-Islamist government of Necmettin Erbakan. The last ten years have shown that the army, while remaining an upholder of secularism, nevertheless has accepted, over time, an agreement with the AKP (certainly waiting for better days) based on mutual isolation and non-intervention in their domains. So we can say that Turkey has now reached a point of stability. Success against the PKK rebellion and successful intervention during regional conflicts and intervention has proven the ability of the Turkish army.

In Egypt, the army is not ready to retire from business. On the contrary, while deeply rooted in the economy, it is also the last warrant of any regime since the beginning of modern Egypt. After 1980, in spite of a fierce war against Kurdish guerrillas (starting in 1984) and a civil war against extreme left organizations, the Turkish economy was able to progress in the private-owned industrial sector--first as sub-contractors of foreign owned companies and under the protective mantel of the state, and then ending up as actor in the market. So much so that Turkey today is more than a regional economic power (competing with Greece or Russia and other European countries) and has become the 17<sup>th</sup> largest economic power with growth rates like Brazilian ones (7.3% in 2010--even if the “black market economy” is important and remains (figures vary from 15 to 30% of PIB and roughly 1/3 of workforce is involved in it)

When the state began to involve itself less in various industries (mines, utilities, banking, transport and communication), the economy continued to flourish and a new class of

able bourgeois entrepreneurs arose. Turkey's traditional textiles and clothing sectors still account for one-third of industrial employment, despite stiff competition in international markets that resulted from the end of the global quota system. Other sectors, notably the automotive, construction, and electronics industries, are rising in importance and have surpassed textiles within Turkey's export mix.

This is this class of new entrepreneurs that Erdogan succeeded in convincing that the AKP was not hostile to them and to capitalist development. For the bosses the deal is simple: let us make profits, let's take benefit from the end of internal wars that have diverted investment; whatever is the ideology of the government as long as it let us we will not be hostile. And we will not be implicated in the underground struggle between the army as the upholder of Kemalist secularism and the AKP.

On the contrary, in Egypt, even after the shift towards de-nationalization initiated by Sadat, the state (not even talking about army owned factories) remains a major player on the economic level. Even if a new generation of managers begins to take reins of state owned companies and initiates changes, there are not burgeoning private sector entrepreneurs that do exist in Turkey.

On a political level, the AKP is more an inter-class party than the Muslim Brotherhood. While less active in the working class, it is dominant in other classes, even among peasants (who still represent 25% of the total population) and has a gentlemen's agreement with entrepreneurs. On the contrary, it is totally absent in the army and in educational institutions.

On the contrary, the Muslim Brothers are absent from the countryside (whose residents still represent 41% of the total population), weak among working class (or on individual level) and among traditional bourgeoisie. Their strongholds are thus poor people living in the slums of big cities, state employees, teachers, doctors (i.e. the liberal professions already wage earners or state employees) and the lower layers of the bourgeoisie. They also influence lower rank officers and some soldiers in the army.

Even if the most modern currents of the Muslim Brotherhood wished to self-transform themselves into a modern AKP style political party and even they won a majority of organized members (which is really not certain), they would inherit a society more backward than the Turkish one and, above all, they would inherit a chaotic economic structure not yet at the level of potential capitalist development and without the modern entrepreneurs that exist in Turkey.

## ***THE OPPOSITION: THE VACUUM***

### Political parties

In Egypt, the party in power had two million card-carrying members. After the fall of Mubarak, attempts to establish various political parties in all corners of the political spectrum exploded. On the one side, arose right liberal parties like the Free Egyptians Party, launched recently by the telecommunication tycoon Naguib Sawiris. The party envisions a civil democratic state that would adopt a free market economy, encourage private investment and, in the meantime, ensure social justice.

## Revolutionary Socialists

Of the relatively important (or at least visible) parties of popular leftist activism in Egypt, one is the Revolutionary Socialists (RS), close to the International Socialist Tendency and the British Socialist Workers Party (SWP). The group began in the late 1980s among small circles of students influenced by Trotskyism. The organisation functioned, during the Mubarak era, underground. After 2000, the RS activists were engaged in the Palestinian solidarity movement and attracted hundreds of new militants. The activists of RS were very active during the latest uprising in Egypt; among them belong well-known media faces like blogger *Hossam el-Hamalawy* (aka *3arabawy*) or *Gigi Ibrahim*.

What is positive in the RS is its stress on the importance of workers' struggle in workplaces. "The regime can afford to wait out the sit-ins and demonstrations for days and weeks, but it cannot last beyond a few hours if workers use strikes as a weapon," wrote RS in February 2011. They argue that the working class was the key player in ousting Mubarak, rather than the Egyptian youths' use of Face Book and Twitter as has been widely reported.

On the other hand, the political profile of the RS has many weaknesses. In the same way as their British colleagues, from a working class view point of view, the RS follows a very problematic anti-imperialist position. Concretely, their positions are marked by a very strong anti-American and anti-Israel stance. From this point of view, they are already only few more steps towards the "united front with the all anti-imperialist forces", in our case with the Islamists. The RS's relationship with the Muslim Brotherhood is distinct from earlier leftist organizations in Egypt which held similar positions to that of the Stalinist Communist Party of Egypt (see below), which generally equated Islamism with fascism. The RS, however, advanced the slogan: "Sometimes with the Islamists, never with the state". The slogan was coined by Chris Harman of the SWP of Britain, in his book, *The Prophet and the Proletariat*, which was translated into Arabic, and widely distributed by the RS in 1997. The RS has thus been able to campaign alongside the Brotherhood at times, for example, during the pro-intifada and anti-war movements.

## Workers Democratic Party

The Revolutionary Socialists collaborated with other leftists on the creation of the Workers Democratic Party (WDP), established in February 2011, until now (May) not officially recognized. The WDP is backed by the new Federation of Egyptian Trade Unions. According to official data, it has around 2000 members. The party claimed itself to be anti-capitalist and on the side of the workers, but also says that socialist revolution "is not feasible in the current political environment." The Egyptian working class has a "lack of political experience and an underdevelopment of the workers' movement." They instead advocate the re-nationalization of industry and a "more authentic workers' democracy."<sup>43</sup>

Unlike under Gamal Abdel Nasser, where state-owned factories were appointed by the president, the WDP calls on workers of these factories to appoint their own managers. "We want to bring back the companies, which were usurped under the corrupt era of Mubarak and the old gang, to the Egyptian people," says Fayoumy, one of the founders of WDP, a labor activist and a long time electrician with Misr Spinning and Weaving Company in the central Delta city of Mahalla al-Kubra.

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<sup>43</sup> [http://en.wikipedia.org/wiki/Workers\\_Democratic\\_Party](http://en.wikipedia.org/wiki/Workers_Democratic_Party).

This is certainly a demand of part of the working class, which sees in privatization the further worsening of work conditions, the lowering of wages and layoffs. Without doubt, very similar desires have also been present in the army, whose economical power has been eroded by the privatization of the previous two decades initiated by Mubarak and his son Gamal.

### Egyptian Communist Party

In Egypt, there also exists, since 1975, a Stalinist Egyptian Communist Party (ECP) which, until 2011, functioned only underground and faced state repression. It refers to itself as the Communist Party of Egypt founded in 1922, which later supported Nasser (even today, the ECP speaks only positively about Nasser). The party took part in the uprising, but its demands were oriented mainly towards the forms of a post-Mubarak government without reference towards the situation in workplaces. Unfortunately, there is no accessible information about how many militants the ECP has and what its influence is in the working class.

