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By Joel Beinin and Hossam el-Hamalawy

In echo of the recent reports posted here on the large scale workers activity in the textile industry of Bangladesh I am posting this excellent report from Egypt. The report covers the last few years wave of strikes initiated in the Egyptian textile industry but by spreading to other sectors, effectively shaking the stasis of a State approved union infrastructure and the autocratic pro-privatisation political order. Reposted from Middle Eastern Report Online : <http://www.merip.org/mero/mero032507.html>

Egyptian Textile Workers Confront the New Economic Order

Joel Beinin and Hossam el-Hamalawy

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For background on worker protest in Egypt, see Joel Beinin, "Popular Social Movements and the Future of Egyptian Politics," Middle East Report Online, March 10, 2005.

For the last ten years Muhammad 'Attar, 36, has worked in the finishing department at the gigantic Misr Spinning and Weaving Company complex at Mahalla al-Kubra in the middle of the Nile Delta. He takes home a basic wage of about \$30. With profit sharing and incentives, his net pay is about \$75 a month. His 33-year-old wife, Nasra 'Abd al-Maqsoud al-Suwaydi, makes about \$70 a month working in the ready-made clothing division of the same firm.

These wages are barely adequate to feed, house, clothe and pay for obligatory after-school private lessons for their three sons: Magdi (age 12), 'Umar (age 10) and 'Ali (age 5). The 'Attar family income is nearly double the absolute poverty line of \$975 a year for a family of five in an urban zone of the Nile Delta, but well below both the upper and lower international poverty lines set by the World Bank.[1]

Sayyid Habib began working at the Misr Spinning and Weaving Company in 1964, when he was 18. After 44 years of service, he earns a basic wage of about \$40 a month plus profit sharing and incentives.

Workers like 'Attar and Habib tolerate such low wages because the Misr firm is part of Egypt's large public sector. Manual workers and white-collar employees in the public sector have jobs for life and the right to a pension equal to 80 percent of their salary at retirement. Since 2004, however, the Egyptian government has renewed its drive to privatize the textile industry. Workers fear that the new investors, many of them from India, will not provide them with the job security or the benefits they and other public-sector workers have enjoyed since most textile mills, along with other large and medium-sized enterprises in all sectors of the economy, were nationalized in the early 1960s under Gamal Abdel Nasser. These fears have led to an unprecedented wave of wildcat strikes, which, since late 2004, have been centered in the textile sector, but have spread to other industries as well. In late 2006 and 2007, the strike wave has reached a particularly high crest.

Since the enactment of Egypt's Unified Labor Law of 2003, it has technically been legal for workers to strike, but only if approved by the leadership of the General Federation of Egyptian Trade Unions. Since the federation, along with the sectoral general unions and most enterprise-level union committees, are firmly in the grip of the ruling National Democratic Party (NDP), all actual strikes since 2003 have been "illegal."

Muhammad 'Attar and Sayyid Habib were among the leaders of a December 2006 strike at Misr Spinning and Weaving, one of the most militant and politically significant in the current strike wave. This upsurge of labor collective action has occurred amidst the broader political ferment that began in December 2004 with taboo-breaking demonstrations targeting President Husni Mubarak personally, demanding that he not run for reelection in 2005 (he did) and that his son, Gamal, not succeed him as president. An amendment to the constitution permitting the first-ever multi-candidate presidential election generated expectations that the 2005 presidential and parliamentary elections would be fair and democratic. These hopes were frustrated. Nonetheless, a wide swathe of the public, which is mostly engrossed in trying to earn a living, began to take notice of politics.

With the election of 88 Muslim Brothers in 2005, Egypt's normally sleepy Parliament acquired a substantial opposition bloc that has exerted continual pressure on the regime. Inexperienced in handling serious public debate, the regime has begun to crack down viciously on all manner of dissenters -- from Muslim Brothers to bloggers and journalists. The passage of a second round of constitutional amendments in March 2007 will make it much more difficult for independents and Muslim Brothers to run for political office and permanently allow abusive police practices that have been nominally illegal or permissible only under the "temporary" state of emergency in force since 1981.

