



LEGAL EMPOWERMENT OF THE POOR

LABOR RIGHTS

[UNOFFICIAL TRANSLATION]

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Introduction

This research examines the relationship between poverty and depriving the individuals of their labor rights according to the concept of decent labor. It also focuses on how to empower the poor labor force of their rights referred to in the international conventions and passed by the International Labor Organization.

Depriving the labor force of their rights takes many forms. Some of those poor are jobless; they do not find even undisciplinary work opportunity. Others work for disciplinary sectors despite of the surrounding circumstances which may divest some of their rights. As the majority of labor force do not find decent work opportunity, they work for few pennies and lack social care. This actually hinders the processes of economic and social development.

Accordingly, this research falls into three parts: part one sheds light on the relationship between the concept of legal empowerment to the labor force and the concept of decent work; Part Two identifies the concept of the poor, their characteristics, and the position of employment in the Egyptian labor market; Part Three exposes the way the poor are deprived of labor rights whether they are employed or not. The latter part also shows how to provide the poor of the labor force with their rights in the cadre of the conditions of the local labor market taking to some international experiences.

1. The Relationship between the Concept of Legal Empowerment to the Poor and the Concept of Decent Work

Poverty is a wide concept which can not be clearly and wholly identified. It is a social status where some social classes are deprived of their essential lawful, economic, and social rights. Poverty spreads in many areas all over the world due to unemployment, informal employment, low production, and low salaries. Consequently, overcoming poverty implies providing the poor with their due rights, productive and everlasting work opportunities, health care, and education. Unempowering the poor labor force means depriving them of work opportunities as well as depriving those who are employed of some of their rights concerning work conditions, work hours, wages, social care, and syndicate representation, especially females who are facing discrimination. However, in these cases the suffering of the poor are similar to that of the non-poor But negative impact for depriving of the labor right is stronger on the poor laborers than on others because labor is their only means of production.

According to international and Egyptian experiments, most cases of unempowering the labor force are related to undisciplinary and informal work whether in the city or in the countryside. As the majority of the poor can not live unemployed, they resort to undisciplinary and informal work. This kind of work is known for its low wages, low production, and no social or insurance

protection. By all means, this is not a decent work for individuals to earn their living honorably. Work is the only means the poor depend on to overcome poverty provided that they feel equity, protection, and dignity. To palliate the severity of poverty, some reforms should be done to provide individuals with legal protection in all fields of work. The ability of the poor to engage in the economic, social and legal systems of the state is an indication to economic development and social cohesion. This sheds light on the close relationship between providing the poor with their various rights and the concept of decent work which the international labor organization adopts and considers an essential element for decreasing the rate of poverty.

In 1999, the international labor organization set- providing both males and females with productive and decent work where freedom, equity, security and dignity prevail -as its main objective. The organization considers the concept of decent work a step to save a comprehensive cadre for the economic and social development. The concept 'decent work' means providing work opportunities with good income, family social care, new horizons for self development of the individuals, the individuals' freedom of expression, and the laborers' participation in decision taking related to their life. The necessity for providing both males and females with equal work opportunities is an essential element as well. The international labor organization adopted this concept in the light of the problems which peoples and individuals meet such as social marginalization, unproductive work opportunities, insecure work, unstable income, unaccredited labor rights, inequity between males and females, immigrant labor force, low syndicate representation, and lack of care concerning illness, disability, and old age. So, trying to confront such problems can not be achieved unless there is a decent work for the labor force especially the poor because they constitute the majority who suffer from these problems.

To spread and apply the concept of decent work, the international labor organization sheds light on four main points which sum up all laborers' rights. First, creating everlasting and productive work opportunities especially those reducing the poverty (Intense work investment programs in infrastructure), training investment, skills development, creating work opportunities in small and medium enterprises, cooperatives and rural development. Second, spreading and providing the basic norms, principles and rights in labor place which includes among other things, professional safety, health care, working hours, wages, inspection, vocational training, motherhood care, and preventing children from work. Third, social protection. Fourth, providing the mechanisms of social dialogue which include social negotiations, labor organizations, syndicates and disputes settlement . These four points stand for the mechanisms of combating poverty and ensuring the laborers' rights. In other words, the concepts of decent work and combating poverty complement each other. So, achieving one of them means achieving the other. This also makes clear-cut the interlinked relationship between empowering the poor labor force of their rights and the concept of decent

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work. Here comes the second part of this paper which defines the term '*the poor*' and shows their characteristics. This part also identifies the official and informal work and to what extent it is related to poverty in the Egyptian economy.

