

²³ Gilles Deleuze, *Cinema 2: L'Image-Temps*, p. 196. *Cinema 2, The Time-Image*, p. 150.

²⁴ Ramses Younan, "La désagrégation des mythes," p. 171.

²⁵ Gilles Deleuze, *Cinema 2: L'Image-Temps*, p. 185. *Cinema 2, The Time-Image*, p. 141.

²⁶ Gilles Deleuze, *Cinema 2: L'Image-Temps*, p. 196. *Cinema 2, The Time-Image*, p. 150.

²⁷ Ramses Younan, "La désagrégation des mythes," p. 150.

²⁸ Gilles Deleuze, *Cinema 2: L'Image-Temps*, p. 191. *Cinema 2, The Time-Image*, p. 146.

²⁹ Roland Barthes, *Mythologies*, trans. Annette Lavers (New York: The Noonday Press, 1989), p. 135.

³⁰ *Ibid.* Italics in original. ♦

Maintaining the Moral Economy: Egyptian State-Labor Relations in an Era of Economic Liberalization¹

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This article aims to explain the changing nature of state-labor relations in Egypt since 1991, when Egypt signed a structural adjustment agreement with the International Monetary Fund and the World Bank. Most observers agree that Egypt's official shift from a public sector-led economy to a more mixed economy has had important consequences for the living standards of Egypt's 17,358,000 workers, particularly the 757,015 public sector workers (approximately 4.3 percent of the work force).² While neoliberal economists and some government officials argue that Egyptian workers in the private sector are enjoying higher salaries, some reports paint a picture of increasing poverty and insecurity among both private and public sector blue collar workers.³ The withdrawal of the state from the economy is leaving labor without any guarantees of its social and economic rights under Egyptian law.

Economic liberalization threatens an important pillar of Egypt's postcolonial regime.⁴ The public sector-dominated economy provided the regime with important resources, which it partly distributed to the working class as socioeconomic benefits. In return, workers were expected to fulfill their patriotic role of building Egypt's economy and to eschew any actions that could jeopardize their productive contribution. This reciprocal relationship has been termed the "moral economy."⁵

Since 1991, workers have been protesting against the withdrawal of the socioeconomic benefits they enjoyed before the onset of privatization. This is in spite of maintained, or even increasing, levels of state coercion. Nevertheless, workers' protests are failing to achieve their demands for a reinstatement of the benefits of the previous era. With the apparent end to the public sector social safety net and the state's commitment to social equality, together with continuing suppression of independent labor activism, where to now for Egypt's workers?

Part one of this article proposes a framework for explaining state-labor relations in the postcolonial period. This framework draws on the Gramscian concept of hegemony as a means of explaining how modes of power and resistance in relation to the state and labor have been shaped in the postcolonial period. Parts two and three apply this conceptual framework to some empirical data gathered during fieldwork visits to Egypt from 1997 onward. The data demonstrates how government

and workers' actions, such as, respectively, the creation of employee stockholder associations and strikes against privatization, do not represent a break from postcolonial state-labor relations. Instead, these actions attempt to maintain the pattern of relations existing before 1991. However, within the context of an economic liberalization process, this logic of action has extremely negative repercussions, particularly for workers. Finally, the conclusion attempts to identify ways in which Egyptian workers can find a way out of their current predicament and empower themselves to protect their interests within the context of a liberalized economy.

1952 Onward: Regime Hegemony and the Creation of the Moral Economy

The moral economy provides the framing discourse for workers' struggles against economic liberalization today and has been reproduced since 1952 through the hegemonic project of the regime in the course of state building and regime consolidation.⁶ According to Gramsci, hegemony represents the moral and material leadership of the ruling class and is transmitted via the institutions of civil society, such as the education system, religious institutions, and, of course, trade unions.⁷ Here, I break hegemony down into the material, institutional, and ideological or discursive mechanisms of domination. All three "elements" of a hegemonic project are mutually constituting. Nevertheless, hegemony does not simply collapse when one of the elements is taken away or weakened. Rather, the other elements may be reinforced in order to compensate for change. In order for hegemony to succeed, both the rulers and the ruled must perceive tangible gains from the system and both parties participate in the continued reproduction of hegemony.

In the context of Egyptian state-labor relations, the moral economy represents the discursive element in the hegemonic project. It consists of a set of beliefs in the reciprocity of rights and duties between state and labor. Workers guarantee their uninterrupted labor power for the sake of national economic development. Official discourse has attributed a special role to workers and trade unions in contributing to, and increasing, national production. Work stoppages were criminalized, since they have the potential to threaten national production—one of the main pillars of state-building in the postcolonial era. Consequently, workers' right to strike has been discredited as unpatriotic.⁸ Meanwhile, the regime's strongly anti-imperialist stance, enthusiastically supported by the Marxist intelligentsia, made it even more difficult for the concept of class conflict to exist, since workers were supposed to stand against the imperialists, and not against compatriot capital.⁹ In return, the regime granted workers socioeconomic rights, such as guaranteed employment, guaranteed wage levels, and free health care. It is important to note that these benefits are framed legally and in official discourse as "rights" and not as benefits. For workers, these benefits represent moral entitlements, whose violation is met with anger rather than rational calculation.¹⁰

According to the terms of reciprocity between state and labor, public display of workers' anger at the loss of their rights, through demonstrations, sit-ins, or other protests, is criminalized by the regime. They have been forced to channel

their demands through the corporatist General Federation of Egyptian Trade Unions (GFETU). A 1959 law created this hierarchical pyramid structure of the trade union federation with plant unions at the base, grouped together according to field of activity in national unions. The national unions formed the middle layer of the pyramid, and at the top, supervising them all, was the GFETU.¹¹ The GFETU was placed under government supervision from the outset. The executive imposed its control over the federation and limited the potential political role of the trade unions in three ways: 1) by co-opting and regulating the federation's leadership; 2) by preventing independent political action by workers; and, 3) by meeting worker demands for improved working conditions and granting extensive socioeconomic benefits to workers as legal entitlements.

The regime's first step in guaranteeing a "cooperative" union leadership was government appointment of the entire executive board of the newly created organization.¹² In 1959, the post of minister of labor was created and given powers to dissolve any union opposing the constitution.¹³ From 1962, the regime was able to control the selection of candidates for trade union positions by making membership of the Arab Socialist Union a prerequisite for candidacy. When the Arab Socialist Union was abolished in 1977, the institution of the Socialist Public Prosecutor was introduced to control the candidate selection process.¹⁴

With the government undertaking the unions' traditional role of protecting workers' rights, the unions were reduced to performing technical functions such as raising productivity and efficiency and mobilizing support for government policies.¹⁵ The hierarchical structure of the federation was an obstacle to plant-level unions reacting to measures against their members' interests. In other words, workers were deprived of independent institutions to guarantee their rights.