Even before the regime's crackdown, there was a marked decline in the activity of the well-known Kifaya movement and other extra-parliamentary forms of opposition. But the wave of strikes and other forms of working-class collective action continues unabated. It represents the most substantial and broad-based kind of resistance to the regime -- one that must be handled very delicately if Husni Mubarak hopes to maintain the "stability" he needs to pass the presidency on to his son, as most Egyptians are convinced he seeks to do.

## A FIGHTING SPIRIT

The 24,000 workers at Mahalla al-Kubra's Misr Spinning and Weaving complex were thrilled to receive news on March 3, 2006 that Prime Minister Ahmad Nazif had decreed an increase in the annual bonus given to all public-sector manufacturing workers, from a constant 100 Egyptian pounds (\$17) to a two-month salary bonus. The last time annual bonuses were raised was in 1984 -- from 75 to 100 pounds.

"We read the decree, and started spreading awareness about it in the factory," said 'Attar. "Ironically, even the pro-government labor union officials were also publicizing the news as one of their achievements." He continued: "December [when annual bonuses are paid] came, and everyone was anxious. We discovered we'd been ripped off. They only offered us the same old 100 pounds. Actually, 89 pounds, to be more precise, since there are deductions [for taxes]." [2]

Striking Misr Spinning and Weaving Company workers in Mahalla al-Kubra. (Nasser Nouri)

A fighting spirit was in the air. Over the following two days, groups of workers refused to accept their salaries in protest. Then, on December 7, thousands of workers from the morning shift started assembling in Mahalla's Tal'at Harb Square, facing the entrance to the mill. The pace of factory work was already slowing, but production ground to a halt when around 3,000 female garment workers left

their stations, and marched over to the spinning and weaving sections, where their male colleagues had not yet stopped their machines. The female workers stormed in chanting: “Where are the men? Here are the women!” Ashamed, the men joined the strike.

Around 10,000 workers gathered in the square, shouting “Two months! Two months!” to assert their claim to the bonuses they had been promised. Black-clad riot police were quickly deployed around the factory and throughout the town, but they did not act to quell the protest. “They were shocked by our numbers,” ‘Attar said. “They were hoping we’d fizzle out by the night or the following day.” With the encouragement of state security, management offered a bonus of 21 days’ pay. But, as ‘Attar laughingly recalled, “The women [workers] almost tore apart every representative from the management who came to negotiate.”

As night fell, said Sayyid Habib, the men found it “very difficult to convince the women to go home. They wanted to stay and sleep over. It took us hours to convince them to go home to their families, and return the following day.” Grinning broadly, ‘Attar added, “The women were more militant than the men. They were subject to security intimidation and threats, but they held out.”

Before dawn prayers, riot police rushed in the mill compound’s gates. Seventy workers, including ‘Attar and Habib, were sleeping inside the mill, where they had locked themselves in. “The state security officers told us we were few, and had better get out,” said ‘Attar. “But they did not know how many of us were inside. We lied and told them we were thousands.” ‘Attar and Habib hastily wakened their comrades and together the workers began banging loudly on iron barrels. “We woke up everyone in the company and town. Our mobile phones ran out of credit as we were calling our families and friends outside, asking them to open their windows and let security know they were watching. We called all the workers we knew to tell them to hurry up to the factory.”

By then, police had cut off water and power to the mill. State agents scurried to the train stations to tell workers coming from out of town that the factory had been closed down due to an electrical malfunction. The ruse failed.

“More than 20,000 workers showed up,” said ‘Attar. “We had a massive demonstration, and staged mock funerals for our bosses. The women brought us food and cigarettes and joined the march. Security did not dare to step in. Elementary school pupils and students from the nearby high schools took to the streets in support of the strikers.” On the fourth day of the mill occupation, panicking government officials offered a 45-day bonus and gave assurances the company would not be privatized. The strike was suspended, with the government-controlled trade union federation humiliated by the success of the Misr Spinning and Weaving workers’ unauthorized action.

## THE BIGGEST BLOW

Soon thereafter, activists like ‘Attar and Habib wound up to deliver what could be the biggest blow of all to the federation. The strike leaders launched a campaign to impeach local union officials, who had opposed the strike and who, according to activists, enjoy close ties with the security services.