2. The Poor of the Labor Force and their Characteristics

After defining what the term 'the poor' means, we will move to shedding light on the most important features of the Egyptian labor market. The relationship between the phenomenon of informal work and poverty will be highlighted as well.

2.1. The Poor and their Characteristics

The phenomenon of poverty is discussed on two levels: the first, identifies the poor and divides the population into poor and rich according to some norms of welfare; the second, identifying measures the volume of poverty in one figure. By using Consuming Expenditure- as an indicator to welfare- is used to assess the absolute poverty line according to the HIECS, the poverty rate decreased from 19.4% in the mid 1990s to 16.7% at the end of this decade. Then, it raised to 19.56% by 2004 which means that 13.6 million people were not able to get their basic nutritional and non-nutritional needs.

Studies conducted on poverty in Egypt show that low income which does not provide a person with all his basic needs is not the only indication to poverty. However, poverty is always related to malnutrition, children deaths, low education level, unhealthy housing, and the difficulty of enjoying some fundamental services such as potable water and sanitary drainage. Hence, the concept of poverty is wider than the concept related to the poverty line only as it (poverty conceot) overwhelms a large number of classes and sectors in Egypt.

On the other hand, the relationship between poverty and indecent work is of a great significance in this research. That is because the majority of the poor depend on work which is their only means of production. So, strategies of decreasing the rate of poverty and providing the poor with better resources such as lands and loans do not succeed unless the poor are given productive and decent work.

Studies conducted on poverty in Egypt sum up the status of the poor as follows:

1. The poor are not the people who do not enjoy welfare, but those who are unemployed especially in the urban areas. This resulted from the lack of formal work opportunities for the educated ~~people,~~ the matter that in turn led to displacing the unskilled laborers from the labor market. Consequently,

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there appeared the unemployment of the unskilled workers and the uneducated who stand for the majority of the poor.

2. The Egyptian countryside suffers from extreme poverty, backwardness, and the lack of some infrastructure services. The distribution of properties in the countryside is to a great extent unfair. The majority of landowners are poor farmers. The owners of less than five feddans are 96% of the landowners who possess more than a half of the agricultural lands. The products of the farms stand for the only income of the minor farmers in addition to working by day outside their farms. The records of 2004 family budgets show that those who work for no wage constitute 20% of the rural labor force as they also stand for 25% of the poor in the countryside. The records also show that people whose income is confined to farms are poorer than those who work in non-agricultural activities.

Agriculture plays a vital role in the Egyptian economy. It produces about one sixth of the GDP. It is also one of the most important sources of exportation. A large number of the labor force work in agriculture specially individuals who do not possess land. Around two thirds of the poor work by day in farms which saves 52% of their income. Also, 89% of countryside females work in agriculture. The outcomes of a number of studies referred to the fact that the policy of liberalizing agricultural sector giving up the state's intervention in production, pricing, and marketing - which began in 1986/87 and went on with the program of economic reform in the early 1990s- had bad effects on the poor and land hirers. In addition, law No. 96 of 1992 which identifies land possessing and which organizes the relationship between landowner and the leaseholder led to obligating a large number of leasees to deliver lands to their owners. This also led to accumulating debts on the leasing farmers and abject poverty.

3. The statistics of 2004 family budget show that 23% of the poor laborers in urban areas work outside establishments. This rate increases to 42% in rural areas. The poverty incidence on poor laborers who work outside establishments exceeds 29% which 10 cent. surpasses the national average. One of the most important phenomena in this regard is that in both urban and rural areas and compared to males, the probability that females work outside establishments is greater. . This applies to both poor and non-poor females but it becomes twofold for poor females than non-poor in urban areas, while it becomes about 1.25 times for females in rural areas.

4. Compared to the national average, the rate of the poor who work in the field of agriculture is high. Around 55% of the poor labor force work in agriculture compared to 39% of the total labor force work in that same field. The same applies to the construction and building sector . These two

sectors recorded the highest poverty incidence for its depth and severity. In contrary, the poor labor force rate in social services and banking sectors is low, the matter that resulted in paving the way for a great number of non-poor to work in these sectors. In general, agriculture is the main source employment and income of the poor both males and females- in the countryside.

5. The Relationship between Poverty and Informal Work

Considering the foregoing ,it seems that 20% of population in Egypt are poor according to the concept of absolute poverty line. They are in general the least educated and the least skilled whether in rural or urban areas and working in marginalizing and temporary works outside establishments, mainly in agriculture, construction and building sectors. However,. Rates of unemployment among the poor classes started to rise especially of among females who are working informally.

2.2. The Relationship between Labor and Poverty

This is an important relationship because work is the only productive element that enables the poor to overcome poverty. So, in this part, both the conditions of employment and the phenomena related to the poor of the labor force such as undisciplinatory work of males, females, and children will be highlighted.

