

1 *Trade Union Politics before and after the Arab Uprisings*

In September 2015, Egyptian workers gathered in a specially designated “protest zone” in Cairo to protest a new civil service law that would create layoffs and reduce wages. They were corralled by security services, and many were arrested. Buses were stopped en route. The protests lacked the support of the country’s “official” trade union, which had spent much of the previous year promising an end to industrial action to curry favor with the new regime. The “unofficial” independent unions, which held so much promise during the 2011 revolution, had largely fallen into infighting. They had achieved few of the demands they put forward in either the strike wave that emerged in the 2000s or the uprising that followed.

At the same time, trade unionists in Tunisia were being awarded the Nobel Peace Prize along with fellow civil society activists. The General Secretary of the “official” union was visiting the United States as a guest of the AFL-CIO and being hailed as one of the people who saved Tunisia. Over the previous few years, workers enjoyed multiple raises, including an increase to the minimum wage and an unprecedented influence over the government. Unionists held sway in the streets and in the halls of power.

Just ten years before the 2010–11 revolutions, these results were unthinkable. Both Egypt and Tunisia had regime-backed trade union confederations. Deals struck in the 1950s and 1960s created compliant unions that were “corporatized” to aggregate and channel the demands of their members in specific ways. The years before the revolutions saw a rending of the corporatist pact that maintained labor peace followed by a wave of labor militancy in each country. Despite these similar histories, each country diverged on labor after the revolutions. How did formerly quiescent trade unions become militant? What linkages did they make to other social forces during and after the revolutions? Why were Tunisian unions cohesive, unified, and

influential in the transition while Egyptian unions were fractured, co-opted, and lacking influence?

Why Egypt and Tunisia?

The project is motivated by two puzzles. First, how did unions in Egypt and Tunisia become involved in revolutionary politics? Second, how did Tunisian unions manage to become influential actors while Egyptian unions barely survived? The answers are based on scores of interviews in each country. On the first question, I find that the methods used to “constrain” and “channel” workers’ issues while also opening up the economy to free market forces shaped their participation in protest politics. For the second, I turn to how the trade unions split apart, and whether those splits were irrevocable.

Egypt and Tunisia might appear an unlikely pairing at first. Egypt has almost twice the land mass of France with a population in excess of 95 million. Tunisia’s entire population could fit in greater Cairo. Despite this, as two of the earliest and most decisive transitions in the wave of revolutions known as the “Arab Spring,” Egypt and Tunisia yield the most complete cases to understand the role of trade unions in regime transition in the recent era. The countries also share specific strategies of labor management, which make them more comparable. Each country faced an economic and political crisis in the 1980s and used structural adjustment, a package of policies promoted by international lenders including the World Bank and International Monetary Fund, within a few years of each other. Both countries also saw periods of sustained worker unrest in the run-up to their revolutions.

In their choice of ways to “handle” the problem of working-class demands, Tunisia and Egypt are also not alone.¹ Regime-backed corporatism was a popular technique in postcolonial states throughout

¹ Christopher Candland and Rudra Sil, eds., *The Politics of Labor in a Global Age: Continuity and Change in Late-Industrializing and Post-Socialist Economies*, 1st edition (New York, NY: Oxford University Press, 2001) explores the results of globalization in a variety of non-Western countries. This work builds on the efforts outlined here to understand the withdrawal of the state and the reaction of labor to new economic policies of diverse states. This argument militates against the “convergence” theory where states are seen as moving inexorably toward similar policies.

the world.² The conflict between these policy packages (corporatism and structural adjustment) ripped apart the coalitions that kept each country's regimes in power. With elements of these policy packages combining to cause conflict around the world, understanding what factors affect outcomes in the two selected cases, which saw such broad waves of contentious politics that the regimes actually fell, helps us better understand other countries.

Definitional Issues

Both Tunisia and Egypt saw trade union organizations survive revolutionary change. While the revolutions themselves had multiple causes, a failing political economy is frequently recognized as a contributor.³ Trade union organizations, in various capacities, sought to “push back” changes that happened from the 1980s on.⁴ I use the term “trade union organization” to mean any institution whose main purpose is to deal with workers' issues. In each instance, the country has a trade union organization that predates the recent revolutions, which, in accordance with Teri Caraway's research, I call the “legacy” union. Caraway has carried out the most important work on “legacy” trade unions in a series of articles theorizing why some legacy unions manage to retain power while others falter following major transitions.⁵ Caraway cites legacy union strength, method of incorporation, and mobilization of competitors as keys to understanding whether a legacy union

² See also Rudra Sil, “Globalization, the State, and Industrial Relations: Common Challenges, Divergent Transitions,” in T. V. Paul, G. John Ikenberry, and John A. Hall, eds., *The Nation-State in Question* (Princeton, NJ: Princeton University Press, 2003).