Consequently, workers have become dependent on state largesse to guarantee their rights. For the greater part of the postcolonial era, this largesse has been distributed through Egypt's huge public sector. The government has granted workers in public sector industries many of the pre-1952 demands of the workers' movement for improved working conditions. In 1964, the work week was reduced to forty-two hours, the minimum wage was doubled, and a social insurance scheme was introduced. Worker representation was introduced on the boards of management of all public sector firms, while all state employees were entitled to a share in company profits.¹⁶

The early years of the import substitution industrialization (ISI) strategy were economically successful and workers benefited greatly from increased state resources. One million new jobs were generated. Growth rates of 6 percent per annum were recorded, enabling the state to extend universal public services such as health care and education, to subsidize food, transportation, and utilities, and to provide inexpensive state sector housing.¹⁷ These social policies helped to build popular support for Nasir's regime. Simultaneously, this relationship of material dependency between workers and the state also consolidated the regime's control.

To summarize, the moral economy represents one of the elements of regime hegemony in the postcolonial period. The ideology of reciprocity between state and

workers is reinforced through the institutional arrangements of corporatism and the material benefits of the public sector. While workers have benefited from this relationship, a prerequisite for the acceptance of a regime's hegemonic project, it is not an equal one. The regime always dominates because it can resort to the state's impressive coercive apparatuses. The government uses the state's legitimate monopoly of violence to suppress workers' protests. Since 1952, when it brutally crushed a strike by workers in the Kafr al-Dawwar textile factory, the government has attempted to prevent all independent worker action.¹⁸ In addition to the coercion of the security apparatus, workers are always subject to the coercion of the marketplace, which forces them to sell their labor power in order to survive.

However, it cannot be claimed that the regime's postcolonial hegemonic project has been a state-led affair. It has been the outcome of struggles and bargaining between workers and the state. The establishment of the GFETU in January 1957 was the result of pressures from the labor movement coupled with regime recognition of the need to co-opt labor leaders as the state increasingly took control of the economy.

Despite the institutional and ideological barriers to class-based action, workers often interpreted nationalist discourse in a radical manner that supported workers' rights.¹⁹ Indeed, the ban on strikes did not stop workers from staging other symbolic protests, such as factory sit-ins and the boycotting of paychecks. Attempts by the government to eliminate workers' socioeconomic rights under deteriorating economic conditions (such as in 1966, 1968, 1977, and 1986) resulted in angry protests by workers.²⁰ This reaction led the government to be cautious in removing previous entitlements. However, all these protests were conducted outside of the official trade union organization.²¹ As Marsha Pripstein Posusney demonstrates, these protests were restorative in response to pay cuts and rising costs of living, expressing workers' anger at the breakdown in the moral economy.²²

This section has attempted to demonstrate the ways in which the moral economy has been produced and reproduced in the postcolonial period, through its relationship to institutions and material conditions. This short exposé cannot begin to do justice to the various series of conflicts and bargaining that has occurred between workers, trade union officials, and government throughout the postcolonial period. Nevertheless, despite these events, it is possible to identify quite specific and stable ideological, institutional, and material elements constituting the postcolonial hegemonic project of the regime. For the most part, workers have willingly participated in this project, perceiving it to be in their own interests, despite the fact that they have been prevented from undertaking independent action to guarantee their rights.

In the post-1991 era, economic liberalization, in theory, has been dismantling the public sector. Without this important source of state largesse, the government has been unable to guarantee workers' socioeconomic rights. Given that the relationship of material dependence between the state and labor was an important element in guaranteeing workers' rights in addition to enabling regime control over workers, what is the effect of economic liberalization on state-labor relations since 1991? The next section will attempt to answer this question.

After 1991: Economic Liberalization and State-Labor Relations

Many authors trace the beginnings of economic liberalization to the Open Door Policy, or *al-infitah*.²³ This change in economic policy signaled the bankruptcy of Nasir's ISI strategy. Nevertheless, even under *al-infitah*, Egypt's public sector continued to grow, boosted by foreign investments, strategic rents, and the oil boom.

The 1991 Gulf War marked the turning point for Egypt's economic liberalization process as a result of two factors. First, the war exacerbated Egypt's already mounting financial and economic problems. Second, the outcome of the Gulf War reaffirmed the United States' geopolitical hegemony over the Middle East region and Egypt's economic dependency upon the United States and its allies. In return for Egypt's participation in the Allied Coalition, Western donors granted Egypt a \$20 billion debt relief package on condition of Egypt's commitment to a radical economic reform process.²⁴ In May 1991, the government signed a new structural adjustment package with the IMF in return for continued debt relief by the Paris Club. The package committed the government to a variety of macroeconomic stabilization and liberalization measures, particularly the divestiture of state-owned enterprises.²⁵

The IMF economic reform package has led to the undoing of many of the populist measures undertaken in the postcolonial era. New laws have been passed that shift relations in favor of the private sector and private property at the expense of non-property owners and those on fixed incomes. The pieces of legislation that have gained the most attention include Law 96/1992 permitting the liberalization of agricultural rents from their administratively set levels, which has led to the dispossession of substantial numbers of tenant farmers, and Law 4/1996 abolishing rent controls and the rights of tenants not to be evicted from rented apartments for all new tenancy contracts.

In addition, public expenditure has been reduced, resulting in a cut in the deficit from over 20 percent of GDP before the Gulf War to 4.7 percent in 1992/93. By 1993/94, the overall budgetary deficit was only 2 percent of GDP.²⁶ This massive cut has primarily been achieved through a reduction of subsidies on goods and services, including health and education, and the introduction of a regressive sales tax.²⁷ Between 1986 and 1996 prices rose fivefold.²⁸ As a result, the average real wage fell during this period by 10 percent.²⁹

The most important element of the government's economic liberalization program, and the one that has received the most attention, is privatization. Despite the heated debates about privatization in the parliament and the press, the rate of state divestiture has been very slow. Between 1991 and January 1996, only three companies were completely sold to the private sector (to anchor investors) and sixteen were partially divested (portions ranging between 5 percent and 10 percent) through the stock market.³⁰

After 1996, the rate of divestiture quickened slightly, due to pressure by the IMF. The government announced in February 1996 a list of more than a hundred companies that would sell their shares that year, including companies considered "strategic," such as shipping agencies and the Egypt Aluminum Company. By January 1997, however, only twenty-eight had sold majority stakes to the private sector and only

al-Ahram Beverages had been sold completely. Of those that had sold majority stakes, ten of them—all loss-making irrigation and land reclamation companies—were sold to employee stockholder associations and fifteen were sold through the stock market. Conspicuously absent from the list of sales for 1996 were the shipping agencies and aluminum company.³¹

In 1997, only another twenty-two companies sold majority stakes—primarily through the stock market and employee stockholder associations (still no shipping agencies or aluminum companies).³² The government's preferred methods of privatization—either through the stock market or to employee stockholder associations—ensures the diffusion of economic power over a large number of shareholders. Moreover, the sale of companies to employees is a useful way for the government to dispose of companies that are unattractive to the private sector.