### Unions

#### Egyptian Trade Union Federation (ETUF)

The only existing trade union structure in Egypt before 2011 was the Egyptian Trade Union Federation, which was essentially an arm of the ruling party--something like the unions in Eastern Europe before 1989. According to official data, it organised 2.5 million workers in 23 unions, around 10 % of the workforce.

ETUF did not play any role in the workers' struggles of the last decade; on the contrary, it opposed the strikes and supported the government's privatisation plans. So, this means that until 2011, all of the struggles were organized outside the unions, because these structures were totally alienated from the needs and demands of the workers. It is one of the main differences from the movement in Tunisia, where the official trade union federation (UGTT) joined the working class protests.

#### Federation of Egyptian Trade Unions (FETU)

The response of the ETUF to the new situation has been to form itself into a new Federation of Egyptian Trade Unions. The FETU was founded on January 30th during the protests, at a meeting convened in Tahrir Square. At the beginning were workers from the health sector, teachers, others state employees and people from various industries. In numbers, the new federation is very weak: in 12 unions, it has only 250.000 members--approximately 1 % of the total workforce.<sup>44</sup>

### Labour NGOs

What played an important part in the Egypt protests and strikes of the recent years were pro-labour NGOs. One of the best known of these groups is the Centre for Trade Union and Worker Services (CTUW), which has been around since 1990 – it was predated by the big strikes on railways (1986) and steelworks (1989). As a result, these organizations were targeted by the regime, their offices closed and leaders arrested. Important for the activists

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<sup>44</sup> <http://www.almasryalyoum.com/en/node/418296>.

from CTUW was a connection with Western trade unions--for instance, with unions from the Netherlands or the American AFL-CIO. Recently, CTUW and other labour groups and the unions called for the dissolving of ETUF, but so far without success.

Despite the fresh wave of new unionism, we need to ask if, after the experiences the working class has had with the state ETUF, it still wants to taste the insipid fruits of any other unions. "Workers are used to believing that unions are government entities that one joins to serve his personal interests," complains Kamal Abbas, general coordinator of CTUW. "We need to exert a lot of effort to convince workers that labor unions are organizations that seek to improve working conditions for workers," he adds.<sup>45</sup>

## **THE WORKING CLASS REALITY**

### ***A BRIEF HISTORY OF WORKERS' STRUGGLES IN EGYPT***

Back to the 19th century

The development of the proletariat in its modern form is always inextricably bound up with the rise of trade unions and social democracy, however much we might wish to see a "pure" expression of the proletariat separating itself from its representation within bourgeois society. In Egypt, as elsewhere in the region, particularly Tunisia, there is the added complication that it was also enmeshed with populist nationalism and therefore the rise of the "development state".

The emergence of an urban industrial working class in Egypt can be traced back to the early 19<sup>th</sup> century, when Mehmed Ali, the Ottoman governor of Egypt who participated in the Anglo-Ottoman campaign to drive out the French, established state-owned textile workshops. In the 1820s, steam engines imported from England were installed in workshops in Cairo and Mansura. However, this brief early experiment in state-led, import-substitution, development was dismantled when the British imposed free trade in textiles in 1840. But the textile industry has continued to be important in class formation up to the present day. Cotton, both as an agricultural product and as a raw material for the mills, has played a leading role in textiles ever since the American Civil War (with the blockade against the Southern States) created the conditions for a boom in the export of Egyptian cotton.

The Suez Canal opened in 1869. It was mostly built by forced labour – there was an annual *corvée* of 20,000 labourers and thousands died during the 1859-69 construction period. Slave labour was also involved – East African slaves were used on coastal ships as late as 1873. One of the first recorded strikes by workers in Egypt was that of the coal-heavers of Port Said (a town founded during the canal construction) in 1882.

The largest employer in the early 20<sup>th</sup> century was the state railway, which included the first railway line ever built in the Middle East--the Cairo-Alexandria line completed in 1854. It employed around 12,000 workers. The Cairo Tramway Company, established in 1894, had over 2,000 workers.

After the state bankruptcy of 1876 and the British occupation of 1882, industrial investment in Egypt shifted decisively to multinational investment groups, primarily French, British and Greek. Along with modern transport, the cigarette industry was another major

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<sup>45</sup> <http://www.almasryalyoum.com/en/node/418296>.

centre of class formation. By the early 1900s, five Greek firms controlled 80% of the export trade and employed 2,200. There were also 2,000 employed for the local market. The most highly skilled workers in this sector, the hand rollers, were mostly Greek and they organised the first known strikes in Cairo and created the first unions.

Following a provocative incident by British army officers in 1906 (the Dinshaway incident) there was a massive upsurge in nationalist agitation in Cairo. This was to have a profound impact on working class life and organisation, despite the isolation of the educated land-owning nationalists from the working class. The fact that the nationalist movement was led by landowners was actually a factor in the development of a strong relationship between the nationalists and the trade unions. The demands of urban workers didn't pose a direct threat to large landowners! Consequently, they wanted to mobilise urban workers for the nation rather than peasants. We should also note that up until the 1930s most wage labourers in large firms in Egypt were employed and supervised by people seen as foreigners by virtue of language, nationality and religion – British and French bosses, but also locally resident Greeks, Italians, Armenians, Syrian Christians, Jews. Therefore, it's not too surprising if strikes were often seen, by the workers and wider society, as part of the nationalist movement.

The railway and tramway workers struck several times in 1908-10 and, although the demands of the workers were strictly concerned with workers' needs – for a shorter working day, higher pay, against fines and sackings – the struggles were enthusiastically supported by the nationalists.

A bourgeois attempt at working class containment

At the end of World War I, a nationalist party known as the Wafd (“Delegation”, because they wanted to attend the Versailles peace conference) was created. The suppression of the Wafd leads to massive demonstrations and strikes. There was a general upsurge in workers' struggles and the formation of the same kind of organisations as in other industrial centres. The Communist Party of Egypt and its associated union confederation the CGT (Confédération Générale du Travail, of course!) were founded in 1921. The CGT had a massive influence in the workers' movement, particularly in Alexandria. Around this same time, Wafdist lawyers became important advisers to trade unions and even encouraged workers to strike, much like middle class radicals in 19<sup>th</sup> century Britain had done. The Wafd took office in 1924 and, naturally enough, immediately started suppressing strikes as well as banning the CPE and the CGT. At the same time, the Wafd created its own union federation. Thus was to set a pattern for relations between workers and nationalist regimes.

The urban working class grew significantly during World War II, as wage labourers were recruited to serve the needs of the Allied armies based in Egypt. At the end of the war, there were around 623,000 factory workers, out of a population of 18 million. But large numbers of workers were laid off after the war was over. There were three big waves of strikes between 1945 and 1952. In all of them, textile workers and their economic demands played a leading role, but so did nationalist organisations such as the DMNL (Democratic Movement for National Liberation).

The first two waves could only be contained by savage repression – there was a period of martial law from 1948 to 1949. The third broke out after the Wafd were once more elected to office in 1950, with very low voter turnout. A major issue for workers this time is that the government brought in minimum wage and “cost of living allowance” legislation which was

not enforced. On January 25<sup>th</sup>, 1952, British forces attacked an Egyptian police station and killed over 50 assorted cops, apparently because they believed that the cops had been aiding guerrilla attacks against the British installation in the Suez Canal zone. This led to immediate public outrage and a massive nationalist riot in Cairo. Fires destroyed large parts of the European business district. Martial law was declared and repression once again succeeded in suppressing both worker and nationalist agitation, but the old regime (centered around the monarchy) was widely seen as finished.

