

Socio-Political Actors in the Post-Mubarak Era

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1. Civil society on the eve of the 2011 Egyptian revolt: between co-option and repression

The behaviour of civil society organisations in the Hosni Mubarak era reflected the strategic employment of a complex system of controls, coercion and co-option, which the regime considered preferable to blanket repression. These included the selective repression of inconvenient rivals, altering of the legal framework to prevent the emergence of new organisations, control over the appointment of the organisations' decision-making bodies, disbursement of public funding solely to organisations that remained close to the regime and invoking the emergency law to restrict freedom of assembly and of expression.



Mahalla, March 2014: Women work at a textile mill.
Photo: Reuters.

Trade unions representing workers and businesses were no exception. The only labour organisation legally recognised in Egypt from President Gamal Abdel Nasser onward was the Egyptian Trade Union Federation (ETUF), which remained uninterruptedly subordinate to the regime. As economic liberalisation

intensified, Mubarak tightened his control over the ETUF leadership, heavily inflecting trade union elections starting in 1996 – especially during the 2006 elections – while repeatedly corrupting the organisation’s executive members.¹ The ETUF tacitly complied, therefore, with the economic reforms enacted by Mubarak, while doing nothing as the population’s purchasing power gradually eroded and workers’ conditions worsened with privatisation and government spending cuts.²

With regard to the private sector, the Mubarak regime attempted to co-opt a portion of businessmen with the intention of broadening and bolstering its base of consensus.³ In exchange for political support and acquiescence, those who willingly colluded with power were allowed to buy out government-owned companies at absurdly low prices, to later either re-sell them at inflated values or else reap the benefit of tax breaks and other privileges. It is no accident that the number of businessmen who belonged to the government party and were seated in parliament gradually rose in the Mubarak era from 12% with the 1995 elections to 22% in 2005.⁴ As a small circle of large-scale businesses got richer, the majority of Egyptian enterprises – mostly small and medium in size – continued to struggle with myriad difficulties in an attempt to stay afloat in an informal economy.

Given the context, it was natural for employer and business organisations subject to strict regime constraints to remain politically acquiescent and contribute to preserving the status quo. The most influential organisations in the Mubarak era – the Federation of Egyptian Industries (FEI), consisting of 16 manufacturing industry chapters, and the General Federation of Chambers of Commerce (GFCC) – received State funding and their boards of directors were appointed by the government. Even the numerous extra-governmental business organisations that began to emerge in the 1970s and 1980s,⁵ although not directly controlled by the State, always toed the regime’s line and opted to pursue special interests rather than represent the real needs of the small and medium sized business community.

1 See Joel Beinin, “Neo-liberal Structural Adjustment, Political Demobilization, and Neo- authoritarianism in Egypt”, in Laura Guazzone and Daniela Pioppi (eds.), *The Arab State and Neo Liberal Globalisation, The Restructuring of State Power in the Middle East*, Reading, Ithaca Press, 2009, p. 15-37; Noha El-Mikawy and Marsha Pripstein Posusney, “Labor Representation in the Age of Globalization: Trends and Issues in Non-oil-based Arab Economies”, in Heba Handoussa and Zafiris Tzannatos (eds.), *Employment Creation and Social Protection in the Middle East and North Africa*, Cairo, American University in Cairo Press, 2002, p. 49-94, <http://documents.worldbank.org/curated/en/2002/01/16873753/employment-creation-social-protection-middle-east-north-africa>.

2 Joel Beinin, “Neo-liberal Structural Adjustment...”, cit.

3 The literature on this subject is very rich. See in particular: Sufyan Alissa, “The Political Economy of Reform in Egypt: Understanding the Role of Institutions”, in *Carnegie Papers*, No. 5 (October 2007), <http://carnegieendowment.org/publications/?fa=19660>; Philippe Droz-Vincent, “The Security Sector in Egypt: Management, Coercion and External Alliance under the Dynamics of Change”, in Laura Guazzone and Daniela Pioppi (eds.), *The Arab State and Neo Liberal Globalisation, The Restructuring of State Power in the Middle East*, Reading, Ithaca Press, 2009, p. 178-200.

4 Joel Beinin, “Neo-liberal Structural Adjustment...”, cit.

5 The most noteworthy would include the Association of Egyptian Businessmen, 1977, and the Economic Committee for Alexandria Businessmen, 1983. There were 97 businessmen’s and investors’ organisations in Egypt in 2007 (UNDP, *Egypt - Human Development Report 2008*, p. 72, <http://www.arab-hdr.org/publications/other/undp/hdr/2008/egypt-e.pdf>).