Until 1997, even this low level of privatization was dependent on the support of international donors. The Social Fund for Development, established in 1995 to mitigate the "social costs" of privatization in Egypt, received \$672.5 million from international donors in 1995 alone.³³ Of this sum, over \$117 million was earmarked for early retirement payments to 50,000 workers in thirty companies.³⁴

Throughout 1998, only another twenty companies divested stakes. However, IMF pressure for fast privatization eased slightly, due to the concerns raised by the Southeast Asian "meltdown." In its May 1998 report, the IMF ranked Egypt among the top four countries in privatization efforts.³⁵ A World Bank official, speaking at a conference in Cairo in November 1998, praised Egypt's privatization program for not having created social and economic turbulence.³⁶

By mid-1999, the privatization program had come to a virtual standstill, primarily due to the lack of funds available for financing the early retirement program and paying off the debts of the remaining unprivatized companies. An intra-government debate took place between the Finance Ministry and the Ministry of Public Enterprise over the allocation of funds to these two privatization obstacles. In the end, LE1.5 billion of privatization proceeds were earmarked to underwrite the early retirement program in forty-one companies. However, according to a report by the Minister of Public Enterprise, LE6 billion (representing 2.5 percent of GDP) is needed to persuade approximately 350,000 public sector workers to accept early retirement. The report goes on to conclude, "[t]his means that the government's intervention, in financial terms, is inevitable if the remaining public companies are to find their way onto the privatization list."³⁷

One year later, in mid-2000, following the introduction of a new liberal cabinet and the appointment of the former minister of public enterprise, 'Atif 'Ubayd, as prime minister, the privatization program had still not managed to pick up pace. Only ten companies, out of a declared forty-eight, were privatized in the first half of 2000. Most of the companies sold were relatively small enterprises with a limited labor force and capital.³⁸

The large sums of government investment needed to reduce state involvement in the economy is the paradoxical legacy of the postcolonial hegemonic project. The public sector was inextricably tied to the guarantee of workers' rights, which

were part of the reciprocal relationship between state and labor. The reduction of the public sector makes it difficult for the state to keep its side of the bargain of the moral economy. Withdrawing workers' rights provokes protests that could frighten away private investment. Therefore, the government must try to control workers' protests while conducting the privatization program. Consequently, the government has been unable to sell public sector companies at a rapid pace for fear of provoking widespread worker unrest.

The government is holding back on privatization until it can reduce the public sector work force to levels acceptable to private investors, who will, according to a proposed new labor law, then take responsibility for negotiating with workers over pay and conditions.³⁹ The government's delay over the reading in parliament of the new labor bill is, no doubt, due to the government's fear of workers' opposition to the end of state guarantees of job security, promotions, and bonuses. As long as the state remains the employer of a substantial number of the non-agricultural work force, workers will see the state as the guarantor of their economic interests. A large number of public sector companies have massive debts and are unable to make a profit. Under these conditions, the introduction of a new law that would allow company managers to set wage levels would certainly mean a decrease in wages and bonuses for the remaining public sector workers. No doubt, the government would rather that private investors bear the brunt of worker unrest due to salary cuts. However, it hopes that such a scenario is unlikely and that workers' conditions will improve after privatization.⁴⁰

The government is trying to mitigate the legacy of the moral economy for private sector business by reducing the influence of the GFETU over policy-making with regard to the privatization program and related economic policy. Although the GFETU is legally entitled to be part of consultations on policy affecting workers, since 1991 the government has attempted to sideline the GFETU in policy negotiations and to reduce its influence by including private sector businesspeople in consultations on economic policy-making.⁴¹ In response, GFETU officials have complained that the government is not giving them "sufficient scope to play their role of diffusing worker discontent [in relation to privatization]."⁴²

Yet, the government does envisage that the GFETU will play an important role in "diffusing worker discontent." That role will be played through the GFETU's repressive rather than expressive functions. The 1995 amendment of the trade union law demonstrates the role intended by the government for the GFETU. The law extends the term of office for trade union officials from four to five years, and permits trade union officials to keep their positions on union boards after the official retirement age and even if they are appointed to a managerial position within their work place. The federation leadership is granted new powers to expel individuals from the federation. In addition, prospective candidates for the federation board must have served at least one term in the office of a plant-level union before running, and candidates for the plant-level union must have held union membership for at least one year.⁴³ The objective of this law is to keep the GFETU old guard in control as long as possible, and to prevent younger, more radical labor activists from capitalizing

on workers' opposition to privatization by increasing their power within the upper echelons of the trade union federation. Following the 1995 trade union elections, there was no turnover in the membership of the GFETU board and only a 40 percent change in the members of the boards of the national unions.⁴⁴

It is expected that the new labor law will increase GFETU control over the plant-level unions. The only available draft of the law grants the right to strike on condition of agreement by two-thirds of the GFETU board. This proposal clearly wrests decision-making power away from the plant level, where opposition to privatization is expressed in its most heated form. The right to strike in the new law is further restricted by the fact that union leaders must give the government and employers a fifteen-day written notice. Moreover, strikes are illegal during arbitration and in vital service sectors.⁴⁵

The government is also resorting to strong tactics for "diffusing worker discontent." Prior to 1991, the government also brutally repressed workers' protests, but this usually was followed by a granting of concessions to workers.⁴⁶ Since 1991, workers' protests have been crushed without much success in achieving their demands.⁴⁷ The government's gradualism in privatization has meant that workers' opposition is usually contained within one area or one company, thus permitting rapid suppression of workers' protests by the security forces. In many cases, workers are also arrested for a few days or weeks and they may be fired or transferred.⁴⁸ As an illustrative example of government tactics, a sit-in at the Kafr al-Dawwar textile factory in 1994 ended in many injured and four dead after state security forces attempted to break up the protest.⁴⁹ More recently, in January 2000, a strike in the Helwan Castings Company was forcibly dispersed by the police, and five workers were arrested and referred to a military prosecutor.⁵⁰ The workers were detained in the poor conditions of a military camp for approximately two months.⁵¹ In these and other cases, workers are charged with holding an illegal assembly and disturbing public peace.