2.2.1. Employment &Unemployment

The Egyptian labor market suffers from many skeletal deficiencies such as slow development rate of employment, the qualitative and quantitative disagreement between work supply and demand, the spread of deficient employing, decent wages, and low production. All indicators refer to the dangerous challenge being faced by the Egyptian economy as work opportunities should be created in order to accommodate 790,000 person annually expected to join the labor market during the period from 2005 to 2020.. The deficiencies the Egyptian labor market suffered from resulted in two main phenomena: unemployment, and informal work.

According to the recent research of the labor force in 2005, the number of the unemployed reached 2.5 million person, while the rate of unemployment reached 11.2% in comparison with the rates of 2001 which reached 9.2%, and 10.3% in 2004. This refers to the fact that the rate of unemployment is rising in the Egyptian economy. This phenomenon rose specially in rural areas in the 1980s. Also, unemployed females were fourfold the males. To the contrary, unemployment overwhelmed the poor who were never thought to be jobless. According to 2004 Income, Expenditure, and Consumption Survey (HIECS), the rate of the poor's contribution to the economic activity decreased specially in the urban areas, and that the inability of family members to take part

in income generating activities or even seasonal jobs is an indication to their poverty. This survey also shows that unemployment and poverty are counterparts. Accordingly, finding a job became a big problem for the poor. The rate of unemployment among the poor in urban areas reached 12% compared to its cognate among the non-poor which reached 7%. The main cause behind this phenomenon is the lack of formal work opportunities for the educated people which led to discarding the uneducated and the unskilled workers from the labor market.

This survey also stresses the fact that unemployment among the non-poor educated people stands for one third of unemployment rate among the poor in urban areas and reaches half the rate of the poor in rural areas. It is still difficult for the educated people to get a work opportunity for two reasons: the bad quality of the education they received, and the lack of good ties which enable them to get such opportunities. So, the unemployment of the youth is both a cause and a result of poverty.

The second phenomenon is concerned with informal labor which played a good role in providing work opportunities. The number of informal laborers increased from 2.4 million in 1976 to 2.9 million in 1986. Then, it increased rapidly during the last ten years to reach five millions which constitutes around one third of the employed persons and around 86% of the non-agricultural private sector. The laborers in the informal private sector are estimated by 6.9 million in 2002/2003 compared to 5.1 million laborers in the formal private sector.

A study once referred to the close relationship between poverty and informal work and showed that formal laborers are not as poor as informal laborers. Also surveys summed up that a big sector of informal laborers specially females suffer from poverty and when taking dimensions other than the wage one, like stability at work, social protection, professional safety, health and also the level of production, the problem of informal employment becomes clearer.

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2.2.2. Employing Females and Children

According to 2005 survey of the labor force, the working females are estimated by 3.3 million which is less than the fifth of the number of laborers or 18.5%. The majority of females work in the governmental sector as a result of the slow development of providing work opportunities for females in the private sector. The government's attitude of decreasing the number of laborers in its administrative units, privatization of public projects and difficulty of employment in the informal private sector led to decreasing the number of work opportunities for females and spread of informal work among them. This survey also shows that about two thirds of working females work for wages, while more than 20% work for their families without wages. However, those who work independently in the rural areas are estimated by 200,000. They work in various agricultural and commercial activities outside establishments.

If informal employment is meant to include females who work for no wage, casual wageworkers, household workers, and seasonal labors, the rate of informal workers will reach 31% of the labor force according to 2005 family expenditure and income survey. Differences between urban areas and rural areas should be taken into consideration. Such type of employing saves work opportunities for about one fourth of labor force in urban areas and about 40% of rural labor force. Compared to males, the informal economy is the only source of income for females. It employs about 54% of the poor female in urban areas and about 85% in rural areas.

As for unemployment, females stood for about 56% in 2005. Also, the rate of females' unemployment is fourfold than males. Besides the rise of unemployment in females, the ELMPS in 2006 uncovers a new phenomenon which contributed to the decrease of unemployment rate to 8.3% in 2006. This is the phenomenon of females' withdrawal from labor market.

As for children employment in the Egyptian economy, according to the estimations of the International Bank, the rate of (10-14 years) in the labor force decreased from 13% in 1990 to 8% in 2002. As employing children is illegal, it is difficult to determine their number. Indications refer to the fact that the majority of working children practice different activities informally in the countryside. Children Rights Committee informed the International Labor Organization that 80% of children work in the agricultural sector. It also stressed the fact that those children work for long hours in dusty areas without masks and are exposed to poisonous pesticides. The committee also noticed that the seasonal work in agriculture is being performed by children under 12 years in cooperatives work run by the state which is illegal. The committee expressed its deep concern towards the conditions of the children working in Egypt.