³ For more on how even Islamist parties have relied on appeals framed economically see Tarek Masoud, *Counting Islam: Religion, Class, and Elections in Egypt* (New York, NY: Cambridge University Press, 2014).

⁴ I also draw on the Polanyian tradition of looking at efforts to “embed” economic change in protective social structures, as well as social movements that seek to reclaim labor rights from economic forces. See *ibid.*

⁵ Doug Brown, “The Polanyi-Stanfield Contribution: Reembedded Globalization,” *Forum for Social Economics* 40, no. 1 (April 1, 2011): 63–77; Ronaldo Munck, “Globalization, Labor and the ‘Polanyi Problem,’” *Labor History* 45, no. 3 (August 2004): 251–69.

will dominate the post-transition labor scene.⁶ This book builds on Caraway's framework to look at a related issue: how union movements, broadly conceived, succeed in advancing their agenda and influencing transitions, or fail to do so. I use the term "legacy union" for the Egyptian Trade Union Federation (ETUF) and the Union générale tunisienne du travail (UGTT), and the term "competitor union" or "independent union" to describe alternative trade union organizations in each country.

This book puts forth the idea of "corporatist collapse." Corporatist collapse is failure of the corporatist structure to manage its basic duties. Two of these were "top-down" duties: coordination and quiescence. Coordination meant harmonizing goals and strategies among the "social partners" of labor, capital, and government. Quiescence meant limiting industrial action, practicing wage restraint, and not resisting the regime. Two other duties were "bottom-up" duties: aggregating and advocating. Aggregating means bringing together workers through a predetermined channel. This could be to endorse government policy or weigh-in on decisions. Advocating meant actually obtaining some concessions for the members of the corporate body (wage increases or job security for workers, tax cuts or protection for business). Corporatist collapse came about because of structural adjustment, flexibilization, and the loss of political power suffered by trade union organizations.

Structural adjustment policies generally focused on macroeconomic performance. Loans from international financial institutions (IFIs) looked to stabilize financial markets, correct trade imbalances, create or reform banking sectors, and move workers into private enterprise while reducing debt. These policies were applied to many of the least developed and middle-income countries facing economic crises during the 1980s and 1990s.

Flexibilization, a long-term goal of the IFIs to correct perceived problems in the labor market, is a global phenomenon. While the restrictions on the "ideal" flexible labor market vary from country to country, the goal is consistent. Employers seek maximum liberty to hire and fire workers, reassign their tasks, increase or

⁶ Teri L. Caraway, "Pathways of Dominance and Displacement: Explaining the Dominance of Legacy Unions in New Democracies Comparative Insights from Indonesia," *Comparative Political Studies* 41, no. 10 (August 2007): 1371–97.

diminish their production quotas, and set their wages. Despite the difficulties in implementing flexibilization in countries with strong unions, the process had been applied in Europe, Asia, and Latin America.

Political power loss for unions operated both grossly and subtly. Both the ETUF and the UGTT lost their central role in helping to decide how the political economy of the state should function. New leaders sought support from business and emerging middle classes and felt comfortable pushing unions aside. Labor issues were often solved in the courts, a process called judicialization, which removed the important role once played by the unions.

Incorporation, as used in this book, deals with the rhetorical claims unions make about their earlier history. Regime changes and liquidation of leadership structures in both Egypt and Tunisia eliminated any consistent material resources for the trade union organizations. Both were dependent on the state. Despite that, the rhetoric of their founding remained important, and in the UGTT's case was reinforced during periods of militancy, and reshaped by rank-and-file activists as a call-to-arms.

In authoritarian regimes like Egypt and Tunisia it is in some ways easier to spot trade union politics than in advanced democracies. Prior to the revolutions, Egypt and Tunisia lacked political parties working with unions, or strong campaigns for national office. We can track the relationship between union, state, and business over the years with some clarity. On the other hand, authoritarian regimes are opaque. Statistics like strike rate, union density, and wages are harder to get. More sophisticated attempts to assess trade union "power" remain challenging.⁷ For the purposes of this chapter, political power of trade unions means the organizations' capacity to influence policy decisions that affected workers. Older studies have described Egypt and Tunisia as having powerful trade unions.⁸ This book will show how that power broke down.

⁷ Christian Lévesque and Gregor Murray, "Understanding Union Power: Resources and Capabilities for Renewing Union Capacity," *Transfer: European Review of Labour and Research* 16, no. 3 (August 1, 2010): 333–50.

⁸ Hishaam D. Aidi, *Redeploying the State: Corporatism, Neoliberalism, and Coalition Politics*, Reprint edition (New York, NY: Palgrave Macmillan, 2012).