In addition to coercive measures, the government is also attempting to persuade workers to accept privatization by implementing two programs that aim to mitigate the negative effects of economic reform. First, the government, with the help of multilateral and bilateral donors, is implementing an early retirement program (ERP) to encourage workers to leave companies that are to be privatized. The ERP aims at encouraging workers between the ages of fifty and fifty-eight for men, and forty-five and fifty-eight for women, to take early retirement in return for compensation of between LE12,000 to LE35,000 (approximately \$3,430 and \$10,000, respectively) according to the length of service, incentives, and other benefits due to the worker.⁵² According to the findings of a symposium on early retirement, half a million workers have taken early retirement.⁵³

The government is also encouraging the creation of employee stockholder associations (ESAs). Workers have the opportunity to buy a maximum of 10 percent of company equity through an ESA at a 20 percent discount on the market rate. The ESA pays for the shares through interest-free installments that are deducted from the share dividends.⁵⁴ The shares are the property of the ESA (once they are paid off) and

not the individual workers. The ESA distributes the dividends to its members.⁵⁵ By 1998, fifteen companies had been sold to their ESAs.⁵⁶

Finally, the government still claims that the priority of privatization is to protect workers' interests.⁵⁷ President Mubarak's May Day speeches always refer to the government's responsibility toward all workers, whether in the public or private sector. Recently, the government has introduced new welfare spending in the form of the "Mubarak pension" and pledged to create thousands of new jobs in the government sector to prove its commitment to the "social dimensions" of economic reform. Both the rhetoric of officials and government expenditure demonstrate the government's desire to maintain its moral and material leadership according to the terms of the moral economy.

These measures, however, fall short of incorporating workers into a new hegemonic project that would provide them with tangible, institutionalized benefits. Hegemony only works when the subaltern partners perceive it to be in their interest. Neither early retirement programs nor employee stockholder associations provide workers with the security enjoyed previously. There are reports that workers are being forcibly "persuaded" to take early retirement.⁵⁸ The government cannot even rely on the trade union federation to perform its function of mediating between workers and the government. Privatization will decrease the number of trade union members as the number of public sector workers decreases.⁵⁹ Whereas trade union membership is obligatory in the public sector and membership dues are automatically deducted from pay, it is discretionary in the private sector.

Unless the government is able to distribute the gains of economic liberalization to workers, the regime's postcolonial hegemonic project will become very fragile. Until now, the government is suppressing the contradictions within its hegemonic project brought about by economic liberalization, by strengthening coercive mechanisms (e.g., corporatist structures of the trade union federation), and by using repressive security and legislative tactics. The regime prefers to rely on coercion to maintain the postcolonial hegemonic project, rather than creating a new project that would allow the democratic participation of workers and other social groups. The regime's preference for coercion over the creation of new political relations is surely a sign of the bankruptcy of its political institutions.

Egypt's strategy of coercion is facilitated by the international community's failure to criticize this behavior. While other civil and political rights abuses are often raised by Western governments, the repression of labor is overlooked, as though it were an unfortunate byproduct of Egypt's economic reform program. The Egyptian government also manages to resist pressure from the United States and Europe regarding its human rights record because of its strategic importance to the Middle East peace process.⁶⁰

Despite heavy repression, workers continue to protest the withdrawal of their rights. The next section examines the logic of these protests, in terms of the relation of their ideological and institutional elements to the hegemonic project. The link between subaltern protests and regime hegemony is shown to be the key in workers' ability to secure their rights.

What Future for Workers and the Trade Unions?

Since 1991, workers have staged protests against privatization measures that take away their rights. Between January 1998 and December 1999, 287 workers' protests, including ninety strikes, were recorded. The protests were against cuts in bonuses, wages, and work place services (such as free transportation to and from work), the relocation of workers to different company branches, forced early retirement, and arbitrary dismissal.⁶¹ According to one survey of twenty-eight public sector workers' protests in the second half of 1999, twelve were in reaction to a decrease or withholding of wages, incentives, and bonuses, six in reaction to arbitrary dismissal, two in reaction to the introduction of the early retirement program, and two in reaction to company closure.⁶²

In comparison, a decade earlier (1988 and 1989), before the onset of the privatization program, only thirty-seven protests were recorded.⁶³ Moreover, before 1991, strikes were rarely reported. Most workers' protests took the form of plant sit-ins, boycotting the cashing of paychecks, demonstrations, petitions, court cases, and other symbolic actions.⁶⁴ The huge increase in workers' protests, particularly work stoppages, since 1991 demonstrates the extent of workers' anger against what they perceive as the government's failure to meet the commitments entailed by the moral economy. However, their willingness to strike does not necessarily indicate their willingness to break from the 'contract' of the moral economy.

The content of workers' demands reaffirms their commitment to the socioeconomic rights granted according to the moral economy. Moreover, the reactive nature of these protests demonstrates workers' ultimate belief that the state is the guarantor of these rights. Prior to 1991, socioeconomic rights were guaranteed effectively through the state-owned public sector. In addition, some benefits were distributed through corporatist institutions, such as the trade union federation and the ruling party.

Workers have adopted a "wait-and-see" attitude toward new legislation and policies introduced as a result of the economic liberalization program. Rather than publicly demonstrating to ensure that their views are heard on measures affecting their rights (such as Law 203/1991, which allows privatization), early retirement, and the new labor law) workers have only reacted once the effects of these measures have been felt at the plant level. Workers' failure to act proactively is partly the result of the inadequacy of the official trade union in involving plant-level workers in discussions concerning the effects of new policies and legislation. It is also the consequence of the limited rights to freedom of assembly and expression permitted by the government. Nevertheless, privatization has received a lot of attention from the media, opposition political parties, and candidates standing in trade union elections in 1996. Therefore, it is unlikely that workers have been totally unaware of the issues involved in economic liberalization.

Workers' protests against the withdrawal of their rights have taken place outside the official trade union structure. In many cases, the trade unions refuse to support workers' demands, and may even publicly condemn their protests.⁶⁵ Moreover, the unions are incapable of dealing effectively with the new situation on the ground. The federation of trade unions was built to meet the requirements of a centralized public

sector. Since Law 203/1991 was passed individual public sector companies have the powers to determine wages, salary increases, allowances, and leave policies (which were previously decided by the government).⁶⁶ This shifts the responsibility for negotiation from the federation board to union boards at the plant level. This level of the trade union pyramid is clearly not historically prepared for this task, although various donor programs conducted through the GFETU and Egyptian nongovernmental organizations are attempting to retrain unionists in this role.⁶⁷

Moreover, the federation no longer reflects the composition of Egypt's working class. A combination of a reduction of the public sector, the changing structure of the economy from industry to services, and a crisis in Egypt's largest industry (cotton) has resulted in a falling proportion of Egypt's industrial workers.⁶⁸ Today, the majority of workers are employed in the private sector.⁶⁹ One survey found that these workers are generally younger, less educated, more feminized, less well-paid, and more mobile (because of unstable working conditions) than their counterparts in the public sector (with the exception of the cotton industry, which employs a large proportion of women and children).⁷⁰