2. Workers' protests of the 2000s and their role in the January 2011 protests

Despite the heavy restrictions the Mubarak regime began to impose in 2004 on collective labour bargaining that responded to the country's worsening conditions and was consequent to a general lack of confidence in ETUF, workers began to mobilise by occupying factories and organising strikes and demonstrations.⁶ A wave of social protest unlike any seen in the preceding forty years engulfed the Egypt of the 2000s, galvanising more than one and a half million workers between 2004 and 2008.⁷ The protests were broad-based, embracing categories ranging from factory workers to physicians and, unlike the strikes of the 1980s and 1990s, also affected the private sector, albeit to a lesser extent, particularly those privatised companies that had not maintained contract agreements with workers.⁸ The most impressive movements were those spearheaded by the workers of Mahalla Al-Kubra, a textile industry complex in the Delta, and by local administration tax collectors. In December 2007, these latter demanded their wages be raised to the same level as those employed by the finance ministry. After eleven days of sit-ins and protests during which strikes brought the workings of the entire public administration to a standstill, the government was finally compelled to satisfy the protesters' demands.

The demands advanced during that wave of protests in the 2000s, linked with specific factories or government agencies and involving pay rises, bonuses and the conversion of temporary contracts, gradually expanded to acquire a broader national and political scope. Some protests, such as that of the Mahalla Al-Kubra workers, openly began to criticise the Mubarak regime, demanding an increase in the minimum national salary to 1,200 Egyptian pounds (ca. 170 dollars) from the then-current 400, and calling for the resignation of union managers that colluded with politicians and the creation of independent trade unions.⁹

This wide-ranging protest movement – in which women also participated in large numbers¹⁰ – can undoubtedly be credited with helping to set the stage for the 2011 anti-Mubarak revolts, with fomenting a culture of protest among the middle and lower classes and with undermining the regime's legitimacy. Moreover, even though workers' movements became active only in the final phase of the 2011 protests, their role in the ouster of Mubarak seems to have been decisive. The general strike of 8 February 2011, and the rapid wave of ensuing strikes that impacted all sectors of economic activity and spilled eight million workers into the streets, forced the military to step up pressure on Mubarak to step down.¹¹

6 For a complete analysis of the workers protests between 2004 and 2008, see Rabab El-Mahdi, "Labour Protests in Egypt: Causes and Meanings", in *Review of African Political Economy*, Vol. 38, No. 129 (September 2011), p. 387-402, <http://dx.doi.org/10.1080/03056244.2011.598342>.

7 Joel Beinin, *The Struggle for Workers Rights in Egypt*, Washington, Solidarity Center, 2010, <http://www.umn.edu/humanrts/research/Egypt/The%20Struggle%20for%20Workers%20rights.pdf>.

8 Joel Beinin, "A Workers' Social Movement, Egypt 2004-2009", in Joel Beinin and Frédéric Vairel (eds.), *Social Movements, Mobilization, and Contestation in the Middle East and North Africa*, Stanford, Stanford University Press, 2011, p. 181-201.

9 Ibid.

10 See Joel Beinin, *The Struggle for Workers Rights in Egypt*, op.cit.

11 Joel Beinin, "A Workers' Social Movement, Egypt 2004-2009", op.cit.

3. The workers movement in the post-Mubarak era

The fall of Mubarak paved the way for union pluralism and the break-up of the ETUF monopoly. The first national-level independent workers' organisation, the Egyptian Federation of Independent Trade Unions (EFITU), was established under the direction of well-known union organiser Kamal Abu Eita on 30 January 2011 as the anti-Mubarak protests were in full swing. In response to an ETUF announcement on 27 January 2011 instructing all federal unions to block any attempt by workers to participate in the protests of those days, the new independent federation called the 8 February general strike that was key to toppling Mubarak. Local workers' unions and committees proliferated in the wake of that fall, and the second national federation of independent trade unions, known as the Egyptian Democratic Labour Congress was established not long afterwards, in April 2013.