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3. Rights of Poor in Labor Field and Empowering Them:

In the light of the conditions of the Egyptian poor labor force, we herein below review the rights of different categories of the poor labor force according to their status and how to empower them of these rights:

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3.1. the Rights of the Unemployed

The right to work and to get a job opportunity comes on the top of human rights that should be provided for the poor and non-poor alike. However, such right seems more impressive for the poor since it is considered the only asset they own to meet their basic needs. . In Egypt, the rate of unemployment increases through time. This means that the poor can not get their simplest rights of having a job; the matter which deepens the poverty problem, threatens social and political stability and paves the way for crime, extremism and security problems.

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New strategies which lead to increasing the rate of development should be adopted to alleviate the severity of poverty. Updated writings on the relationship between growth, employment and poverty affirmed the doubts prevailed at the beginning of 1970th on Trickle-down Effects. These writings indicated that there are three factors that should be manipulated together to overcome poverty: 1) growth, 2) flexibility, 3) integrability. Growth means to allow the poor to take part in the process of development and work opportunities or it will be a deficient growth. Consequently, overcoming poverty needs adopting new strategies which lead to the growth of the national economy.

Recent studies also assert that the challenge Egypt met included the three above-mentioned factors of growth, flexibility, and integrability. The growth of Egyptian economy witnessed a wave of ups and downs during the last three decades. However, it sometimes achieved high levels which reached 10% in the second half of the 1970s and decreased to 3% or 4% in the 1980s and the mid of 1990s. then, it relapsed in the first three years of the third millennium. However, in 2006, it rose to 6.7%.

Consequently, adopting the above-mentioned strategies implies reviewing the macro-economic policies which affects the labor market directly or indirectly. Investment is one of these policies that should be reviewed to help provide new work opportunities. Recent studies also assure that the more there are laborers, the more products increase. Integrating the poor in the labor market implies:

1. supporting micro-economic in addition to small and medium enterprises which provide job opportunities outside the agricultural sector. The micro-economic enterprises include three types of activities: 1) short term projects such as cattle rearing and other handcraft and trade activities; 2) sustainable but not growing projects(services, trade and small handcrafts) 3) growing projects which by the time transfer to small productive projects. Government should support such projects and solve all types of problems which can hinder their development.
2. supporting the social fund for development to create new job opportunities and develop small projects.
3. supporting the rural sector, agricultural and non-agricultural, due to the importance of its activities for the poor. The problem of unemployment in agricultural sector can be solved partially through loaning for small productive projects. This is in addition to enhancing small rural industries through financing and marketing.
4. workfare programs as they provide temporary income for the poor but they do not provide permanent job opportunities. These programs are directed to certain areas that suffer severe poverty and high rate of unemployment. In these programs the unskilled labourers are offered low wages

against working in rural infra-structure projects . The Social Fund for Development may run these programs in order to provide temporary job opportunities for the poor..

5. Improving the human capital of the poor so they can be integrated in the development process and benefit from the created job opportunities. Education and technical training of the poor are two major steps towards getting better job opportunities. However , the scope of training should be extended to include more sectors other than the traditional industrial education. Hence it is imperative to establish an independent national fund for training in order response to the needs of the projects and cooperate with civil society organizations that cover all rural and urban areas of Egypt.

6. The importance of creating job opportunities for the poor females specially widows and divorced who face difficult living conditions. It is iperative also to empower the rural poor females of small areas of lands in order to enable them to carry out small income generating projects such as cattle rearing, poultry farms, and milk products units. It is also important to train unemployed rural women on how to start some micro and small productive projects like sewing, embroidery, making carpets, and practicing some other handcrafts. In this connection, credit innovative programs can be developed in order to help women overcome the financial and non-financial obstacles they face when establishing small projects in rural or urban areas. Civil society organization can also play vital role in this regard.

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7-The government should encourage private investments in the upper Egypt through tax exemption, customs duties reduction, subsidized credits, low priced lands...etc. However, the incentives should be linked with the performance of investors and creation of productive job opportunities for the poor especially females and youth.

2- The rights of formally employed persons:

The structure of the employed poor - according to 2004/2005 (HIECS) -shows tat 13.5% are governmental and public sector employees about 48% work in the private sector while 38% work outside establishments. However , the relative distribution of the working poors differs between rural and urban areas as the rate the poor working outside establishments and the private sector rises in rural due to the supremacy of agricultural activity. It is noteworthy that some of those are informally working in the private sector and in the government and the public sector, i.e. without employment contracts or social protection umbrella. Notwithstanding, It appears that a large portion of the poor work formally.