Workers' protests outside the official union structures may be considered an attempt to create informal mechanisms for protecting their rights. The informal nature of workers' protests enables them to create an autonomous space from the ineptitude and repression of the official trade union bureaucracy. Wildcat strikes and protests can be mobilized quickly and spontaneously to protect workers' interests. Like other types of informal politics, these mechanisms are often organized around social networks based on community and kinship links. Spatial factors are particularly important in mobilizing individuals and households into networks.⁷¹ Space plays an important role in workers' protests since they often live in spatially contained neighborhoods, with purpose-built housing units for workers in nearby factories. These residences are built and owned by public sector companies and are part of the socioeconomic benefits granted to workers under the terms of the moral economy. Networks based on spatial proximity may be quickly activated, when necessary, to protect their members' interests.⁷² For example, during the 1994 Kafr al-Dawwar textile factory sit-in, workers' families living practically next to the factory walls, in a purpose-built housing district, attempted to take food to their relatives held under siege in the factory by security forces. The important role played by families and community networks in supporting the workers' protest is borne out by the fierce reaction of security forces, which entered the housing district and fired indiscriminately.⁷³

Nevertheless, the informality of workers' networks necessarily means that they are localized. Consequently, it is easy for the government to contain and suppress workers' protests. Moreover, since workers' protests often draw on the resources of community networks, their protests are weakened if community links are weakened. This may be a consequence of workers being dismissed, evicted, or relocated. There are reports that public sector companies to be privatized are selling the housing units originally built for rent by their employees to outsiders in order to increase their liquid capital. Moreover, workers who have opted for early retirement are being evicted from the homes provided by their former companies.⁷⁴ In the context of the current

housing market in Egypt, it is likely that evicted workers and their families will be forced out of the areas where they have traditionally lived.

The fragility of workers' informal protests fails to challenge regime domination over labor. Despite the search for autonomy from the state-controlled federation, workers' protests are conducted within the logic of the reciprocal relations between state and labor—that is, they represent workers' outrage at the state in reaction to the withdrawal of their rights. As stated above, the reciprocal relation between state and labor under the terms of the moral economy has been one of the elements of regime hegemony in the postcolonial period. Although workers' protests are in opposition to government policies affecting their interests, the nature of their demands does not challenge regime hegemony but rather reinforces it through the reaffirmation of the moral economy. Consequently, despite the uncertainties brought about by economic liberalization, the regime's hegemony is maintained and gives the government the ideological advantage in arbitrarily granting or taking away workers' rights and repressing independent workers' action. The continuation of regime hegemony, through workers' reaffirmation of the moral economy and government repression of workers' protests, is contrary to the predictions of some scholars that a withdrawal of socioeconomic rights by Arab governments leads to demands from society for democracy.⁷⁵

In a period where the public sector, whose existence was the only guarantor of workers' rights, is systematically being reduced, a strategy that reaffirms workers' dependence on the state is incapable of securing their rights. There is an urgent need for workers to reformulate their rights to include independent instruments for the protection of their interests, namely, the right to strike and the right to independent association. Within the terms of the moral economy, workers were not granted these rights because, according to official discourse, workers had no need to independently defend their rights. The state had granted workers all their socioeconomic rights and the federation of trade unions existed as the workers' representative on the level of government policy-making.

Workers' dependency on the state, and their belief as patriots that they were contributing to national production, proved to be obstacles to the development of an independent workers' consciousness that valued the right to strike and the right to independent association.⁷⁶ Even leftist/nationalist political currents have focused on the importance of maintaining the public sector as a means of guaranteeing workers' rights.⁷⁷ Consequently, workers have been deprived of the political and organizational links that would enable them to act proactively to protect their interests.

It is not only public sector workers who urgently require the means to protect their rights independently. Many workers in the ever-growing private sector currently find themselves without any safeguards or guarantees. Workers in the private sector (but also increasingly in the public sector) are given temporary contracts, which enable employers to dismiss them easily. In addition, the practice of forcing workers to sign their own resignation before beginning work is also widespread. Private sector workers are rarely unionized because of restrictive laws and may face dismissal for attempting to form a union.⁷⁸

There is already a debate among labor activists, trade unionists, and leftists over the future of trade unionism in Egypt. On the one hand, there are those who believe that the unified federation must be abolished and replaced by a competitive trade union system. They believe that a plurality of independent unions would be better equipped to defend workers' interests.⁷⁹ On the other hand, there are those who insist that trade union pluralism could open the way for divisive tactics by employers and the government. In their opinion, it is far better to call for the democratization of the current unified trade union system in order to rid it of government interference.⁸⁰ In between these two positions, the Egyptian nongovernmental Center for Worker and Trade Union Services (*Dar al-khadamat al-niqabiya wa-l-'ummaliya*) is arguing for independent trade unionism, whatever form this may take. The priority is to rid workers of the executive-controlled federation, which stands as a huge obstacle to independent workers' activism.⁸¹ Whether pluralistic or unified, any future trade union must be able to accommodate the differences of interests and concerns of Egypt's increasingly differentiated labor force.

Labor activists and leftists are also calling for an unconditional right to strike as workers' only weapon for securing their rights within a liberalized economy.⁸² Current legislation criminalizes any type of workers' collective action, while the emergency law, in force since 1981, prevents gatherings and meetings without official permission. Unlike many other democratic rights, the government does not even pay lip service to the right to strike.⁸³ This is despite the fact that there exists judicial backing for the legalization of strikes. On 16 April 1987, the Egyptian Higher State Security Court ruled that striking railway workers were innocent because strikes were legal according to the international human rights treaties signed by Egypt.⁸⁴

Egyptian workers urgently need the right to form an independent union and the right to strike in order to protect their interests in the era of a liberalized economy. The logic of action of the moral economy can no longer reap any benefits for workers. Instead, they face increased repression and coercion by a regime that has failed to create new institutions of governance in these new times. However, the continued existence of the institutions of the postcolonial hegemonic project represent an obstacle to the formation of new institutions and logics of action that could serve as effective weapons for workers in protecting their interests.

Conclusion

This article has attempted to demonstrate how, despite the threats posed to the Egyptian regime's postcolonial hegemonic project by the process of economic liberalization, hegemony is being maintained and reproduced through the actions of both the government and workers. The hegemonic project was based around the discourse of the moral economy, the institutional arrangements of corporatism, and the economic domination of the public sector. In an era of economic liberalization, the government can no longer distribute the same level of socioeconomic benefits previously enjoyed by workers. To compensate for this loss of control over workers, the government is resorting to increasing coercion by strengthening the institutions of

corporatism and using security forces to suppress workers' protests. Simultaneously, official discourse still evokes the moral economy and new government programs (e.g., employee stockholder associations and the early retirement program) that purport to continue workers' socioeconomic benefits.

Workers themselves are also maintaining the postcolonial hegemonic project through their continued demands for the restoration of the rights of the moral economy, despite the failure of their protests to achieve these demands. Although wildcat strikes and protests indicate workers' desire to escape the restrictions of the ineffective official federation, the localized nature of these protests does not challenge the regime's domination of workers.