After independence: 1952-1984

However, there was only one force in Egyptian society sufficiently well organised and united to take on the job of ending this regime: the army. On July 23, 1952, Gamel Abdel Nasser and young army officers calling themselves the Free Officers overthrew the monarchy and established the Revolutionary Command Council (RCC). As with previous nationalist governments, it had real support from workers, with its talk of “social justice” as well as Egyptian independence and the abolition of “feudalism” (that is, domination by big landowners). Once again, the workers would pay for their misplaced enthusiasm. In August, 9,000 workers at the Misr Fine Spinning and Weaving Company in Kafr al-Dawwar, in the Nile Delta, went on strike over various economic demands, the removal of abusive managers and the right to a freely elected union. Despite the workers’ proclamations of support for the new regime, the army quickly crushed the strike after an exchange of gunfire between workers and cops. Two workers were dragged in front of a military tribunal and sentenced to death – they were executed within a few days. At the same time, the RCC passed legislation banning strikes but also making it harder to lay off workers imposing arbitration on all labour disputes. In 1956, Nasser, the only candidate on the ballot paper, was elected president with 99.9% of the vote. As is well known, Nasser became massively popular across the Arab world, after nationalising the Suez Canal and seeing off the French, the British and the Israelis in the “Suez Crisis” of October 1956, with a little help from the US and the Soviet Union, of course. In January 1957, the regime created the first state-run trade union federation, the Egyptian Workers’ Federation. In 1961 it was reorganised into the Egyptian Trade Union Federation (ETUF), which is still in existence. The foundations of the style of military authoritarianism which still exists in Egypt today had been laid.

From the late 1950s to the early 1960s, Nasser consolidated a new social settlement known as Arab Socialism. All foreign firms and large and medium-sized Egyptian companies were nationalised. Their workers became state employees and their standard of living was significantly improved and they received numerous social benefits. The regime guaranteed all university graduates a white-collar job and all high school graduates a blue-collar job.

But the glories of Arab Socialism did not last long. The first five-year plan of 1957-62 generated 1 million new jobs and an annual GDP growth of 6%. However, the second five-year plan (1962-67) was abandoned due to lack of investment and real wages fell sharply in 1965. Egypt’s defeat in the 1967 Arab-Israeli War also served to undermine the legitimacy of Nasserism.

Presidents Anwar Sadat (1970-81) and Hosni Mubarak (1981-2011) set about reversing Nasser’s economic and political orientation with pro-US “Washington Consensus” policies, notably flexible labour market reforms and cuts in subsidies on basic consumer items. The cuts in subsidies led to the “bread riots” of January 1977, causing the government to temporarily back off. The oil price boom of 1974-82 created the opportunity for workers to

migrate to the oil exporting countries and earn many times what they could earn at home. Remittances from such workers became the most important source of Egypt's hard currency and created a pattern of massive migrant labour which has existed to the present day. The fall in oil prices after 1982 and the resulting economic contraction led to a sharp rise in workers' struggles in 1984-89.

From bread riots to the fall of Mubarak

In 1984, a new law was applied which doubled wage deductions for health and pensions in the public sector. In October of that year tens of thousands of textile workers in Kafr al-Dawwar (see above) along with their families poured into the streets in a three-day insurrection. They cut telephone lines, started fires, blocked transportation and destroyed train cars, leading to a massive confrontation with security forces. At the Iron and Steel Company in Helwan, an industrial suburb of Cairo, where there were 25,000 workers, there were two workplace occupations in July and August 1989. The action was in favour of a pay raise and against the sacking of two worker activists. Again there was a big confrontation with the forces of order, resulting in a worker being killed.

In 1991, Egypt made an Economic Reform and Structural Adjustment Program (ERSAP) agreement with the IMF and the World Bank. This led to a large number of state companies being privatised, but even today there are large concentrations of workers still in state employment, such as the 25,000 textile workers of the Mahalla al-Kubra complex, that great symbol of economic nationalism and workers' power. There was another wave of collective actions in the mid-1990s, but it was not until the early 2000s that workers' struggles really began to take off again, mostly concerned with loss of real wages due to inflation and the uncertain future of workers faced with the privatisation of state companies. This was particularly so after the Nazif government came to power in July 2004.

During the 2000-2010 decade, over 2 million workers participated in more than 3,300 factory occupations, strikes, demonstrations, or other collective actions. As before, workers in the textile and clothing industries played a leading role - the Mahalla al-Kubra factory was on strike in December 2006 and September 2007 and the workers made substantial economic gains. And this role was not just a question of leading by example. For example, it was the workers in this historic factory who first raised the demand for a national minimum wage of 1,200 Egyptian pounds (about \$US 215) per month in 2008 – a demand which was taken up across Egypt by other groups of workers. The strikes also spread to building material manufacture, transport, food processing, sanitation, oil production.

In addition, there was an unprecedented wave of militancy by administrative workers in the state sector, notably the urban property tax collectors, who understood that their strike action could instantly deprive the state of revenue! In December 2007, 3,000 municipal property tax collectors occupied the street in front of the Ministry of Finance for 11 days. They won a 325% wage increase, and their action led to the creation of the first non-state-run trade union since Nasser abolished such things. Interestingly, it was this group of workers who established the prolonged street occupation as a method of struggle. For example, this was taken up in February 2010 by workers from over a dozen workplaces who sat in front of the parliament building for many weeks. The urban middle class formations campaigning for democracy over the last decade have certainly identified with workers' struggles, even if this has not always been reciprocated by the workers. For example, in March 2008 democracy activists made an on-line call for a general strike which appeared to have an effect, but only

because the Mahalla al-Kubra textile workers were already out! This led to the creation of the April 6 Youth group. However, when the same people made a repeat call in May of the same year, it was largely ignored. Nevertheless, it is not too fanciful to say that the indefinite street occupation tactic was copied from militant workers.

### ***CLASS COMPOSITION***

In 2010, Egypt had over 80 million inhabitants. Most of them are concentrated in the small area around the Nile. In Cairo alone, there are around 18 million dwellers. The rate of urbanization was in 2010 approximately 43%. About 63 % of the people in Egypt are 15-64 years old, 33 % are kids under 14. The total amount of the workforce in Egypt is roughly 26 million. Circa 32% of the workers are according last available estimations agriculture, 17 % in industry (especially textile, but also construction sector, production of cement, gas and oil etc.), and 51 % in services (tourist industry). Rural employment in Egypt remains strong despite the flow of the population into the cities (especially Cairo) in the last two decades.

A large percentage of Egyptians are self-employed and work inside an informal economy. Hundreds of thousands of micro and small-scale enterprises dominate the informal sector. The informal sector includes personal services workers, like maids and other household employees. Informal employment touches a large percentage of the workers especially in services. But the heaviest weight in Egypt's economy and employment is still the government sector; even during the 90's (when a set of austerity measures were introduced and privatization established) it was the fastest growing and largest contributor to employment creation.

The participation of women in the labour force long-term is growing. It was, in 1980, roughly 11 %, in 2001 already 22 %. The numbers of working women were growing especially because of their employment in government sector. Many Egyptian women work in the informal sector, especially those who are working as unpaid family workers.

Estimates from 2005 put the number of people below the poverty line at around 20%. Unemployment amounts to 10 %. From a geographical point of view, the problems with lack of work occur especially in rural areas, especially in Lower Delta. Open unemployment is highest among the 20-24 age group, and among graduates of intermediate education. Surprisingly low is unemployment among illiterate people. Women are hit by unemployment much harder than men.