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Comparing the poor workers structure with their counterparts of the non- poor, we will find that the rate of the non-poor is estimated by 27.5% in the governmental and public sector, about

50% in the private sector, and 21.5% outside establishments. This means that the ratio of formally non-poor workers is bigger than its counterpart of the poor.

In both cases if formally employed workers do not enjoy their determined rights, this will prejudice their interests and status either poor or non-poor. Forfeiture or stepping down rights would badly affect the poor since income generating job opportunity is as mentioned above their only source of income. The damage aggravates if the poor workers are household-headed females.

In principle, the institutions and the rules that govern the labor market are supposed to play an important role in creating job opportunities, and protecting the rights of employees and the interests of employers. In Egypt, a lot argue that the rules and regulations of labor market aren't flexible and lead to rising the cost of work. Hence there is an argument for radical reform of the legislations that constitute restrictions on work owners or employers. Based on this idea and to re-organize work relationships in a flexible and competitive market, law No. 12 of 2003 came to organize work relationships in business enterprises. The government started recently to draft a new pensions system and seek to develop the policy of minimum wages.

3-2-1 Labor code No.12 of 2003:

This code replaces Law No. 137 of 1981 to cover all projects of business sector. This new code excludes from its scope of application public servants, including those working in local government units and public authorities, domestic servants and members of the employer's family who are also his dependants. This code does not apply also on the agriculture sector.

We don't analyze here the labor code in details, but we analyze how the law protects laborers' rights and if it contains rules that expose them to instability or insecurity, the matter which would reflect dangerous impacts on the poor compared to non-poor.

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Undoubtedly, labor code is considered more consistent with the philosophy of market economy and makes the labor market more flexible. It also provide more freedom to contract directly with workers or terminate their contracts, use casual workers, dismissing from work, partial or complete closing of the establishments, demobilization of laborers and amendment of work and wage related articles in the contracts.

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Undoubtedly the code also added new dimensions to work relationships that serve both parties. It gives employers more flexibility in adapting the size of employment if economic conditions change. At the same time It grants workers some rights that weren't included in the previous law like the right of strike, for instance.. On the other hand, the law, theoretically, deals, with the employers and the workers as two equal parties. For instance, the employer can freely terminate the contracts under certain restrictions, meanwhile it restricts terminating contractual

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relationship solely on part of the worker. Before the new code, workers were treated as weak parties. The law also, according to article 4 of promulgating decree, protects all workers' rights, wages and advantages they had previously obtained comprising wages and benefits as derived from the provisions of laws, statutes, articles of association, agreements and internal decisions existed before its provisions came into force.. In addition, the law gives special attention to collective negotiations through developing a new mechanism through settling collective work disputes. In addition, the law established a National Council for Wages to be concerned with setting the minimum wages and the minimum periodical annual increments such that they shall not be less than 7% of the basic salary. The law also provides for establishing an emergency fund to compensate the employees whom their employer stop paying them their wages due to partial or complete closure of their establishment. Therefore the law tries to treat the problems of labor market and its and grants the two parties of work relationship rights and advantages that were not existed before. Notwithstanding, still there, are reservations on the impact of some articles of the law on the workers' Rights.

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The right of strike granted to workers against the right of discharging workers given to the employers. has been restricted by a group of very difficult conditions that make it legally impossible to stage a strike. . For instance, it is a must to notify and obtain prior consent from the trade union to organize a strike which must be timely limited also. This is contradicted with the provisions of article 3 of the ILO convention # 87 of 1948 Article 69 (9) of the labor law also provides for discharging the workers participating in staging a strike and even punishing those participating in a permissible strike, which is considered a violation to article 194 of the same law. This made the latest strikes of weave and textile workers takes illegal practical nature during which the workers snatched some of their rights by pressuring the government to treat their bad positions and the government granted them some advantages to avoid security tensions. The law also permitted definite period contracts which renewal for several periods does not mean that they became permanent contracts. The law also permitted specific work contracts the matter which affect stability in work. Dispensing with employees or firing them according to the new law are regarded as the worst that may harm the rights of the workers if they are misused. The law gives employer the right of partial or complete closure of the establishment or downsizing its activity and accordingly labor. In this case the employer has the right either to terminate the contracts of some or all workers after compensating them financially.. He also has the right to modify the conditions of the contract and enforce workers to perform works that differ than their original job. The employer also has the right to decrease the wages but to be not less than the minimum. Although these texts were couched to ensure the flexibility of wages downwards during unstable economic conditions, yet they prejudice the stability of workers on the one hand, and their financial

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rights on the other hand. The practical practice shows that employers modify the conditions of contracts in such an unacceptable way to push workers to leave work without receiving their due payments. Moreover collective negotiations are used only in cases of early pensions. In addition, some articles of the law were drafted in ambiguous and stretchable way, the matter that would prejudice the rights of workers..