Workers are not forever doomed to reproduce the logic of the hegemonic discourse and face growing repression by the regime. Hegemony is never complete since it involves and assumes the participation of social forces other than the elite.⁸⁵ Workers are experiencing the contradictions of the current period, making the long-term maintenance of the postcolonial hegemonic project problematic. They perceive their loss of rights and the ineffectiveness of the official trade union structure. However, workers must shun the moral economy in order to empower themselves in facing the challenges of economic liberalization.

Through the lens of the moral economy, workers continue to see their rights as dependent on the will of the regime to grant those rights. While the regime played a relatively progressive role in protecting workers' socioeconomic interests during the expansion of the economy until the mid-1980s, this can no longer be the case. In the current era, the Egyptian economy is under huge competitive pressures from the global marketplace and international financial institutions, such as the IMF and World Bank, to reduce expenditure and deregulate labor markets. Moreover, the government is unwilling to intervene to protect the rights of the majority of workers employed in the private sector. Therefore, workers can only rely on their own actions to protect their interests.

In order to make their actions more effective, workers must obtain the right to strike and the right to form independent unions. The discourse of the moral economy defined workers' rights as exclusively in the realm of the economic and social. Yet, economic and social rights cannot be achieved or guaranteed without access to a public sphere in which the freedom of expression and the freedom of association are guaranteed. Workers must be able to freely associate in order to debate and discuss, stage public protests, produce their own literature, hold meetings, and canvas support without the fear of state repression and censorship that keeps workers' protests localized and informal. It is only under such conditions that the majority of workers, who currently lack any guarantees of their rights, can be incorporated into a movement for the protection of their interests.

Workers are not alone in their need for a liberalized public sphere. Other social forces are also struggling to liberalize the public sphere in their own interests, such as journalists demanding the end of restrictions on the freedom of expression, lawyers demanding the end of state interference in the Bar Association, human rights activists

demanding that the government respect international human rights covenants, political parties demanding the end to restrictions on their activities, and political Islamists demanding state recognition of their political party.

The interests of workers and other organizations of civil society are best served by reconciling the struggle for political and civil freedoms with the struggle for social and economic justice in an era of economic liberalization. Only in this manner can the absurd dichotomy of the moral economy, which prioritized social and economic rights over political and civil rights, be abolished. This would represent an important step toward articulating a counterhegemonic project.⁸⁶

The struggle against the postcolonial hegemonic project cannot be conducted at the discursive level alone. Hegemony is diffused through the institutions of civil society as well as their ideological and cultural practices. It is imperative that any counterhegemonic project aim to transform the institutions of corporatism, rather than attempting to work beyond them. In other words, the current GFETU must be abolished. The future form of workers' representative institutions, whether unified or pluralistic, can only be decided by debate and discussion among workers within a liberalized public sphere.

A failure to address workers' political and civil rights will reproduce the hegemony of the postcolonial regime. In the current juncture of economic liberalization and a highly competitive global marketplace, the regime is resorting to political repression without providing the economic security of the previous era. Such a situation indeed holds a grim future for Egypt's working people.

ENDNOTES

¹ This article represents a part of the work conducted toward my doctoral research on the effects of globalization on governance in Egypt, funded by the Economic and Social Research Council, UK. It draws upon parts of the field work done in Egypt during 1997 toward my master's thesis on labor and economic liberalization, which was partly funded by the Department of Politics, University of Exeter. I would like to thank my dissertation supervisor, Salwa Ismail, the anonymous reviewer at *ASJ*, and Ranjit Singh for their invaluable comments on various drafts of this article.

² In 1990/91, there were 14,748,000 workers in Egypt, of which 1,063,440, or approximately 7 percent, were employed by the public enterprise sector. All figures are from the Public Enterprise Office, Egypt. The percentage of workers employed by the public enterprise sector may seem low. However, this group continues to be significant given that they are concentrated in industrial areas, that their labor conditions are regarded by all workers as representing the aspired-to labor standards for the private and public sectors, and, finally, that this group of workers is predominantly organized in the official trade union, which, despite its many disadvantages, provides legitimacy to the concept of an institution representing the collective interests of workers.

³ For example, see the report of the Center for Trade Union and Worker Services (CTUWS) to the Copenhagen + 5 Social Summit, "Egyptian Workers in Five Years," (Cairo: Center for Trade Union and Worker Services, June 2000); Karima Korayem, "Egypt's Economic Reform and Structural Adjustment," Working Paper no. 19 (Cairo: Economic Research Forum, October 1997), pp. 20–25, and; Hasanayn Kishk, "Pauvreté et paupérisation en milieu urbain," *Égypte/Monde Arabe* 33:1 (1998), pp. 81–111.

- ⁴ The postcolonial period is taken to have begun in 1952, when a military coup by the Free Officers deposed the monarchy and rid Egypt of the final vestiges of British colonial control.
- ⁵ The concept of "moral economy" was first articulated by E. P. Thompson, "The Moral Economy of the English Crowd in the Eighteenth Century," *Past and Present* 50 (February 1971), pp. 76–136. It has been used by Marsha Pripstein Posusney in her major work, *Labor and the State in Egypt: Workers, Unions, and Economic Restructuring* (New York: Columbia University Press, 1997), pp. 14–22.
- ⁶ For the purpose of this article, "state" refers to the combination of the executive, legislative, and judicial branches, the bureaucracy, and the security and military apparatuses. "Government" refers to the executive body that oversees policy-making and implementation. Finally, "regime" refers to the various social classes/strata making up Egypt's postcolonial ruling elite, such as the military, upper echelons of the bureaucracy, and business. Since 1952, the state has become colonized by the regime, to the extent that regime interests have become synonymous, in practice, with national interests. Likewise, the government has become the executive of regime interests, rather than any wider, national interests.
- ⁷ Antonio Gramsci, *Selections from the Prison Notebooks*, eds. and trans. by Quintin Hoare and Geoffrey Nowell Smith (London: Lawrence and Wishart, 1971), p. 268.
- ⁸ Anouar Abdel-Malek, *Égypte: société militaire* (Paris: Éditions du Seuil, 1962), p. 318.
- ⁹ Joel Beinin, "Labor, Capital, and the State in Nasserist Egypt, 1952–1961," *International Journal of Middle East Studies* 21 (February 1989), p. 87.
- ¹⁰ Posusney, pp. 20–21.
- ¹¹ Huwayda 'Adli, *Al-'ummaliyya wa al-siyasa: al-dawr al-siyasi li al-haraka al-'ummaliyya fi misr min 1952–1981* (Cairo: Kitab al-Ahali, 1993), p. 161.
- ¹² Beinin, p. 75.
- ¹³ 'Adli, p. 145.
- ¹⁴ *Ibid.*, p. 306.
- ¹⁵ Nazih N. M. Ayubi, *Bureaucracy and Politics in Contemporary Egypt* (London: Ithaca Press, 1980), pp. 453–55.
- ¹⁶ Robert Mabro, *The Egyptian Economy 1952–1972* (Oxford: Oxford University Press, 1974), pp. 154–60.
- ¹⁷ Alan Richards and John Waterbury, *A Political Economy of the Middle East*, (Boulder, CO: Westview Press, 1996), p. 183.
- ¹⁸ For a detailed account of the incidents, see Joel Beinin and Zachary Lockman, *Workers on the Nile* (London: I.B. Tauris, 1988), pp. 421–26.
- ¹⁹ Beinin, p. 83.
- ²⁰ Posusney, pp. 132, 136–39.
- ²¹ *Ibid.*, pp. 155–58.
- ²² *Ibid.*, pp. 140–51.
- ²³ For example, Posusney; Richards and Waterbury; Ayubi; Mark Cooper, *The Transformation of Egypt* (London: Croom Helm, 1982).
- ²⁴ Richards and Waterbury, p. 227.
- ²⁵ World Bank, "Egypt: Financial Policy for Adjustment and Growth," vol. 1 (Cairo: World Bank, 1993), p. xxiv.
- ²⁶ Richards and Waterbury, p. 227.
- ²⁷ Hans Löfgren, "Egypt's Program for Stabilization and Structural Adjustment: An Assessment," in *The Economics and Politics of Structural Adjustment in Egypt*, Third Annual Symposium, Cairo Papers in Social Science 16: 3 (Fall 1993), p. 22.
- ²⁸ CTUWS, *Ta'hir siyasat al-takayyuf al-haykali 'ala al-awda' al-ijtima'iyya wa al-iqtisadiyya li al-'ummaliyya wa fuqara' al-hadar*, (Cairo: CTUWS, 1997), p. 1.
- ²⁹ *Ibid.*
- ³⁰ Ministry of Economy, Egypt (March 1998).
- ³¹ Public Enterprise Office, Egypt (March 1998).
- ³² *Ibid.*
- ³³ Social Fund for Development, *Annual Report 1995* (Cairo, 1996), p. 36.
- ³⁴ American Chamber of Commerce, Egypt, *Privatization in Egypt: An Update* (Cairo, 1996), p. 29.
- ³⁵ Cited in "Privatization Adjustments," *al-Ahram Weekly* (1–7 January 1999).