By the end of January, around 12,800 workers had signed a petition addressed to the General Union of Textile Workers, demanding impeachment of the Mahalla local union committee and the holding of new elections. The Misr workers gave the General Union a February 15 deadline, by which they would need to sack the local union officials or face mass resignations from the General Federation, the workers’ first step toward building an independent labor union.

Federation bosses adamantly opposed the impeachment demand, fearing it would trigger a flurry of similar initiatives elsewhere. Instead, General Union negotiators floated the idea of a “Representatives’ Committee” to work side by side with the committee the workers were trying to impeach. This Representatives’ Committee would include about 105 workers, elected straight from the shop floor. A worker activist who attended the meeting said that Federation representatives implied that the old committee would be “marginalized” and that the Representatives’ Committee would eventually have “more say in how things are run in the mill.” The General Union refused to put anything on paper, however. The workers, ‘Attar said, got the feeling that “the representatives would be janitors for the union officials.”

Since these talks broke down, workers have been mailing their resignations to the General Union of Textile Workers on a daily basis, said ‘Attar and Habib. By early March, the two activists estimated, 6,000 resignations had been dispatched. A worker-management showdown is expected by the end of March, because then the union should stop deducting the workers’ membership dues automatically from salaries. The workers do not expect their resignations to be honored.

## REVERBERATIONS

The outcome of this battle, which could drag on for months, may well determine the course of the labor movement in the years to come. The victory achieved by the Mahalla strikers has already reverberated throughout the textile sector. In the three months following the December 2006 strike, about 30,000 workers in more than ten textile mills in the Nile Delta and Alexandria participated in protests ranging from strikes and slowdowns to threats of collective action if they did not get what the Mahalla strikers won.

In virtually all cases, the government succumbed. As in Mahalla al-Kubra, riot police were deployed around the mills, besieging the compounds, but in no case did they make good on threats to break the strikes by force. In most cases, local union officials opposed the strikes, and attempted to abort them. At the Misr mills in Kafr al-Dawwar, the strikers “detained” union officials inside the factory to compel them to join the strike.

While hostility toward the union bureaucracy prevails everywhere, only the strikers of Kafr al-Dawwar and the Shibin al-Kum Spinning Company have pressed the Mahalla demand to impeach local union officials. There was talk of this demand in other locations, but so far it has not materialized. In one case, the workers dropped the demand following the end of the strike; in another, they filed a lawsuit.[3] But there has been no mobilization on the ground to support such legal action.

According to labor activists in Kafr al-Dawwar, Mahalla al-Kubra and Cairo, most strike leaders do not belong to a political organization, and regard political parties with suspicion. Nor is there evidence of logistical coordination between shops, though strikers have received news of triumphs elsewhere with enthusiasm. According to one report from Kafr al-Dawwar, “Receiving the news of their colleagues in Zifta, [the strikers] celebrated the victory, chanting: ‘Strike until death! Strike until payment!’”[4]

The Misr Spinning and Weaving strike has also found echoes in workers’ struggles outside the textile sector, though there has been no active coordination. In December, cement factories in Helwan and Tura went on strike. At the same time, auto workers in Mahalla al-Kubra staged a strike and sit-in.

In January, railway engineers went on strike, blocking the first-class Turbini train from Cairo to Alexandria that primarily transports businessmen and professionals. They later threatened a national work stoppage, until the government agreed to most of their demands and promised to acquiesce in more. During the railway strike, the Cairo subway drivers slowed the speed of their trains from 55 to

20 miles per hour in solidarity. Railway strikers spoke of how “encouraged they were by the victory at Mahalla.” There were also wildcat strikes by truck and microbus drivers, poultry farmers, garbage collectors, and public gardeners and sanitation workers.

There are signs that militant textile workers are pushing for a mechanism of national cooperation. One month after the victory of the strike in Kafr al-Dawwar, a statement signed by “Workers for Change in Kafr al-Dawwar” was distributed in the factory, calling for “expanding coordination between workers in companies that went on strike with us, to create the necessary solidarity links and exchange experiences.”