Considering the foregoing, it has become clear that, the labor code, in many aspects, doesn't protect the workers rights, the matter that may lead to misusing it, without a deterrent on part of the government or trade unions, and accordingly aggravating the economical and social problems. What is worth mentioning here is that although the code prohibits discrimination in wages according to (article 35), there is a specific gap of wages in labor market, especially in private sector, where females receive about two thirds males wages without justifiable reason. .

In the light of what is mentioned above there is a bad need to reconsider many articles of the act that do not protect the minimum rights of employees, while activating the mechanisms of negotiation, dispute settlement and seeking the necessary means to enforce the Emergency Fund and the National Council for Wages, with especial emphasis on creating a fund to secure the right of strike.

3-2-2 Public Job Draft Law:

Law No. 47 of 1978 governs the positions of the civil workers all over the country. They are estimated to about 5.7 million workers now and the majority of them is among the lowest categories of salaries, 67% of them get salaries ranging from L.E. 130 to L.E. 200 monthly, with only 500 workers get L.E.500 monthly. The Egyptian government is preparing for a new draft law for the public job aiming at eradicating laxity and administrative corruption in the different governmental units leading to low productivity. poor public services and high cost. it's worthy mentioning that the governmental administrative institute is of special importance regarding employment in the Egyptian economy. Between 1995 – 2005 it was in the most contributing sector in employment development for both males and females, with a relative higher percentage of females. This sector also absorbs about 37% of working females, and such percentage reaches two thirds in the urban areas.

There were several concerns regarding the new draft law that has been prepared by the Ministry of Administrative Development due to the provisions and rules taken from the labor law that don't fit with the nature of public job. At the top of these concerns is the fact that the system of limited contract becomes a means to fill the public job because this idea contradicts the philosophy of public job and is contrary to the provisions of article (14) of the constitution. Further concerns

emerged due to the fact that the five year contracting reduces job security and stability on the one hand, and wastes the knowledge accumulation at all job levels on the other hand. Such contracting system may lead to higher turnover especially for the females if the criteria of contract renewal are unclear. Moreover, the draft law widens the scope of firing and neglects health and social care for employees.

In the light of these concerns, and upon the revision of the State Council, the submitted formulation of the draft has been rejected and replaced with another one to be submitted to the Cabinet. Amongst the most important features of the new draft is the revocation of all provisions set forth in the draft of the Ministry of Administrative Development by referring to the labor law, to protect the job security for employees.. The system of contracting has been cancelled for all permanent jobs and limiting contracting to casual and seasonal jobs along with the jobs of temporary projects ,provided that they are allocated in the balance sheet of the competent administrative agency. As for temporary jobs, and temporary contracted employees, the draft law stipulates that the government shall settle their positions in accordance with the provisions of the new draft law.

It is clear that the alternative draft law tends to take into consideration the protection of the rights of civil employees, and not sacrificing their job stability. At the same time it allows for the competent authorities to have flexibility and ability to punish and award while controlling employees and improving their performance through a strict disciplinary system. It's worth mentioning that if the goal of the draft law is to reform the circumstances surrounding the civil service, then dealing seriously with the problem lies not in drafting the law, but is represented in an integrated package of reforms that include - among other reforms - the need to clear the current laws of materials that lead to the complexity of the administrative structure and slow government decisions, and encourage early retirement of certain job categories, which contain a greater proportion of the surplus, and reconsider the foundations of the promotions process with a review of pay scales attached to the current law, and the reclassification of government employees and redeployment in a proper manner especially among sectors that need to be restructured, such as health and education. Without these reforms, which aim at raising the government administrative efficiency and improve the financial and functional conditions of civil employees in this sector, the deterioration of service and corruption will continue and no law draft will serve the rights of workers.

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3-2-3 Minimum wage

The minimum wage in Egypt is (35) pounds per month in accordance with Law No. (53) of 1984,

and as currently amended and revised 105 pounds. Despite the fact that what the worker actually collects exceeds the minimum rate, whether in government, the public and public enterprise (168 pounds per month) or in the private sector (154 pounds per month), the actual minimum wage remains less than the minimum if supposedly amended according to inflation, which means that the real value deteriorated since the mid-1980s.