³⁶ "Everything Must Go," *al-Ahram Weekly* (27 November–3 December 1998).

³⁷ Cited in "Privatization Drive Cash-Strapped," *al-Ahram Weekly* (8–14 July 1999).

³⁸ "Privatization Slump," *Cairo Times* (13–19 July 2000).

³⁹ The government currently determines levels of pay and raises in the public sector.

⁴⁰ The government's strategy of waiting until most companies are privatized could be wise. The average worker salary in 96 percent of privatized companies has increased since privatization. However, it is not stated by how much salaries have increased, and whether this compensates for the loss of benefits enjoyed by public sector employees. See Ministry of Public Enterprise, Egypt, "Report on Performance of Privatized Companies: Fiscal Year 1996/1997."

⁴¹ Ahmad Thabit, "Taghayyur tabi'at wa dawr al-dawla al-misriyya fi daw' al-numuw al-tab' wa siyasa sanduq al-naqd al-dawli," in Samir Amin, ed. *Al-mujtama' w-al-dawla fi-l-watan al-'arabi* (Cairo: Maktabat Madbuli, 1996), pp. 125–26.

⁴² Cited in "Privatization Faces a Hot Summer," *al-Ahram Weekly* (13–19 August 1998).

⁴³ Kamal 'Abbas, Sabr Barakat, Rahma Rif'at, "Intikhabat fi muftaraq al-turuq" (Cairo: CTUWS, 1997), p. 4.

⁴⁴ *Al-Wafd* (18 October 1996).

⁴⁵ Muhammad al-Ghamri, "Mulahazat naqdiyya 'ala mashru' qanun al-'amal al-muwahhad al-jadid," background paper (Cairo: Center for Human Rights Legal Aid, May 1996). This critique of the new labor law is based on a leaked draft of the law in 1995. According to labor activists with whom I have been in contact, no other draft has been seen since that date. It was originally expected that the bill would be discussed in parliamentary session 1999–2000. However, it was rumored that the debate was delayed due to business objections to some of the draft's articles. Some activists speculate that the bill will be discussed following Egypt's parliamentary elections in November 2000. For a discussion of the draft in English, see Posusney, pp. 238–40.

⁴⁶ Posusney, pp. 158–62.

⁴⁷ Personal communication with a member of CTUWS, May 2000.

⁴⁸ CTUWS (June 2000), p. 8.

⁴⁹ Press release by the Egyptian Organization for Human Rights (6 October 1994).

⁵⁰ The use of military courts for the trial of civilians has increased during the 1990s. They were first used in cases of violence and terrorism involving militant Islamist groups and then in cases involving members of the Muslim Brotherhood charged with belonging to an illegal organization. Military courts do not meet the requirements of a fair trial as described by the International Covenant on Civil and Political Rights. See, a report by the Egyptian Organization for Human Rights, *Hadhihi al-mahkama ghayr shar'iya*, Cairo: Egyptian Organization for Human Rights, January 2001.

⁵¹ CTUWS, 2000, p. 9. For more examples of repression and punishment of workers' protests, see Land Center for Human Rights (LCHR), *Ahwal al-'ummaliyya fi misr 'am 1998* (LCHR: Cairo, December 1998); LCHR, *Conditions in Egypt, First Half of 1999* (LCHR Economic and Social Rights Series: Cairo, July 1999); LCHR, *Egyptian Labor Protests in 1999* (LCHR Economic and Social Rights Series: Cairo, April 2000).

⁵² See *al-Wafd* (13 February 1997); *al-Siyasiyya al-Masri* (23 February 1997); *al-Wafd* (29 March 1997).

⁵³ *Al-Ahram al-Iqtisadi* (24 May 1999).

⁵⁴ *Al-Ahali* (6 August 1997).

⁵⁵ Partnership in Development Project, "Employee Stock Ownership Plan Manual," (Cairo: PIDP, June 1995), Ch. 9, (no pagination on copy).

⁵⁶ Public Enterprise Office (first quarter of 1998).

⁵⁷ For example, see, *al-Akhbar* (4 June 2000).

⁵⁸ See Land Center for Human Rights (December 1998), (July 1999), and (April 2000); CTUWS (June 2000).

⁵⁹ Sabr Barakat, "Mustaqbal al-haraka al-'ummaliyya fi misr," in Kamal 'Abbas et al, eds., *al-haraka al-'ummaliyya fi ma'rakat al-tahawwul: dirasa fi al-intikhabat al-naqabiyya 1991*, (Cairo: Arab Research Center, 1994), p. 280.

⁶⁰ The United States government's overriding interests in the peace process and economic reform are demonstrated by the statements of the U.S. ambassador to Egypt in a seminar on the future of Egyptian-U.S.

relations in July 2000. See *al-Gumhuriya* (13 July 2000).