In the early months after Mubarak's fall, during the interim rule of the Supreme Council of the Armed Forces (SCAF), the new federation and other independent unions managed some accomplishments, which included the appointment of Ahmad Hasan Al-Burai as Minister for Labour in place of former ETUF Treasurer Isma'il Ibrahim Fahmi. The new minister, a professor of law at the University of Cairo and long-time supporter of union pluralism, immediately recognised the new independent unions in an official statement, suspending national legislation in the name of the International Labour Organization (ILO) conventions ratified by Egypt. Moreover, in early August 2011, the government announced its, somewhat tardy, decision to dissolve the executive board of ETUF, which had thus far continued to operate and was still considered workers' sole official representative body.

Nevertheless, apart from these initial successes, the situation of the workers who contributed to the protests and of independent unions has steadily deteriorated, and labour movements' main demands are still being ignored. The most important of these include raising the minimum take-home pay to 1,500 Egyptian pounds (approximately 210 dollars),¹² approval of a labour code that formally recognises union pluralism and freedom, and the conversion of temporary contracts.

Indeed, independent workers' organisations have remained on the side-lines in decision-making processes as well as being exposed to post-revolt authorities' growing use of force and repression, but they have also been weakened by internal problems. On the other hand, despite the uncertainties regarding its future, the old Mubarak-era ETUF continues to be State-controlled and a point of reference for the post-Mubarak government.

¹² The minimum post-Mubarak salary of 1,200 Egyptian pounds that workers were demanding in the 2000s is today considered inadequate as a result of the increased cost of living and worsening socio-economic conditions. Teachers and physicians are now calling for a 1,500 minimum.

3.1 Independent unions excluded from or co-opted in decision-making processes

Despite the growing support it was garnering among workers, the EFITU and other independent unions were either largely excluded from decision-making processes in post-Mubarak Egypt or, as happened after Morsi's ouster, co-opted by the government without being given any real power, as some significant events amply demonstrate. In the autumn of 2011, then-Labour minister Ahmad Hasan Al-Burai, who was in favour of union pluralism, drafted a bill in close consultation with EFITU and other labour-centred NGOs working on behalf of union autonomy and other workers' rights. The bill was rejected by the SCAF leadership at the time as well as by the Islamist-dominated parliament (January-June 2012).¹³

Furthermore, independent union representatives were almost entirely cut out of the process of drafting a new Constitution. None of them was involved in the first Islamist-dominated Constituent Assembly that was dissolved in April 2012; and even though 13 union representatives were involved in the second Constituent Assembly formed in June 2012, the Constitutional text approved by popular referendum in December of the same year contained none of those representatives' proposals.¹⁴ Rather it introduced numerous controversial articles limiting union pluralism: Article 53, which sets a limit of one union per profession, and Article 52, which states that unions may be dissolved by judicial order.

The post-Mubarak period initially seemed to offer workers and independent unions an opportunity to have a voice in decisions taken by the new government. The EFITU, and other independents critical of Morsi and the Islamists, initially supported the anti-Muslim Brotherhood campaign led by the *Tamarrud* (rebellion) movement¹⁵ in May-June 2013, collecting nearly 200,000 signatures and clearly displaying their support for the ultimatum presented by the military to the ex-president on July 1st.¹⁶ After Morsi's removal, the new head of the government appointed Ahmad Hasan Al-Burai, a supporter of union pluralism, as Minister for Social Solidarity and named EFITU leader Abu Eita Labour Minister. Nevertheless, it was clear from the start that this was an attempt by the military and the new government to co-opt workers by appealing to their sympathies, rather than to involve their advocates in decision-making. Indeed, the government continued not to honour its repeated promises to approve a new labour code and increase the minimum salary to 1,200 Egyptian pounds.¹⁷ Finally, the 50-member

13 Joel Beinin, "Workers, Trade Unions and Egypt's Political Future", in *Middle East Report Online*, 18 January 2013, <http://www.merip.org/mero/mero082313>.

14 As a sign of protest for the failure to incorporate workers' demands into the text of the Constitution, some union representatives, such as the head of the farmers union, decided in the autumn of 2012 to pull out of the Constituent Assembly. See "Journalists, farmers syndicates withdraw from Egypt's Constituent Assembly", in *Ahram Online*, 20 November 2012, <http://english.ahram.org.eg/News/58676.aspx>.

15 The *Tamarrud* movement started in 2013 with the goal of gathering 15 million signatures by 30 June 2013 in order to demand Morsi's resignation. The movement is, therefore, considered the start of the wave of protests that led to his removal with the military coup of 3 July 2013.

16 After the military's July 1st ultimatum to Morsi, the independent unions announced a general strike for the following day that, however, did not stir much of a following.