In the last decades, many Egyptians solved their uneasy situation in their country through migration abroad. According to estimations in 2006, more than 2 million migrants live beyond Egyptians borders, of whom, 61 % were family members of migrant workers. The absolute majority of the migrants from Egypt are in the Arab countries around the Gulf, but also in Libya. During the recent battles in Libya, around 68,000 Egyptians workers fled the country and added to the numbers of unemployed back home. Among the migrants are often skilled technicians and industrial specialists - their migration caused a lack of skilled labour in Egypt from the 80s and a rise in wages.

Increasing mechanization was established in Egyptian factories, which helped to improve the productivity of work, but also for further elbowing of the skilled workers from the labour market. On the other hand, in Egypt are tens of thousands of refugees from Sudan, Ethiopia, Eritrea and Somalia, as well as from Iraq, now stranded in Egypt. In the country are also around 70,000 refugees from Palestine. Many African migrants used Egypt like the

transit on the way, for example, into Israel.

### Sectoral structure of employment in Egypt in the years 1977-92, ages 12-64

Sector	Millions				Structure (%)				Average annual growth rate (%)		
	1977	1981	1984	1992	1977	1981	1984	1992	1977-81	1981-84	1984-92
Agriculture	5,3	5,4	5,4	5,8	51,5	47,5	43,5	39,6	0,2	0,1	0,9
Manufacturing, mining, and utilities	1,4	1,7	1,8	2,2	13,8	14,7	14,2	15,0	3,9	1,9	2,8
of which public enterprises	0,7	0,7	0,7	0,8	6,4	6,2	5,8	5,7	1,6	0,6	1,8
of which private 10+	0,1	0,2	0,2	0,3	1,4	1,4	1,5	2,0	2,2	4,7	6,0
Residual (informal sector)	0,6	0,8	0,9	1,1	6,0	7,1	7,0	7,4	6,5	2,5	2,8
Construction	0,3	0,5	0,6	0,9	3,2	4,6	4,9	6,0	10,8	5,6	4,6
Services	3,2	3,6	4,3	5,8	31,4	31,6	34,5	39,3	2,4	6,0	3,7
Total domestic employment	10,3	11,3	12,4	14,7	100,0	100,0	100,0	100,0	2,3	3,1	2,1
Unemployment	0,3	0,6	0,8	1,4	2,8	4,8	5,7	8,8	16,5	9,3	7,8
Total domestic labour force	10,6	11,9	13,2	16,1	-	-	-	-	2,8	3,4	2,5

Source: Ikram, Khalid: The Egyptian economy, 1952-2000: performance, policies, and issues. London 2006.

### **WORKING CLASS STRUGGLES**

#### Presentation

For the chronology of workers struggles, both inside and outside factory, listed below we have crossed data from various media from Egypt (but not in Arabic) and elsewhere. We have kept only information accurately identified with factories (location, production) and above all the number of strikers. As you may sense, data remains “fuzzy” mainly because we don’t know what the fate of many of these strikes was.

## Chronology

### February 8

Around a kilometer away from Tahrir Square, some 500 employees protest outside the headquarters of the state-owned Rose al-Youssef newspaper and magazine. Protesters denounce the operational and editorial policies of their editor-in-chief Abdallah Kamal and administrative chief Karam Gaber. Another protest involving around 200 journalists is staged outside the Journalists' Syndicate in downtown Cairo, demanding the recall of the syndicate's president Makram Mohamed Ahmed, a member of NDP.

At the headquarters of state-owned Al-Ahram newspaper, Egypt's largest daily, around 500 print-shop employees protest demanding full-time contracts, benefits and bonuses.

5,000 employees of the state-owned telecommunications giant, Telecom Egypt, stage protests in three different locations across the city, for the establishment of an adequate minimum wage and maximum wage.

More than 6,000 protesters working for the Suez Canal Authority stage sit-ins in the cities of Port Said, Ismailia and Suez, demanding salary adjustments.

Over 100 workers at the state-owned Kafr al-Dawwar Silk Company and over 500 at the state-owned Kafr al-Dawwar Textile Company are protesting, before and after their work shifts, to demand overdue bonuses and food compensation payments.

Approximately 4,000 workers from the Coke Coal and Basic Chemicals Company in Helwan announce a strike for higher salaries, permanent contracts for temporary workers, the payment of the export bonus and an end to corruption. They also express solidarity with protesters in downtown Cairo.

Around 2,000 workers from Helwan Silk Factory stage a protest at the company headquarters to call for the removal of the board of directors.

In Mahalla, some 1,500 workers at the private-sector Abul Sebae Textile Company protest to demand their overdue wages and bonuses. These workers are also blocking-off a highway.

In Quesna, some 2,000 workers and employees of the Sigma Pharmaceuticals Company go on strike. They are demanding improved wages, promotions, and the recall of a number of their company's administrative chiefs.

In Mahalla, Gharbiya, hundreds of workers from the Mahalla spinning company organize an open-ended sit-in in front of the company's administrative office to call for the delivery of overdue promotions. More than 1,500 workers at Kafr al-Zayyat hospital, also in Gharbiya, stage a sit-in inside their hospital to call for the payment of their overdue bonuses. The nursing staffs start the sit-in and are joined by the physicians and the rest of the workers at the hospital.

Around 350 workers from the Egyptian Cement Company protest stands at their factory and outside their company's headquarters in Qattamiya. They are demanding the establishment of a trade union committee at the factory, a right which the company's administration has been

denying.

In Suez, more than 1,000 workers from the Misr National Steel company begin a strike to call for pay raises, saying they have not received any bonuses for years and that the average salary at the company does not exceed LE600. About 2,000 unemployed young people gathered outside a petroleum firm to demand the company give them jobs.

### **February 9**

Protesters in Port Said, a city of 600,000, set fire to a government building, saying local officials had ignored their requests for better housing.

A lawyers' union launches protests in Cairo--with 3,000 demonstrating.

5,000 unemployed youths storm a government building in Aswan, demanding the dismissal of the governor.

The Suez Canal workers keep on striking, though there are no disruptions of shipping in the canal.

Some 3,000 Egyptian National Railways (ENR) workers go on strike demanding that the ministry reconsider their incentives. The protesters sat on railway lines, disrupting train services, threatening not to move until their demands are met. An official source at the Transport Ministry told that the ENR had received instructions to respond to all of the demands and to resolve the strike peacefully.

1,000 of Petrotrade Co. (Egyptian Petroleum Trading Service Co.) workers organize a number of sporadic protests at the company's Cairo branches, joined by workers from Petroment and Syanco petroleum companies to demand salary increases and permanent job assignments. The protesters stage sit-ins at the Abdeen, Maadi, Nasr City, Haram and Faisal branches of Petrotrade co., with some 1,500 protesters at the Haram and Faisal branches. They complain that their monthly salaries of LE500-700 were not sufficient for a dignified life and they demanded their salaries be raised to LE3000-4000 pounds per month

More than 2,000 workers from the Sigma pharmaceutical company in Quesn stayed on strike.

### **February 10**

The strikes and protests continue despite promises by Egypt's newly formed government to raise public sector salaries and pensions by 15 percent, one of a series of steps taken to placate the protesters.

100 tunnel workers block the entrance to the Saleh Salem tunnel, a major traffic conduit in central Cairo, around midday, waving signs demanding better contracts.

Up to 3,000 workers of a state oil and gas firm in the northern port city of Alexandria go on strike over pay and conditions.

About 150 temporary employees at Cairo Airport demand fixed contracts and better working conditions.

Public transport authority employees and workers are starting a protest in front of their central office in Gabal al-Ahmar area in Cairo. Thousands are chanting demands for better wages, bonuses and health care. “We have nothing to do with Tahrir, and we do not have political demands. Our demands are merely concerned with pay and bonuses,” said a driver. A bus driver holds up his pay slip to indicate his low salary, which according to the pay slip is LE 342 Egyptian pounds (\$58) per month, as he and other bus drivers strike at a bus depot in Shubra Mazalat.