⁶¹ LCHR, December 1998, July 1999, and April 2000. These figures are based on research conducted by the LCHR and are not official figures. There is no official government recording of workers' protests in Egypt because they are considered illegal. In addition, none of the "semi-governmental" press (that is, *al-Ahram*, *al-Akhabar*, *Akhabar al-Yawm*, and *al-Gumhuriya*) consistently report strikes or demonstrations. Therefore, researchers are obliged to rely on the reports of the opposition press (*al-Wafd*, *al-Sha'b*, *al-Ahali*, *al-'Arabi*, and *al-Ahwar*), whose resources are much smaller than the "semi-governmentals," or on their contacts with labor activists and trade unionists. Consequently, it is impossible to gather accurate statistics on workers' protests.

The LCHR figures are not always disaggregated according to public or private sector, so here I provide figures for the total number of protests recorded, irrespective of the sector in which they occurred. This is justifiable on the basis that all workers desire to enjoy the rights granted to public sector workers and are, therefore, influenced by the concept of reciprocal rights internal to the ideology of the moral economy.

⁶² See LCHR, April 2000.

⁶³ The protests were also mainly in response to cuts in wages, bonuses, and incentives. Huwayda 'Adli, "Al-haraka al-'ummaliyya wa aliyat muqawwamat al-ifqar: 1987-1993," (Cairo: Center for Trade Union and Workers' Services, 1997), pp. 4-5.

⁶⁴ Al-Ahram Center for Strategic and Political Studies, *Al-Taqrir al-istratiji 1994* (Cairo: Al-Ahram Center for Strategic and Political Studies 1995), p. 432.

⁶⁵ See LCHR, December 1998, July 1999, and April 2000.

⁶⁶ Article 42, Chapter 3, Section 3, Law 203/1991.

⁶⁷ For example, there is a USAID-funded program working with the GFETU and a program by the CTUWS working with individual trade unionists and labor activists.

⁶⁸ In 1996, 51.2 percent were employed in the services sector, in contrast with only 20.5 percent in industry and 28.3 percent in agriculture. Institute of National Planning, *Egypt Human Development Report 1997/98* (Cairo: Institute of National Planning, 1998), p. 122.

⁶⁹ In 1996, only 30.5 percent of the labor force were employed in the government and public sectors. Ibid.

⁷⁰ Élisabeth Longuenesse and 'Adil Sha'ban, "Politique de libéralisation et différenciation de la classe ouvrière," *Égypte/Monde arabe* 33:1 (1998), pp. 29-34.

⁷¹ Salwa Ismail discusses how the spatial characteristics of informal communities have shaped the political activism of their inhabitants. See, "The Politics of Space in Urban Cairo: The State and the Informal Communities," *Arab Studies Journal* 4:2 (1996), pp. 126-28. 'Asef Bayat discusses the mobilization of street vendors and other users of public space based on latent networks of familiarity through shared space. See Asef Bayat, *Street Politics: Poor People's Movements in Iran* (Cairo: American University in Cairo Press, 1998), pp. 15-19.

⁷² Posusney notes how informal workers' protests have been supported by their communities, p. 154.

⁷³ See press release of the EOHR, 6 October 1994.

⁷⁴ LCHR, July 1999.

⁷⁵ The exchange of social and economic rights for political and civil rights (otherwise known as the social contract) has been at the heart of the explanation of state legitimacy in the Arab world for many scholars. This framework of explanation gave rise to a substantial literature on the necessity of Arab regimes to liberalize politically alongside economic liberalization. For example, the two volumes edited by Augustus Richard Norton, *Civil Society in the Middle East* (Leiden: Brill, 1995); Iliya Harik and Denis J. Sullivan, eds. *Privatization and Liberalization in the Middle East* (Bloomington and Indianapolis: Indiana University Press, 1992); Tim Niblock and Emma Murphy, eds. *Economic and Political Liberalization in the Middle East* (London: British Academic Press, 1993).

⁷⁶ This argument coincides with that of Joel Beinin and Zachary Lockman in attributing the lack of class consciousness among workers in the first half of the twentieth century to the association of workplace demands with the anticolonial demands of the nationalist movement. Beinin and Lockman, p. 450.

⁷⁷ For example, the Tagammu', (Islamist-oriented) Labor, and Nasirist parties have all been involved in actions protesting privatization (including the establishment of various committees and the filing of a case in the constitutional court). They argue that the public sector embodies the interests of the nation and

therefore the interests of workers. See *al-Ahali* (20 March 1996); *al-Sha'b* (9 April 1996); *al-Ahram Weekly* (11-17 April 1996). Some currents within Egyptian communism have argued against the public sector on the basis of a class analysis, but these currents remain weak due to their underground nature.

⁷⁸ A 1993 decree of the minister of labor increased the minimum number of employees in a firm necessary for unionization to 250 from fifty. The 1997 "Investment Incentives Law" exempts companies established according to that law from provisions on workers' rights to join a union. In Tenth of Ramadan City, there are over 600 companies employing over 100,000 workers. However, only sixteen companies are unionized. See Ahmad Nabil al-Hilali, "Al-dimuqratiyya wa al-haq al-'ummaliyya," paper presented at the conference, *al-Tanmiya wa-l-dimuqratiyya wa-l-mujtama' al-madani*, organized by CTUWS (Cairo, 28-30 January 2000), p. 5.

⁷⁹ For example, Yusif Darwish, 'Abd al-Ghafar Shukr, and Fathi Mahmud, in a seminar held on trade union pluralism by the Center for Human Rights Legal Aid. See "Ma'zaq al-niqabat al-'ummaliyya wa khiyar al-ta'addiyya," *al-Musa'ada* (May 1997), pp. 15-19, for a detailed report.

⁸⁰ For example, Amin 'Izz al-Din, and 'Abd al-Rahman Khayr, Ibid.

⁸¹ Paper published by CTUWS, "al-'amal 'ala ard al-waqi'," n.d., p. 4.

⁸² For example, see veteran labor rights lawyer al-Hilali, pp. 7-8; and LCHR (July 1999), p. 28 (under "Recommendations").

⁸³ In an interview, Ahmad al-'Amawi, minister of labor, said, "Strikes are about achieving a specific demand and if that demand can be achieved without striking, then why strike? Just for the sake of striking?" *al-Ahram Weekly* (4-10 May 2000), p. 7.

⁸⁴ Case 1486/1987, Higher State Security.

⁸⁵ See Christine B. N. Chin and James H. Mittelman, "Conceptualising Resistance to Globalisation," *New Political Economy* 2:1 (1997), p. 27.

⁸⁶ "Counterhegemonic" is used here in the Gramscian sense of resistance to the "hegemonic" or dominant material, ideological, and social structures. Ibid, pp. 27-29. ♦