## THE FAMILY HISTORY OF MILITANCY

The Misr Spinning and Weaving Company in Mahalla al-Kubra has a long history of working-class militancy dating back to the 1930s, including a ferocious strike in September-October 1947 demanding an independent trade union.[5] Workers’ victories won there have often sent ripples far beyond Mahalla. Since it was established in 1927, the Misr mill has been considered a cornerstone of Egypt’s industrialization effort. It has recruited generations of peasants from the surrounding villages, and transformed them into “modern” workers as they turned Egypt’s principal agricultural product, cotton, into finished cloth. It is no accident that the Misr conglomerate, of which the Spinning and Weaving mill was the flagship enterprise, was the first industrial firm to be nationalized by the regime of Gamal Abdel Nasser in 1960 as it began to embrace “Arab socialism.” Some of the current strikers draw upon an activist heritage in their own families.

In the year Misr Spinning and Weaving opened its doors, Sayyid Habib’s father came from the village of Tala to work in the dyeing department shortly after he was married. His initial monthly wage was 90 piasters (a piaster is a hundredth of a pound). In 1975 he retired with a pension of ten pounds and 80 piasters a month. After the mill was nationalized, pensions were made subject to a cost-of-living increase, so his final monthly pension when he passed away in 1996 was 182 pounds. Habib’s father would regale his little son with stories of the workers’ battles of yesteryear. “He did a good job,” said ‘Attar with a wink.

Soon after the Misr firm was nationalized, all textile mills with over 200 workers were brought into the public sector. Nationalization resulted in an immediate wage increase. Workers at the top of the scale earned seven and a half pounds a month. (Until recently Egyptian pounds were highly overvalued and not freely convertible in the international currency market, so no real dollar equivalent can be easily established.)

“Work conditions [when I started] were better than today,” Sayyid Habib said. “I used to get 2.05 pounds a month for an eight-hour day. The workers supported the nationalization. It raised salaries, and social insurance was granted. Another achievement of the nationalization was setting up a workers’ cafeteria. Breakfast back then cost one piaster, [which got you] a cup of tea, a dish of beans, salad and a round of bread. Lunch, consisting of two pieces of beef or a quarter of a chicken, rice, vegetables and fruit, cost two piasters.” In the mid-1960s, recalled Habib with a smile, “For 20 piasters a day, my mother used to go to the market and buy everything we needed in the house.” The workers’ cafeteria was closed down in 1994, Habib said. ‘Attar added bitterly that it was “still open, but only for the elite” -- managers and their favorites.

By the late 1960s, wages began to lag behind the cost of living. This trend was exacerbated after 1970, when President Anwar al-Sadat succeeded Nasser, as resources were directed toward the military in preparation for the 1973 war. Nonetheless, Habib felt that “when Sadat announced the ‘open door’ economic policy [in 1974], things were moving forward. The company had 184 clients internationally. Raw materials and labor were cheap. There were around 40,000 workers in the mill.” In response to

declining real wages, in 1975 Habib participated in a three-day sit-in strike that resulted in a wage increase from nine to 15 pounds a day for all public-sector production workers in Egypt.

Mahalla workers were ambivalent about Sadat. They had doubts about the open door policy despite the progress they saw in the mill. They appreciated the bonuses Sadat distributed when he visited, and, weary of the successive wars with Israel, they reluctantly supported the 1979 Camp David peace accord. But they continue to distrust Israel, and Sadat's conclusion of the agreement brought him no popularity. Habib related the tale of his colleague Gabr, who "made a vat of sharbat (punch)" for his fellow workers when Sadat was assassinated in 1981. "He was detained by security." Habib went on: "When Nasser died, the female workers wore black. When [legendary singer] Abd al-Halim Hafiz died, they also wore black. When Sadat died, no one wore black."

In October 1985, Habib was arrested and detained for 12 days for planning a strike to demand increased work uniform allowances and incentive pay. Two and a half months later, he participated in a strike that won a paid weekly holiday and double-time pay for working on Friday. This, too, was applied to all public-sector workers.

### CHIPPING AWAY

Workers' collective memory of better wages and working conditions has continued to fuel labor activism as the Mubarak regime steadily chips away at the social compact established under Nasser.