Hundreds of doctors in white coats march down a street from the Qasr El-Aini hospital to Tahrir, chanting "Join us, O Egyptians".

Workers of the Misr Spinning and Weaving textile factory — which employs 24,000 people in the Al-Mahalla Al-Kubra — padlock the buildings and mass in front of the administration offices for solidarity with the protesters in Tahrir Square and the implementation of a minimum wage.

### **February 13**

“Labour strikes were spreading like wildfire,” says Mohamed Mourad, a railway worker and board member of the Coordinating Committee for Rights and Freedoms, an umbrella group for labour organizations from Aswan in the south to Alexandria on the Mediterranean. Workers at the Misr Spinning and Weaving, Egypt's largest factory, suspend their strike in support of the revolt that toppled Hosni Mubarak but will continue to press for higher wages.

More than 400 workers at a spinning machinery factory in the governorate of Helwan are striking. They are calling for an increase in annual bonuses and demanding that delayed promotions be implemented.

Around 700 workers at Coca-Cola are resuming their strike at the company's Nasr City location. They are calling for the permanent appointment of temporarily workers, and salary improvements to cope with rising prices.

At Misr-Iran Textile Company, 2,400 workers organize a sit-in calling for the resignation of the managerial board.

The mostly female work force of a major carpet maker in El Mahalla continues their strike to lift the minimum wage.

From state-owned financial institutions in Cairo to Alexandria's seaport, workers start striking, disrupting operations and forcing the central bank to declare an unscheduled bank holiday on Monday.

### **February 14**

Egypt's army called on Monday for national solidarity, urged workers to play their role in reviving the economy and criticised strike action, after many employees were emboldened by protests to demand better pay. It was the fifth communiqué by the Higher Military Council that took control.

Around 150 workers from Egypt's key tourism industry hold a protest on Monday by the Great Pyramids to demand higher wages.

The central bank of Egypt asked commercial banks to close their offices on Monday in response to a strike call by workers of state-owned banks.

In Cairo, thousands of workers protested outside the state-controlled Egyptian Trade Union Federation to demand the resignation of its unpopular head Hussein Megawer and board members, whom they accuse of corruption.

At least 3,000 workers at the public Transport Authority continued their strike for a fifth day demanding that the board be sacked and better pay.

At the Cairo Opera House, staffs demanded the removal of the director accusing him of corruption and ignoring employee demands for higher wages.

Medics at the Qasr al-Aini hospital staged a walkout, blocking traffic on a major road in central Cairo.

In the Giza district, hundreds of ambulance drivers demonstrate to demand better pay and permanent jobs. They park at least 70 ambulances on a roadside along the river, but not blocking the main road.

In Alexandria, thousands of staff members at banks, hospitals, public department stores and factories continue striking for a third day.

In Kerdassa, south of the capital, more than 5,000 workers of a large textile plant stage a sit-in for better working conditions, demanding to have their temporary contracts changed into permanent ones.

In the Nile Delta province of Qaliubiya, traffic police refuse to show up for work, demanding higher wages.

In the province of Beni Sueif, thousands of residents protest outside the governorate building to demand housing.

In Aswan, medics at a cancer hospital refuse to work in support of colleagues on temporary contracts.

## **February 15**

Cell phone users in [Egypt](#) are receiving text messages from the military exhorting the workers to do the right thing. "Some of the sectors organizing protests, despite the return to normal life, are delaying our progression," one of the messages said.

Thousands of workers in banks, textile and food factories, oil facilities and government offices are still on strike. Prices of food and drinks, accounting for 44 percent of the basket used to measure inflation, accelerated year-on-year to 18 percent in January, up from 17.2 percent in December. That was before the crisis. Egyptians say prices have risen since then. The new cabinet has already promised to maintain

subsidies and raise some state wages and pensions by 15 percent.

25% of the 6,000 workers at the company's Tenth of Ramadan City factories went on strike today.

Lecico, the ceramics maker said operations have been disrupted for the past two and a half weeks. It agreed to increase staff pay and benefits after a two-day strike. Productivity was down 30 % during the past two weeks and local commercial and export activity halted for eight days, it said.

### **February 16**

Hussein Megawer the head of the state-controlled Egyptian Trade Union Federation (ETUF), called for an end to labour action and urged all the heads of trade unions to "initiate dialogue with workers in order to understand their problems and demands ... in order to put an end to the strikes".

More than 12,000 workers at state-owned Misr Spinning and Weaving go on strike again. In Damietta, about 6,000 spinning and weaving workers are also striking.

Companies such as ceramics maker Lecico have already bowed to some union demands. Sinai Cement says earnings will be affected by the bank shutdown and ASEC Cement, a unit of private equity firm Citadel Capital, says contractors are having trouble due to strikes and this is affecting its work schedule.

Central Auditing Organization employees stage a sit-in demanding that the organization be given total independence from the government. Workers call for amending regulations, promotions and a bonus increase, among other demands.

About 2,000 Manpower Ministry employees protest against corruption and call for bonus pay and a monthly travel allowance of LE 200.

In Ismailia, government employees at the irrigation, education and health ministries protest outside the province headquarters demanding "fairer salaries".

The Central Bank of Egypt (CBE) vowed to take all necessary measures to ensure that the legitimate demands of workers in the banking sector are met.

In Port Said, about 1,000 people demonstrated to demand that a chemical factory be closed because it is dumping waste in a lake near the city.

### **February 17**

Railway transport in Egypt is stalled as conductors stage a protest calling for equality with workers in other transport sectors concerning the 30 percent bonus approved by the Ministry of Transport.

More than 600 workers at metro maintenance workshops in Tora, south of Cairo, prevent metro trains from stopping at that station, demanding permanent instead of temporary job contracts.

Around 1,500 workers of the Suez Canal Authority are staging protests in three cities, demanding better salaries and medical insurance. Workers, including technicians and administrators, rally in front of governorate buildings in Ismailia, Suez and Port Said,

Some 20,000 workers go on strike at the state-owned Mahalla Textile Company for improved working conditions, rights and wages. The workers announce an open-ended strike and chanted against administrative corruption.

In a statement, striking workers in Mahalla el-Kobra, said that they would no longer take part in a government-controlled labour union but that they would rather join the new Egyptian Federation of Independent Trade Unions, which it said was set up on January 30<sup>th</sup>.

### **Mahalla Textile Company**

"We are in a revolution, and the revolution, as they say, cleaned out the corrupt leaders," says Faisal Naousha, a stocky, moustachioed 43-year-old who is an organiser of the strike which he said has shut down the Misr Spinning and Weaving factory in Al-Mahallah al-Kubra. "The strike is on-going ... The military leadership sat with us yesterday and we gave them a list of demands,"

An increase in wages is another key demand. "The salaries of the workers of Mahallah are ... nothing," said Ibrahim, a 35-year-old who has worked at the factory for 14 years. Naousha said workers make between 400 and 1,000 Egyptian pounds (\$68 and \$170) per month, but want salaries to be raised to between 1,200 and 2,500 Egyptian pounds (\$204 and \$425). Apart from striking in solidarity with the anti-Mubarak protesters, Misr Spinning and Weaving workers said they were also directly involved. Workers would "work, then protest, work, then protest," said Tantawi, who was burning through and freely distributing locally-produced Cleopatra cigarettes.

### **February 19**

About 300 laborers in the Sukari gold mine near the southern Red Sea coastal town of Marsa Alam are starting a hunger strike. They attribute the action to poor salaries, increased working hours, wrongdoings by company officials, and the fact that the company failed to sign permanent contracts with them.