In light of the economic and social conditions prevailing in Egypt and the suffering of a large proportion of the Egyptian people from poverty, the importance of raising the minimum wage specified under the law commensurate with the rates of inflation, and to maintain the real value of corrosion. According to that, it is important to recalculate and adjust the minimum periodically at intervals of not more than three years in accordance with changes in the rate of inflation. It is also important to develop a minimum wage that is positively biased in favor of rural areas of Upper Egypt, where the prevalence of poverty exist, so that the specification of the minimum level is linked to the poverty line estimated to such territory, in such a way that provides the worker and his family with their basic needs.

3-2-4 Joining trade unions

The Egyptian Constitution stipulates in Article 197 (No. 56) that the establishment of trade unions and federations on the basis of a democratic right guaranteed by law and have a legal personality. Trade unions Law No. (35) of 1976, which was amended by Act No. (1) for 1981 and Law No. (12) of 1995 regulates workers' affairs.

The number of workers to join unions is about five million, which represents about 28% of the volume of the Egyptian working class, the vast majority of them belong to the public sector, where membership is compulsory and deduction of the fees comes from the source, while the proportion of workers in the private sector present in the union organization is quite in the small and do not exceed 0.2% of the membership volume. The union structure reflects the heterogeneity that appears in its division to a group representing industrial unions (8) and other representing service unions (14), and one union for agricultural workers.

In practical terms, trade unions did not play the role assigned to them in protecting the rights of workers or determine wages. This is due to several reasons, foremost of which is the hierarchical central organization of the trade unions and the government's interference in their work and the selection and polarizing their leaders, as well as its intervention in the appointment of representatives of employers and members of the General Federation of Trade Unions. Also, many companies and business owners refuse to establish union committees in their companies.

Furthermore, the settlement of disputes, whether individual or collective, between workers and business owners will go through multiple stages and long time-bound and multiple appeals.

The workers' strikes that have occurred recently - especially in the spinning and weaving factories - indicates the feeling that the leaders of trade unions do not reflect the attitudes or opinions of workers and unable to protect their rights, and therefore they resorted to strikes and violated the conditions of the strike, which stipulated by the Labor Law, and without the consent of the union organization. It is noted in this matter that the workers' strikes did not include new claims, but arrears for wages, incentives and cash grants, profits and the fear of selling the companies. The escalation of strikes in recent months indicates the deficit of the union organization in carrying out its role in defending the rights and interests of workers.

In addition to the need to strengthen the role of trade unions and non-governmental interference in its affairs, it is necessary to set up rules that govern the collective negotiation process between representatives of employers, workers and government and define the role of each of them clearly, as well as the creation of mechanisms for a fair and efficient settlement of disputes between the parties concerned, in addition to disseminating awareness of the need to join trade unions for each and every one that have this right, especially among the poor. The support of the union organization and its role in preserving the rights of workers can only be achieved by ensuring freedom of association and making the union work independently and non-politicized. It is necessary also to change the law of trade unions, which was drafted almost half a century ago. The first law of the unions in was drafted in 1959 has founded those bases, and continued in each of the following laws until the last law in 1995, and still the hierarchy and centralization govern the trade union action so far in spite of the changing political and economic and social conditions, and despite the changing nature of labor relations.

3-2-5 Social Security

Four laws regulate the social security; each is concerned with certain community group categories in accordance with the employer's. The systems depend on the principle of insurance subscriptions with a broad scope and coverage, where the four laws cover the government and business sectors' employees, public and private, and business owners in a similar manner, and non-regular employees and the ones eligible for the Sadat pension, as well as Egyptian expatriates. In 2004/05, the system included a large proportion of workers which reached 93% and provided them with an insurance protection against several hazards and foremost old-age, disability and death.

Despite the advantages of the current insurance systems, it is noted that all the employees in the government and public sector are subject to social insurance, while a large proportion of workers in the private sector do not have insurance even though it is mandatory under the law. This is due either to the employer's evasion of insurance or due to ignorance on the part of workers - especially the poor and the uneducated, as well as the complexity of administrative procedures required to obtain pensions and benefits.

The participation rate of workers in the government and business sectors, public and private is high, with the rate up to 40% of basic pay, and 35% of the variable pay of the individual. The high rates lead to the evasion of about 35% of employers from paying their subscriptions, and about 40% of the self-employed and employers decide that the income margin is less than 60 pounds per month. Also, the inspection system is weak and does not review efficiently the degree of insurance evasion.

Among the deficiencies that distinguish the current system of insurance is the lower ceiling for monthly subscription pay to 1200 pounds. This means that the low-wage worker pays the subscriptions for the entire wage, as for workers that enjoy high incomes and higher than the maximum wage monthly subscription, pay subscriptions for only a portion of their income. Thus, the current system imposes heavier burdens on the minimum wage employees. Also, the current system of insurance is not able to achieve financial sustainability on the long term because of the inability of subscriptions received to cover pensions issued which threaten pensioners in the future, especially the rights of the poor ones.