Since the mid-1980s, the structural crisis of Egypt's textile industry has intensified, as wages and working conditions have deteriorated. The proportion of textile workers in the industrial work force began declining in 1960; the absolute number of textile workers began declining in 1976.[6] The index of real wages of textile workers declined from 100 in 1986 to 61 in 1994, an even more precipitous decline than that of the industrial work force as a whole.[7] Due to lack of capital investment, productivity in the Egyptian textile industry was actually lower in 1999 than in 1985. It is now much lower than in neighboring countries like Tunisia and Turkey. A quarter of the machinery is outdated and needs to be renovated or replaced.[8]

The 1991 Gulf war created the conditions for Egypt to sign a "structural adjustment" agreement with the International Monetary Fund and the World Bank. This deal opened the way toward privatizing the public sector, a step that the international financial institutions had been urging upon Egypt for over a decade. After resisting privatization since 1974, the leadership of the General Federation of Egyptian Trade Unions endorsed it. Several state-owned textile firms were sold to Egyptian and foreign investors during the mid-1990s, generating 12 percent of all proceeds from the sale of public-sector enterprises. From 1992 to 2000, the market share of the private sector in cotton spinning grew from 8 percent to 58 percent.[9]

Privatization has not improved the lot of textile workers. Wages of Egyptian textile workers are among the lowest in the world: 85 percent of wages in Pakistan and 60 percent of wages in India. A weaver in a well-run private-sector enterprise makes about 1,000 pounds a month; a spinner makes about 800. The lower-paid spinners are mostly women. These wages are roughly double what workers earn in the same jobs in the public sector, but private-sector textile workers work 12 hour shifts (as opposed to eight in the public sector) and rarely receive the health insurance or other social benefits to which they are legally entitled.[10]

Precise information about working conditions in privately owned textile and garment enterprises is difficult to come by. According to Muhammad 'Attar, "Private-sector workers have terrible conditions. When a worker joins a company, he usually signs three papers: his undated resignation letter, a blank check and his letter accepting employment." Sayyid Habib's son went to work at the

private al-Masiri Company in 2005. “I warned him,” said Habib. “When he went he saw the situation [that he had to sign an undated letter of resignation]. He refused to work at the mill.”

By 1999, 137 of the 314 public-sector firms declared eligible in 1991 had been privatized. Although 1991 legislation forbade mass layoffs after privatization of a firm, managers of public-sector firms under consideration for privatization often attempted to make them more attractive by reducing the work force before the sale. Anxieties about unemployment and other possible consequences of privatization prompted a renewal of strikes and collective action in the mid-1990s, with major strikes at Misr Fine Spinning and Weaving in Kafr al-Dawwar in November 1994 and Misr Helwan Spinning and Weaving in August 1998. At the Misr Helwan mill, the entire work force of 8,700 was given a three-week vacation. Then management announced that only 2,800 workers should return to work. Rumors spread that the enterprise would be leased to a private investor.[11]

At the beginning of the current strike wave, some 400 mill workers in Qalyoub sat in at their enterprise from February to June 2005 protesting the sale of their firm to a private investor, because neither the government nor the new owner would guarantee the level of their wages, benefits and pensions.

Few private-sector firms are unionized. There have been attempts to organize the workers at two private-sector textile companies in Mahalla. A union was established at the Samuli Company (3,500 workers) in 2003. The owner initially agreed to negotiate with the union. But after several confrontations, he sacked 18 workers, including the three elected union representatives. At the Abu al-Siba‘i firm (1,500 workers), the owner managed to buy off the three new union officials with payments of 20,000 pounds each, and the project failed.

Despite the low wages and greater “flexibility” for managers at privatized firms, the Egyptian textile industry remains uncompetitive on the world market. Exports began to decline in 1990, exacerbated by a global textile recession in 1991. Due to lack of investment, public or private, in 2001 the value of total production reached the lowest point since government statistics began to be collected in 1996-1997.[12]

## THE STRIKERS IN THE BIG PICTURE

The Mahalla workers, along with thousands of others, seized the opportunity of the political opening created by the anti-Mubarak demonstrations of 2004-2005 to press their demands. Despite its commitment to privatization, the Mubarak regime cannot afford to alienate such a large and strategically important stratum of the population.