Puzzle 1: Corporatist Collapse

How did a system designed to channel workers' complaints, limit their actions, and give them some say in governance break down and allow workers to get swept up into revolutionary action? While corporatism has several goals, it is at its core a system of interest aggregation. Interests and demands are organized into hierarchical, exclusive corporate bodies. Generally, these include the state itself, a business association, and a trade union organization. In both Egypt and Tunisia, these corporate bodies reinforced a system of repression. Police, intelligence, and the military kept the population from activity that threatened the regime. In both countries the corporate bodies were linked directly to dominant political parties, which provided resources through patronage networks and mobilized voters for sham elections. These trade union organizations prevented potential rival movements (political parties, communist organizations, Islamist movements, factions of the dominant regime) from using workers as a base from which to challenge the status quo. Despite these apparent advantages for the continued dominance of the corporatist system, it entered a slow collapse in the 1990s and 2000s.

The three factors highlighted here – structural adjustment, flexibilization, and political power loss for trade union organizations – alienated workers. Many workers did not even know they were in a union. Union elections were corrupted, and union leaders either could not or would not push for benefits for their workers. Increasingly, workers did not have union representation. As both countries drew strength and domestic control from their relationship to unions, a cornerstone of regime stability was undermined. In both countries, union activists began a wave of strikes, sit-ins, and protests. The wave of labor militancy introduced new tactics and strategies of contestation. The collapse of the trade union–based benefits system both alienated labor and angered rank-and-file trade unionists. This left the state with little capacity to either address demands or channel discontent. Both countries saw new independent unions emerge, competing for influence with workers and further eroding confidence in the legacy unions.

Puzzle 2: Divergent Outcomes

How did trade unions in Egypt and Tunisia produce such radically different outcomes in the reconsolidation of new regimes following the uprisings of 2011? With both countries having used similar management techniques prior to the revolutions, the relative success of the Tunisian trade union movement, and the relative failure of the Egyptian trade union movement, is surprising. The second half of this book explores the reasons for these differences.

I propose three key variables in understanding the differences in relative union strength in Egypt and Tunisia. These variables – external links, internal links, and legacy of incorporation – combine to produce what I term the trade union movement’s “position” in the transition process. This position predicts how much of an impact the trade union will have on the transition itself. The most extensive of these variables is internal linkages, which covers how the trade union movement relates to various forces within the country.

Argument

Pre-Uprising

Media accounts date the “Arab Spring” to the self-immolation of Mohammed Bouazizi on December 17, 2010 following a humiliating exchange with a government official. Bouazizi became emblematic for many of the aspects later claimed by the revolutionary movements both in his home country and abroad, enshrined in the names used for the revolutions themselves: The Dignity Revolution or The Youth Revolution. Twenty-six years old and facing a police state, Bouazizi fit these descriptions. He was, however, also a resident of the economically neglected interior of the country, and a member of the economically frustrated generation that grew up under aging autocrat Ben Ali that was promised economic development and higher education. The initial conflict with a government representative was over his precarious livelihood, selling fruit in the street.

Another interior region, south of Bouazizi’s home, faced a major revolt in 2008. The Gafsa mining basin rose up in a major strike, followed by sit-ins, hunger strikes, and marches. The groundswell of

labor militancy forced labor's peak institution in the country, the UGTT, to react to the newly militant labor sector. The Gafsa strikes introduced new repertoires of contention, and were the most sustained challenge to the Ben Ali regime in more than twenty years. The system of corporatist control that held Tunisia's laborers in check was breaking down, and it was not the only Arab country experiencing the problem.⁹

While Egypt was neither the starting point nor the most destructive of the "Arab Spring" uprisings, given the country's historical role in the region, it may have been the most important. The media narrative, especially in the United States and Europe, focused on information technology and the sudden emergence of social media and internet-based activism as a source of real revolutionary potency. Signs in Arabic and English reading "Facebook" and "Twitter" were splashed across American newspapers and TV screens. It seemed for some to be vindication for their hope for a cyber utopia that would upend existing political structures. Despite this, some individuals with a longer history of both research and activism in the country saw other causal agents. Some pointed to the unexpected fracturing of the coercive state apparatus.¹⁰ Others identified the political economic component of the revolution, including scarcity, unemployment, and privatization. While aspects of the Egyptian revolution were novel, the breakdown of certain key regime support structures had taken place in several countries with varying outcomes. Prior to and during the revolution, Egypt witnessed the collapse of the corporatist labor structure and the emergence of labor organizations as a revolutionary sector in society. The bargain struck between labor and the regime was rent, and new relationships were (and continue to be) negotiated.