Around 15,000 workers from the Misr Spinning and Weaving Company are holding a sit-in for a fourth day in front of the administration building and have refused to end their protest until their principal demand to remove the head of the company is met.

### **February 21**

Labour protests within Egypt's electricity sector are escalating as workers at seven power plants stage sit-ins. Technicians and administrative officers organized strikes at the Nubariya plant in Beheira, Tebbin and Karimat in Helwan, Abu Sultan in Ismailia, and Oyoun Moussa and Ataqa in Suez. They chose to stage the sit-ins at their workplaces so that work in the vital sector can continue.

Damietta's Kafr al-Battikh plant also sees a number of small-scale demonstrations calling for permanent job contracts. They demand danger and housing allowances, an increase to their

basic salaries, and the elevation of their job rankings to reflect the certification they have obtained while in their posts.

### **February 22**

The Vice President of the Misr Fine Spinning and Weaving Company in Kafr al-Dawar, Raafat Geneidi, dies after thousands of angry factory workers stormed his office on Tuesday. Workers at the company had organized a protest to demand the resignation of the company's board of directors and the union board. They also demanded the resignation of the company advisors and termination of employment contracts for persons who have passed the state pension age.

### **February 23**

A group of police officers, who are protesting after being fired Wednesday, set the Interior Ministry's personnel building in downtown Cairo aflame. Military police cordoned off the ministry while protesters chanted slogans calling for their jobs back. Police officers have over the past few days staged protests in front of the ministry to call for higher pay, and some complained they were arbitrarily dismissed from work.

Some 1,800 workers from the South Valley Agricultural Development Company and the Ramses Agricultural Services Company in Toshka declare an open strike on Wednesday, threatening to torch their respective companies' premises if their demands were not met.

Workers from the East Delta Electricity Company continue to protest to demand the dismissal of the head of the company's production department, who, protesters say, had arbitrarily fired many of them.

Teachers, contracted on a temporary basis by the Ministry of Education, stage protests to demand permanent contracts and pay raises.

At the National Railways Authority, some 300 laid-off workers stage protests to demand that they be reinstated. A military vehicle arrives at the building to protect it after the armed forces were informed of the protest.

Some 1,500 workers from the Loqma Pipes Factory hold 50 managers hostage in an effort to force company chairman Ahmed Abdel Azim Loqma to give them salary raises and bonuses.

Workers from Cairo International Airport and the Nile Cotton Company stage demonstrations to demand bonuses and better working conditions.

In 6<sup>th</sup> of October City, 450 workers from the Cleaning Authority stage protests to demand improved financial conditions.

In Qena, 400 workers from Hebi Pharmaceutical block the highway. They say they have not received salary increases for the last two years.

In Sharqiya, workers from Hakim Plastics manage to block the Cairo-Ismailia highway for a full three hours to demand higher salaries before the armed forces intervene to disperse them. Employees of the United Bank, the Bank for Development and Agricultural Credit, and the

Misr-Iran Development Bank participate in the sit-in.

Around 700 employees from the United Bank stage a sit-in to call for better compensation and accuse their president of procrastination and refusal to respond to their demands. Employees from several branches of the Bank for Development and Agricultural Credit protest at the bank's headquarters to press their demands.

Among the demands at the Misr-Iran Development Bank are calls for higher pay and for setting regulations for medical insurance.

Some of the demands are satisfied and the workers are back to work at the Misr Spinning & Weaving Co. factory. "Our most important demands were met, and we're very happy for that," said Fayomy, 47, a burly electrician and member of a 10-worker committee that negotiated an end to the brief strike with the government.

## **February 24**

Hundreds of mine workers in Bahariya Oasis hold sit-ins to protest poor living conditions. In Port Said, hundreds of residents in the village of Radwan demand investigations into violations regarding the sale of land allotted for college graduates (under the Mubarak project for young graduates) without official permission.

In Beni Suef, 1,000 new graduates, workers, and teachers protest for the second day in a row in front of the Education Ministry building in the governorate.

Dozens of residents of Nadha village in Amriya protest in front of the carbon factory. The protesters complain about the carbon emissions coming out of the factory.

In Suez, around 1,200 workers in the Egyptian and national steel companies block the Al-Adabiya-Ain Sokhna Road. Workers in the Egypt Amiron company for steel pipes continue their sit-in for the fourth consecutive day at company headquarters.

In Kafr al-Sheikh, bus drivers in the city of Desouk go on strike to protest the increasing cost of their insurance.

In Daqahlia, 1,500 farmers protest the actions of the Ministry of Religious Endowments. The ministry had illegally sold land to traders and businessmen in a public auction. The farmers had been renting the land for more than 70 years.

In Damietta, tens of employees in the health departments in Farsco and Zarkaa hold a protest, calling for increases in bonuses, the restructuring of wages, and the removal of the department's financial manager.

In Menoufiya, 50 women from the families of prisoners in Shibin al-Kom general prison, protest in front of the court complex to demand that their relatives be released or that they be allowed to visit them in the prison.

In Qalyoubia, around 300 drivers storm the governorate's building, destroying the main gate. They go up to the second floor, occupy the halls and encircle Governor Adli Hussein's offices.

In Aswan, 700 workers at the Al-Nasr mining company in Edfu presented a memorandum to the general miners' union, the Egyptian Trade Union Federation and the Holding Company for Mining Industries, demanding the withdrawal of confidence from the chairman of the board and the employees' union committee. Workers demand a new temporary administrative committee composed of workers.

### **February 26**

A group of labour leaders meet to establish the "Coalition of the 25 January Revolution Workers". In a statement, the coalition – including Khaled Ali, head of the Egyptian Centre for Social and Economic Rights, Saber Barakat, and other key labour leaders – affirms workers' absolute right to strike and peacefully protest, and to fight corruption in their management teams and labour unions. The statement also calls for the abolition of Emergency Law, the immediate release of all political prisoners, the abolition of the State Security body and the trial of all officials guilty of repression and torture. Journalists from the state-run Middle East News Agency (MENA) have decided to form a "wise men" committee to lay out a new editorial policy and elect a new chairperson and managing editor.

Journalists from Al-Osbou newspaper continue a sit-in at the Journalists' Syndicate for a second day.

Journalists from Al-Ahram continued to protest the paper's editorial policy and reject the nominees suggested by the paper's chairperson. They insist on electing the new editor themselves. In most media companies, workers accuse their directions of corruption.

### **February 27**

Rumeia villagers block the Asyut-Cairo highway for four hours and set fire to tires, blaming the government for failing to curb bakeries selling subsidized flour on the black market.

In Manfalout, one of Asyut's main cities, around 2,000 municipal employees and workers go on strike demanding better living conditions and accusing senior officials of corruption. Angry demonstrators set the formerly-ruling National Democratic Party's headquarters on fire.

Workers from Cairo Pharmaceuticals and Chemical Industries in Shubra start protesting, demanding the dismissal of the company's board of directors as well as certain sector heads they accuse of corruption. They also say they want permanent contracts and higher bonuses.

### **February 28**

Workers from a number of government-owned companies in the important industrial town of Helwan, south of Cairo, continue protesting to complain about pay, working conditions and corruption.

More than 1,500 workers from the Arab Organization for Industrialization continue a sit-in at the company's headquarters for a second consecutive day. Workers from Al-Nasr Company for Coke and Chemicals start a strike to call for the dismissal of their board of directors, the punishment of officials who caused the company's decline and the improvement of their

financial condition.