17 In September 2013, for example, the government announced an increase in the minimum wage beginning in January

Constituent Assembly appointed by Adli Mansour to amend the 2012 Constitution after Morsi's removal did not include a single independent union representative and was put together by the president of the government-controlled ETUF.¹⁸

3.2 Unions, between repression and infighting

The attitude of post-Mubarak authorities (from the SCAF to the present day) toward worker protests have become increasingly inflexible, with a growing use of force and intimidation tactics such as the indiscriminate arrest of union leaders and demonstrators.¹⁹ One of the first measures taken by the SCAF in response to the demonstrators was a 2011 military decree (later transformed into law) making participation in or incitement to protest subject to a fine of 50,000 Egyptian pounds (ca. 7,000 dollars). Under the same Islamist administration, a presidential decree of 22 November 2012 provided for the creation of a new Prosecutor General's office to punish crimes such as the participation in strikes and unauthorised protests.²⁰

After Morsi's removal and the violent repression that was unleashed against the Muslim Brotherhood, the presence of well-known union representative Kamal Abu Eita in the new government did nothing at all to change attitudes toward worker protests, as witnessed by the military's harsh crack-down on the Suez Canal steel workers' strike in August 2013.

Finally, labour unions' failure to bring about change was due not only to the highly adverse political climate, but also to internal weaknesses. Fragmentation owing to rivalries and divisions among union leaders,²¹ a lack of economic resources and incomplete professional skills combined to undermine the members' ability to foster widespread national involvement, in addition to a lack of cooperation among independent unions and others of the country's political forces such as youth groups.²²

2014, a provision that to date has yet to go into effect.

18 Faiza Rady, "Workers' rights under attack", in *Al-Ahram Weekly*, No.1167 (3 October, 2013), <http://weekly.ahram.org.eg/Print/4301.aspx>.

19 For the period under the Morsi presidency, see: Center for Trade Unions & Workers Services (CTUWS) and Egyptian Democratic Labour Congress, *Violations to Trade Unions Freedom during First 100 days of Mohamed Mursi's Rule*, 8 October 2012, <http://solidar.org/Trade-Unions-and-Human-Rights-in.html>; Joel Beinin, "Neo-liberal Structural Adjustment...", cit.

20 Daniela Pioppi, "Il movimento operaio in Egitto prima e dopo la 'rivoluzione del 25 gennaio' 2011", in *Afriche e Orienti*, a. XV, n. 1-2 (2013).

21 For example, in the summer of 2011, some EFITU members who were close to legendary Egyptian workers' rights NGO the Center for Trade Union and Workers Services (CTUWS), left to form a new trade union federation, the aforementioned Egyptian Congress of Democratic Labour. The cause for the rupture seems to have been a disagreement on strategies between CTUWS coordinator Kamal 'Abbas and EFITU president Kamal Abu Eita.

22 Joel Beinin, "Neo-liberal Structural Adjustment...", op. cit.

3.3 ETUF link to power apparatus maintained

ETUF remained tightly linked to the past power system and the object of strong interference by the post-Mubarak authorities. After the dismantling of its old board of directors in August 2011, the new board that formed was made up, in addition to members of heterogeneous political orientation such as socialists, independents, exponents of the new federation and of the Muslim Brotherhood, also by former ETUF directors close to Mubarak. Under the Morsi administration, the newly reshuffled board consisted predominantly of men linked with the former regime and members of the Muslim Brotherhood, and included only three independent union representatives. Moreover, Al-Gibali Al-Maraghi a prominent Mubarak-era figure, was appointed ETUF president, and Muslim Brotherhood exponent Yusri Bayyumi became the new treasurer. At the same time, with the intention of strengthening the Muslim Brotherhood's presence in the upper ETUF echelons, former-president Morsi issued decree no. 97 on 25 November 2012 forcing all federation executives over the age of 60 into early retirement and granting the power to appoint their replacements to labour minister Khalid Al-Azhari of the Freedom and Justice Party.²³ Following Morsi's ouster and the harsh backlash against the Muslim Brotherhood, the ETUF – today once again dominated by former regime members and military sympathisers – voiced its unconditional support for president Abdul-Fattah Al-Sisi.

4. Post-Mubarak entrepreneurs

The situation of both private sector and business organisations since the fall of Mubarak does not seem to have changed in any significant way. On the one hand, successive governments' various attempts have failed to effectively tackle the country's economic and social problems, and therefore to stimulate private investments.²⁴ On the other, the strong connection between politics, economic interests and businessmen that marked the Mubarak era has continued to deeply inflect Egyptian economic policy. The fact that the country's current military leaders are, at the same time, deeply involved in controlling the Egyptian economy is clear evidence of the continuity between the old regime and the post-revolt political-economic organisation.