The regime is especially wary of the Mahalla workers’ challenge to the leadership of the General Federation of Egyptian Trade Unions, because the federation is its primary means of mobilizing support in the street. The “National Democratic Party supporters” bussed to provincial polling places to stuff ballot boxes during the November 2005 parliamentary elections were mainly miserably paid public-sector workers, rounded up by NDP-affiliated union bureaucrats. Labor bosses also turn out the “spontaneous” cheering crowds who greet presidential visits to outlying towns and “mass demonstrations” like the regime-approved protest against the Iraq war in Cairo Stadium in February 2003. In the past, the General Federation (together with the Arab Socialist Union, the NDP’s predecessor) supplied the foot soldiers for the “mass” pro-Nasser gatherings following Egypt’s defeat in the 1967 war, and the “popular” rallies against the January 1977 “bread intifada.”

In public meetings and private interviews, labor activists and strike leaders in the textile and railway sectors frequently mention the phrase “independent parallel national labor union.” Various leftist organizations are talking about building such a thing: the Trotskyist Revolutionary Socialists, the Nasserist Karama Party, the remnants of the Egyptian Communist Party, the People’s Socialist Party,

the Center for Trade Union and Workers' Rights, and the Workers' Coordination Committee. (Nearly absent from these deliberations is the "legal left" Tagammu' Party.) As of yet, however, there are no concrete plans.

The success of such endeavors will depend on whether industrial militancy is sustained, whether political activists can intervene in the strikes and whether workers can establish effective coordination among themselves. It will also depend on whether the Misr Spinning and Weaving workers indeed manage to withdraw from their government-dominated union. If they do score a victory against the union bureaucracy, other workers will be encouraged to emulate them. It is no secret that there is tremendous frustration with union leaders among the rank and file in the railways and other sectors.

Because of the high price of oil and receipts from the sale of public-sector firms, the government has significant cash reserves and can afford to meet workers' bread-and-butter demands. It has done so in the hopes that workers will return complacent to their jobs. But some workers, and it is not yet clear how many, have begun to connect their thin wallets with broader political and economic circumstances -- the entrenchment of autocracy, widespread government incompetence and corruption, the regime's subservience to the United States and its inability to offer meaningful support for the Palestinian people or meaningful opposition to the war in Iraq, high unemployment and the painfully obvious gap between rich and poor. Many Egyptians have begun to speak openly about the need for real change. Public-sector workers are well-positioned to play a role if they can organize themselves on a national basis.

#### Endnotes

[1] Absolute poverty is defined as inadequate income to provide the food, shelter and clothing needed to preserve health. The figure given here is specific to Egypt. The World Bank uses international poverty reference lines set at \$1.08 and \$2.15 in 1993 Purchasing Power Parity terms. This would mean \$1,971 and \$3,924 for the 'Attar family.

[2] The authors interviewed Muhammad 'Attar and Sayyid Habib in Mahalla al-Kubra on March 9, 2007, and are deeply grateful for their willingness to share their experiences and insights.

[3] Al-Masri al-Yawm, February 10, 2007.

[4] See "Diary of a Working Class," reports collected by the Workers' Coordination Committee on February 6, 2007, and accessible online at:  
<http://arabist.net/arabawy/2007/02/06/diary-of-a-working-class/>

[5] See Joel Beinin and Zachary Lockman, *Workers on the Nile: Nationalism, Communism, Islam and the Egyptian Working Class, 1882-1954* (Cairo: American University in Cairo Press, 1998).

[6] Tamer Abdel-Kader, "State, Capital and Workers' Protests in Egypt" (unpublished master's thesis, American University in Cairo, 1998), p. 79.

[7] *Ibid.*, p. 84.

[8] American Chamber of Commerce in Egypt, *The Textile and Clothing Industry in Egypt* (Cairo, August 2004), p. 70.

[9] Jolynn Khamky, "Liberalization to Divestment: Egypt, 1960-2000" (unpublished senior honors thesis, Department of History, Stanford University, 2003), pp. 50, 65.

[10] Interview with the owner of a private-sector textile enterprise who wishes to remain anonymous, Cairo, March 19, 2005.

[11] Agnieszka Paczynska, "Globalization and Pressure to Conform: Contesting Labor Law Reform in Egypt," paper presented at the DC Area Workshop on Contentious Politics, University of Maryland, October 23, 2002.

[12] Abdel-Kader, p. 81; Egypt, Central Agency for Public Mobilization and Statistics, On-Line Census of Industrial Production, 2000-2001.