The processes undergirding corporatist collapse in Egypt mirror those in Tunisia. Like Tunisia, balance of payments issues, coupled

⁹ Scholarly inattention to ground-up social movements is common. Despite this, some research on social and labor unrest was ongoing before and after the revolution brought renewed interest. Notable among them is Joel Beinin, "Workers' Protest in Egypt: Neo-Liberalism and Class Struggle in 21st Century," *Social Movement Studies* 8, no. 4 (2009): 449–54; Joel Beinin, *Workers and Thieves: Labor Movements and Popular Uprisings in Tunisia and Egypt* (Stanford: Stanford University Press, 2016).

¹⁰ Eva Bellin, "Reconsidering the Robustness of Authoritarianism in the Middle East: Lessons from the Arab Spring," *Comparative Politics* 44, no. 2 (January 1, 2012): 127–49.

with diminishing political rents, forced Egypt to agree to a structural adjustment package in the 1990s. Many segments of this neoliberal turn were delayed until the mid-2000s, when the emergence of a new political faction, including President Hosni Mubarak's son, came to power. The public sector in Egypt, like in many developmentalist states, was massive. The bureaucracy of the country swelled under President Gamal Abdel Nasser's rule, as free education produced a cohort of young people with middle-class aspirations. Government jobs were used to soak up excess labor, and Nasser-era nationalization created a need for more bureaucrats. The public sector was the main source of unionized labor inside the ETUF, the country's single legal trade union confederation. Nasser used the trade union movement to bolster his rule, despite rocky beginnings. The bureaucratic middle class, dependent on government jobs, formed a core support structure for the regime. By embracing structural adjustment agreements under pressure from the international financial institutions, Mubarak began a slow process of eroding this power base.

Structural Adjustment

The fracturing of the old labor pact was born of three main factors in Tunisia and Egypt: structural adjustment reforms, flexibilization, and the political power loss of the trade unions. While each country followed its own internal logic and political necessities, the broad patterns closely match.

While originally recommended as part of the structural adjustment plans that accompanied IFI loans in the 1980s, the neoliberal reforms in Tunisia were rolled out in stages based on political feasibility and crony capitalism.¹¹ The reforms served to change the role of the state in governance. While the state continued to intervene, it no longer sought primarily to ensure employment or bolster labor-heavy enterprises. The ramifications of neoliberal reforms were partly perceptual and partly practical. With the turn toward capital-intensive industries, trade unionists felt the government had abandoned its pro-labor position, rhetorically enshrined in the abandonment of the term "socialist"

¹¹ The World Bank, "Tunisia – Structural Adjustment Loan Project" (The World Bank, May 20, 1988), <http://documents.worldbank.org/curated/en/469511468311960320/Tunisia-Structural-Adjustment-Loan-Project>.

from official discourse.¹² On the practical side, the “upgrading” of the economy as it was called in national plans did little to increase the wages or broaden the employment of the working class.

The core of the “Economic Reform and Structural Readjustment Program” Egypt entered into in 1991 was a contraction of the public sector. State assets were sold off, wages stagnated, and layoffs became more common, all while the government dramatically shrunk the number and kind of state subsidies.¹³ State investments in health care and education were also walked back. State employees were constrained on all sides, by rising prices for services previously provided by the state and the potential of being fired at any moment. The first years of the privatization program were marginally successful; however, the mid-2000s saw a renewed effort. The 2000s saw a significant increase in the rate of privatization, peaking in 2005–6 with sixty-five companies worth over 1.4 billion LE privatized. Not coincidentally, the following year saw the emergence of a wave of labor protests as workers felt the effects of mass privatization.

Flexibilization

Flexibilization, which has come to be described as “the overall ease with which employers are able to employ or dismiss workers” could perhaps be more harshly and accurately defined by what it is opposed to.¹⁴ A 2003 ILO report defines it as opposition to “labour ‘rigidities’

¹² The definitive English-language study of Tunisia’s political economy is Eva Bellin, *Stalled Democracy: Capital, Labor, and the Paradox of State-Sponsored Development*, 1st edition (Ithaca, NY: Cornell University Press, 2002). In it Bellin explicates the “developmental paradox” of the authoritarian state, by which the forces nurtured by the state have the power to push back against it. A second “democratic paradox” emerges that limits the states’ willingness to democratize. This book builds on Bellin’s thesis, looking at one of the forces she identified as “ambivalent” to democracy, labor, and addressing its actions when the chance for democracy became real.

¹³ The definitive work on the ETUF’s historical relationship to the state can be found in Marsha Pripstein Posusney, *Labor and the State in Egypt: Workers, Unions, and Economic Restructuring* (New York, NY: Columbia University Press, 1997). Posusney is prescient on the crises that emerged in the years following the book’s publication. She identifies two levels, one of elite co-optation and one of broader working-class “moral economy.”

¹⁴ Rudra Sil, “The Battle over Flexibilization in Post-Communist Transitions: Labor Politics in Poland and the Czech Republic, 1989–2010,” *Journal of Industrial Relations* 59, no. 4 (September 1, 2017): 420–43.