The panorama of business and employer organisations is still dominated by the same organisations that were operating in the Mubarak era. Not much seems to have changed at the executive level: Galal Al-Zorba, Federation of Egyptian Industries (FEI) director for 12 years, remained in the presidency of the organisation even after Mubarak's fall and up until Morsi's removal. Neither does the government seem to have loosened its control over these organisations. Indeed, Al-Zorba's successor, appointed in August of 2013 by the minister of industry, promptly declared his loyalty to Al-Sisi.

²³ Joel Beinin, "All Unionized and Nowhere to Go", in *Sada Journal*, 8 January 2013, <http://carnegieendowment.org/publications/?fa=50540>.

²⁴ See Maria Cristina Paciello, "Economic and Social Policies in post-Mubarak Egypt", in *Insight Egypt*, No. 3 (November 2013), <http://www.iai.it/content.asp?langid=2&contentid=1033>.

The FEI, along with business organisations operating in the Mubarak era, have continued therefore to participate in meetings and to consult with post-revolt authorities. Even during the Islamist administration, whose priority had been to fight the rampant corruption left in Mubarak's wake, opted to preserve the status quo in relations with existing business associations and to maintain a good rapport with businessmen associated with the previous regime. For example, persons close to Mubarak were allegedly among the members of the business delegations that on various occasions accompanied Morsi to China. As previous governments under the SCAF had done, the Islamist administration's Qandil government endeavoured to speed up reconciliation with businessmen accused of corruption during the Mubarak era and, in February 2013, the Upper House (*Shura*) approved a new law to facilitate that.²⁵ This Muslim Brotherhood stance had the probable two-fold aim of broadening the base of political consensus and of transmitting a positive signal to investors.

The post-Mubarak era also saw the panorama of businessmen's organisations enhanced by the addition of new associations linked with Islamist parties. An association for the development of Egyptian enterprise – known by the Arabic word *Ebda*, meaning "start" – was established in March of 2012 with the aim of acting as a go-between for investors and the government and of supporting small and medium sized enterprises. The Salafists also set up their first businessmen's association in November 2012 – *Bader*, the Arabic word for "initiator" – whose objective is to promote Islamic law in economic transactions. The Egyptian Association for Islamic Finance was established for the banking and financial sector and promotes new Islamic financial products.

EBDA played an important economic and political role during the Morsi administration. His president Hassan Malek was a member of the presidential committee charged with channelling business sector requests and suggestions to Morsi's office. Malek himself acted as mediator in the processes of reconciliation with numerous Egyptian businessmen who had fled the country after being accused of corruption during the Mubarak regime.²⁶

These new Islamic business associations do not, however, seem to be acting as vectors for change. They employ practices and policies not unlike those of the other business organisations, and do not so much give small and medium sized business interests a voice as pursue the interests of certain businessmen hitherto excluded from the country's economic and political spheres.²⁷ Finally, a good indication of the Islamists' desire not to break with the past lies in the fact that the members of the EBDA board of directors included several former regime supporters.²⁸

²⁵ "Egypt gov't to facilitate return of 'fleeing' businessmen", in *Ahram Online*, 13 February 2013, <http://english.ahram.org.eg/News/64694.aspx>.

²⁶ Noha Moustafa, "In reconciling with regime figures, officials opt for quick cash over formal trials", in *Egypt Independent*, 23 February 2013, <http://www.egyptindependent.com/node/1493216>.

²⁷ Ibrahim Saif and Ahmed Ghoneim, "The Private Sector in Postrevolution Egypt", in *Carnegie Middle East Center Papers*, June 2013, <http://carnegieendowment.org/publications/?fa=52043>.

²⁸ *Ibidem*.

In any case, the harsh repression of the Muslim Brotherhood that followed the removal of Morsi did not spare businessmen close to that organisation, as had happened in the Mubarak era. Indeed, firms associated with the Muslim Brotherhood, among which those owned by Hassan Malek, were confiscated by the government that stepped in.²⁹

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²⁹ See, for example, El-Sayed Gamal El-Deen, "Egypt to seize 66 'Muslim Brotherhood' companies", in *Ahram Online*, 17 July 2014, <http://english.ahram.org.eg/News/106477.aspx>.

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