### **March 1**

Around 1,000 workers and employees from Cairo Pharmaceuticals and Chemical Industries in Shubra stage a sit-in. Meanwhile more than 300 workers from Samuel Tex, a linens manufacturer, announce a strike to call for the payment of their salaries, better pay, fixed working hours, and official days off from work as stated in the law.

### **April 3**

Approximately 7,000 sub-contractor workers at the Suez Canal Authority are holding a strike until their demands are met. They are demanding parity with their colleagues in the Suez Canal Authority.

### **April 7**

Workers at the Arab Company for Radio Transistor and Electronic Appliances (Telemasr) in Cairo protested after the owners shut down the factory and imposed a one-month paid vacation. There were 3,000 employees in the 1990s and this has dwindled to 200.

### **April 11**

Employees at 14 power stations began a series of strikes to push for the removal of ministry officials involved in corruption and for a stand to be made against the squandering of public funds, which they say is rampant.

### **April 14**

Tens of workers at the Al-Nasr Automotive Company in Cairo held a protest to demand the government make good on its promise to pay the remainder of their early retirement incentives. More than 3,100 workers at the company were forced to accept early retirement schemes between 2005 and 2010. The company stopped production altogether three years ago.

### **April 11-17**

In Cairo, 200 Tax Authority employees staged protests, demanding wages and bonuses commensurate with their qualifications.

In Gharbiya, 1,200 workers (among 2,645) from the Financial and Industrial Company (EFIC) from three factories demonstrated in front of company headquarters for better wages and benefits, while 350 workers of the Chipsy Company in Monufiya staged protests for the same reasons.

Workers at Shebin El-Kom Textile Company in Menoufiya, north of Cairo, resumed their strike after suspending it for two days last week following an agreement between the workers and company management. They accuse the company of trying to manipulate dismissed workers, forcing them to sign resignation letters by saying that this will grant their colleagues a return to work. Management called the armed forces into the plant on April 6th, as workers sought to resume their sit-in.

Shebin El-Kom Textiles Company workers held a 35-day sit-in to protest against the Indonesian management's attempts at eliminating the workforce and dismantling factories in order to reuse the 152 acres of land on which the factory stands. Now they say that they will not end their sit-in until all their demands are met.

### **April 23**

About 4,000 workers have started a strike on Saturday together with the manager of a factory in the industrial city of Mahalla, protesting against the rise in prices of cotton

#### Analysis

We can divide workers' struggles into three phases:

- From February 8th to February 12th (toppling of Mubarak), the eruption of workers, more during demonstrations than strikes, but giving the necessary signal for the ruling classes to remove Mubarak;
- From February 13th to February 23rd (the end of the second strike at Misr Spinning and Weaving Company, the biggest factory in Egypt with 24,000 workers, in Al-Mahalla Al-Kubra), the spread of strikes, blockades, sit-in and demonstrations.
- From February 24 up to now [the time of writing], the consolidation of organizations (old or new trade unions controlled by members and workers) and a resurgence of strikes.

#### Localization

The workers' struggles (strikes, demonstrations, protests, etc.) obviously took place in major industry locations, i.e., the greater Cairo area, Canal Zone (Port Said, Ismailia and Suez cities), Alexandria and the Nile Delta textile hub of Al-Mahalla Al-Kubra). Outside these locations, events remained isolated (Asyut, etc.)

#### Class composition

Workers involved in strikes belonged to the core Egyptian textile industry, but not only. Some big state sector companies like Egypt Telecom and SCA (Suez Canal authority) were hit for some days.

In transport, the Cairo Metro was not brought to a standstill even if the maintenance workers of the Tora Shops went on strike. The national railways (which also own the Cairo Metro) were hit by a strike but were not brought to a standstill. Some Cairo airport workers went on strike, but not for long.

Two hospitals were hit and while some doctors participated, we have no accurate details about the composition of strikers and the organization of the strikes (regarding, for example, the attitudes towards patients).

We even see some marginal sectors (ambulance drivers, opera workers, tourist guides)

participating.

## Demands

The demands covered basic needs for workers: wages, pay structure, bonuses, health, overtime, but also for transforming casual contracts into steady contracts (this proves that being a worker is not a “guaranteed” situation). There were also plenty of demands regarding sacking of bosses generally accused of being corrupted. And only two cases of “solidarity with the demonstrators”

## Methods

Demands were rather well known (at least as general categories) but data about methods of organization do not abound to the exception of the big textile factory in Al-Mahalla Al-Kubra for which we know that a strike committee organize discussion with bosses. We have also to be clear about what lay behind sit-ins and protests. Generally sit-in means a short time strike (some hours) during which workers stand in factory or just outside to express their non-satisfaction. For demonstrations, they can be part of a strike but also performed out of work times. That was the case, for instance, before Mubarak’s fall for workers of foreign companies in the new developing zones along Suez Canal. As they worked by two shifts, they were able to participate to demonstrations all day-long while after going back to work.

We have seen some violent confrontations within one factory and during some blockades in the streets or on a railway line in Cairo, but generally it was not central.

## Success and failures

Once again, due to the lack of accurate data, we are not able to know what has been the fate of many strikes except for the Al-Mahalla Al-Kubra textile mill. But we may imagine that the workers’ actions were more “eruptive bubbles” rather than a “deep wave”, where some easy-to-concede demands were satisfied (removal of an executive, for instance) and not others. From a general point of view, the established fact is that all these strikes and actions remained deeds of minorities, not only in numbers (regarding workplaces where nothing happened) but within the same place (even taking account of the inaccuracy of data). Once again, the strike in the Al-Mahalla Al-Kubra textile mill is an exception: starting on February 10th and lasting up to February 13th for the first attempt, and again from February 16th to February 19th. In the second case, we see that strikers started with 12,000 (50% of the workforce) and reached 20,000 (83% of the workforce): this means that not only was the strike powerful from its beginning but it was able to even gain new support. This means that an organization of the strikers (from workshops to factory level) was provided by a strike committee of 10 members in charge of negotiation.

On the contrary, we have many examples of strikes starting and remaining strikes of a minority of workers. The case of large companies, with many dispersed work locations like SCA or Egypt Telecom, exemplifies this. In the first case, strikers started and remained at 42% (of 16,000) and the strike was not able to go further and at Egypt Telecom, strikers started and remained at 10% (of 55,000) and nothing else happened. Obviously in a company where the workforce is split geographically (more than 50 work places) and by category (installation, operation, maintenance, research, etc.), it is very difficult to organize during a

first attempt. above all if the company is strongly lead by a director<sup>46</sup> who was able to greatly increase productivity by reducing the workforce (9,000) and reorganising the work process during the past ten years without meeting strong resistance from the workers.

Except in sectors where workers had already experienced strikes and organization in previous years (as textile workers in 2008), self-organization is only in its very infancy and everything has to be discovered step by step; workers need to train themselves through short skirmishes against capital before launching a movement of greater importance. There is another thing to take into account: in Egypt, work relationships between workers and the State are not like in Western countries and strong repression is never far away. In February and March, workers took advantage of a certain “vacuum” of State authority (mainly the police forces) which liberated their energies. But the State has obviously not disappeared and this lead workers to strengthen their new born organization. This explains both the open creation of new independent trade unions along with hidden links among the rank and file. Another thing is not to be forgotten: the power of the Muslim Brothers always overshadowed the future of the workers’ movement with black clouds--so long as their attitude towards it is unclear. We have seen that they publicly denounced the 2008 strikes. Are they willing and able to confront strikers in the times to come?

There is another thing that obscures the future of the workers’ movement in Egypt: two industrial sectors have been totally absent in the past months: Army owned factories and big resort hotels on the Red Sea shore. What can explain that, in the first case, 80,000 highly qualified workers and, in the second case, 100,000 employees working in big “industrial” hotels didn’t take advantage of Mubarak’s toppling to intervene with strikes?

Certainly in Army-owned factories, wages are higher and work conditions better than elsewhere in Egypt. But is this sufficient to explain the passivity? Whatever the reasons might be, if they remain, the next round of workers’ struggles will be harmed.

## **CONCLUSION**

### **Democratic demands, freedom and communism**

#### What was the igniter of events?

Following the Tunisian events, people began to react first against the prices of goods and against the Mubarak regime which was identified as responsible for every evil that harmed Egypt.

The rise in food prices and unemployment, particularly among the young, were at the origin of these explosions. In these countries, household expenditures on food make up around 40% of total expenditures. In 2010, the price of wheat in Egypt, which is the world's biggest importer, went up by 73% and maize jumped by 88%. Meat, fruit and vegetables became unaffordable for a large number of Egyptians.

But on this basis, once people gathered in Tahrir Square (for the Cairo area), and due to the repression, people advocated for freedom as general objective, Mubarak’s toppling became the immediate objective and everyday demonstrations became the means, revealing a courageous determination, evidenced by the deaths of hundreds of people. However, in spite of

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<sup>46</sup> Akil Beshar is CEO of Egypt Telecom since 2000.

their violent form, these riots were pre-eminently defensive in character. It's worth remembering that the exercise of violence by the proletariat is in no way a synonym for an offensive, and even less for workers' autonomy.

### What were the main demands?

Libertarian aspirations were strongly anchored in this wave of popular revolt--and for good reason. Proletarians know very well that any protest, even the most peaceful, will be violently crushed by the state. For the first time, the exploited have satisfied the essential need to practice the freedoms to which they aspire to and through their own struggles. In the independent fight, speech can be freed, autonomous organisation can blossom and individuals can develop all their capacities for socialisation. It is only on this terrain that the class struggle can absorb and resolve, in the fire of struggle, the most far-reaching libertarian aspirations of civil society. This type of approach is the only one appropriate to drawing a line of demarcation with democratic bourgeois demands.

No formalisation of individual and collective freedoms in the framework of the state is satisfactory. On the other hand, it would be stupid to brush aside the opportunity offered right now by the loosening of the dictatorship of capital and its state--including when it is crystallised in a bourgeois democratic foundation. The rejection of an indifferent attitude towards constitutional and institutional democratic changes must not, however, go so far as directly or indirectly supporting the process of a restructuration of the state. This is true even when the process begins with an action by the proletariat and takes place "in the heat of the moment", in a framework of an acute crisis of the state.

After Mubarak's fall, the police who were blamed for repression were authorized to "stay" home and not be seen in the streets for a time until things went back to normal. In the meanwhile, people learned to self-organize and control their neighborhoods against the police or supporters of Mubarak. But this was not widespread in all of Cairo nor did it last very long. The absence of critics of the Army, always presented as the protector of the "revolution", was successful enough to make people withdraw from the streets.

### What did the working class do in this movement?

The capacity of the working class in movement to draw towards itself sectors and individuals coming from other layers of civil society remains, in our view, a vital condition for its victory over the dominant classes. The problem is that, at this stage, the proletarian cause is masked by classic democratic demands and the power games within the dominant classes. Rapidly, the insurgents have shown themselves incapable of considering themselves as an expression of a social class which is independent and without a country.

A class which aspires not only to the overthrow of authoritarian and corrupt regimes but also the destruction of the state, of all states, and, above all, the revolutionary constitution of a centralised cooperative society, without classes, without money, without exploitation and without oppression.

As in Iran in the summer and autumn of 2009, the principal limit of the movement remains the under-utilisation by workers of the essential weapon at their disposal: the strike. In this way, they deprive themselves of the only really solid anchor of their fight and at the same time of a form of struggle which is the most effective against the state and the bosses,

whether “native” or “foreign”. The heart of the system of domination in any country in the world is production. It is there that we need to strike.

### Some established facts

If the working class, in the end--through difficult paths, advances and defeats, struggles for communism (that is by nature anti-democratic), it does not mean that the working class does not have to cope with democracy or democratic demands or to be unaware of them. On the contrary, the working class has an “interest” (or is not opposed to) in what is generally understood as freedom (freedom of circulation, freedom of speech, etc.) for every human being. But there are important points to make: 1) the working class, during a struggle against dictatorship or authoritarian democracy, put forwards specific freedoms (freedom of organisation within factories, for instance) and 2) explains to other classes that, to gain these freedoms, they must fight against a democratic state that always wants to transform and freeze these freedoms into rights because we don’t need rights, but 3) on the contrary, if people want something, the working class always advocates for struggling and organising to turn them into real living things against the state, and 4) to get this, the working class must be a real actor, in the factories and on the streets, by the means of its power (and violence against state) that leads the way to revolution.

### **What can happen?**

The wave of intensified nationalism which erupted in the streets in Tunisia and Egypt could reopen a phase of war with the Zionist state. In some circumstances of crisis, there is nothing more effective for reconsolidating a nation than identifying and declaring war on an external or internal enemy. The former internal enemy in Egypt, the Muslim Brotherhood, has organic links with the Islamist party in Jordan and with Hamas in Palestine. The latter is very close to Syria and Iran which, in Hezbollah in Lebanon, possesses a powerful regional connection to the corridors of power in Beirut. Hezbollah is, in its turn, closely linked to Damascus. This scenario is something we have to take account of, even if we can’t be sure it will happen, particularly when it is a question of addressing ourselves to the proletarians who will be the cannon fodder in the eventual wars to come.

More than ever, only a politics which is rigorously anti-state and defeatist can represent both the immediate and historic interests of the working class. There, as everywhere else.

# APPENDIX

## KEY ECONOMIC FACTS

	2001/2	2002/3	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010
Real GDP ( %)			4.1%	4.5%	6.8%	7.1%	7.2%	4.7%	5.1%	4.5%
GDP (billion \$)	87.5	81.4	78.8	89.5	107.4	130.3	162.4	188	215.8	
Inflation (average %)			8.1%	8.8%	4.2%	11%	11.7%	16.2%	12%	10%
Unemployment rate	9.4%	10.5%	11.1%	10.5%	10.9%	9.2%	8.1%	9%		
Tourism (%PIB)	3.9%	4.7%	7%	7.2%	6.7%	6.3%	6.7%	5.6%	5.5%	
Tourism (billion \$)	3.4	3.8	5.5	6.4	7.2	8.2	10.8	10.5	11.8	
Suez Canal (%PIB)	2.1%	2.7%	3.6%	3.7%	3.4%	3.2%	3.2%	2.5%	2.2%	
Suez Canal (billion \$)	1.8	2.2	2.8	3.3	3.6	4.2	5.2	4.7	4.7	
Hydrocarbon exp. (%PIB)	2.7%	3.9%	4.9%	5.9%	9.5%	7.8%	8.9%	5.9%	5.2%	
Hydrocarb. exp. (billion \$)	2.4	3.2	3.9	5.3	10.2	10.1	14.5	11	11.3	
Immigration (%PIB)					4.8%				4.5%	
Immigration (billion \$)					5.2				9.8	
US aid (%PIB)										
US aid (billion \$)					1.7		3.1			
% "rent"/PIB										
Area : 1 001 449km <sup>2</sup>										
Population : +/- 82-85 millions (43% urban)			68.6	70	71.3	73.6	75.2	76.8	77.8	

Sources : FMI and « Confluences Méditerranée n°75 »