At the conclusion of this section on the rights of the organized labor in the organized sector, there is an important point worth mentioning. It is well known that in the private sector, as well as in the administrative units within the government, are groups of workers operating in an unofficial capacity. In this regard, the international experience -Shanghai for example – suggests that the steps followed to encourage projects and administrative units to transform the informal employment to formal employment are the application of special tax treatment for these projects, as well as granting any subsidized credit at lower rates of interest for projects that are interested in issuing work contracts for informal employment. Also some countries have resorted to encourage the proliferation of temporary work contracts which are not always automatically recipe, so that owners of projects approach work seekers without the fear of having to maintain employment permanently. Although this raises fears that the workers are going to be a victim of a job-hopping trap between temporary work and unemployment, as well as their inability to develop their already weak skills will reduce the incentive to the owners of projects to employ them and invest in them. In addition, the international experience has been in reducing the rate of monthly subscription in the social

security with a reduction in the share of the employer subscription to encourage business owners not to evade insurance.

3-3 Informal workers' rights

The second section of this paper illustrated the informal trend of employment since the beginning of the 1970s towards growing, and towards the growing size strongly in the 1990s, as well as in recent years, despite the different estimates and different estimation bases. According to the International Labor Organization, the employees are considered "occupants of irregular or informal occupations, if their relationship is not subject to labor legislation, taxes or social protection or certain job benefit gains such as advance notification of impeachment and severance pay and paid holidays." In light of that, there are some characteristics of the informal employment in the unorganized sector which can be discussed in an attempt to search for a way to protect the rights of workers in this sector.

In terms of the legal employment relationship, it should be noted that the informal sector consists of two components. First, there is the subsistence activities represented in the family projects that do not employ salaried workers permanently, in addition to the activities that take place at homes, as well as touring activities. The nature of these activities - in addition to agricultural activity- cannot be subject to permanent or temporarily labour contracts, or else they are no longer working under the unregulated employment umbrella that we are talking about, as well as monitoring and controlling it is extremely difficult. The second component is the Micro Enterprises that employ salaried workers permanently and without formal work contracts also. It is true that these projects can be relatively more monitored, as well as having the employed theoretically subject to Labor Law No. 12 of 2003 as being the law which governs labor relations; excluded from its provisions only the people working with the state, domestic workers and family members of the employer, but it is difficult also subject working in these projects to accredited work contracts. The reason being the fact that these projects represent the dynamic inalienable part of the growth in the informal sector on one hand, and on the other hand they are established and lasted for several reasons, including the inability of economic growth to create enough jobs in the formal sector. Accordingly, to prosecute these projects and try to force the owners to comply with a legal framework for their relations is a threat to people employed in the sector that is most capable of creating job opportunities for the poor and unemployed, in addition to the practical difficulties in proving the working relationship and legalizing it in an official capacity. What can be done in this regard is monitoring these projects from afar and giving them the opportunity to grow and become small and medium enterprises, then employers can be subject to the institutional working relationship with workers. As can civil society organizations - each in its place and in the specialized activities - monitor the form of the relationship between employer and employees and if there was abuse or denial of the rights of the working poor, especially women and children, and

making complaints to the local bodies. In the end, the growth of the national economy and the growth of micro-projects with it are sufficient to make these projects take the institutional form and to be able to codify the conditions of workers.

In terms of social protection, the lack of it is a key feature of the informal employment in the unorganized sector. For subsistence activities, a large proportion of them are family enterprises-like agricultural activities – where workers are without a contract of employment and social solidarity prevents them from subscribing in social security.

As for the micro-projects attempts to extend systems of official social security to them beset by a series of practical difficulties that relate to the high value of the subscriptions required, and the exclusion of smaller projects of a certain size (measured by the number of employees) off of the framework of social security, as well as administrative difficulties in dealing with unregistered projects, in addition to the official insurance systems based on the idea of compulsory subscription, which is difficult to impose on informal employment. In the light of these facts it might be better to think of two systems of social security for the unorganized labor. The first system is extending some components selected from the formal model of social security for some specific categories of informal employment, such as granting the possibility to optional subscription for the self-employed and domestic workers and of similar situation to commensurate with the capacity of these groups to pay subscriptions. International experiences indicate the success of countries such as the Philippines in extending some components of the formal system for domestic servants on voluntary subscriptions. Also state of Kerala in India managed to making the same system work in the agricultural sector which gives agricultural workers over 60 years of age pension, especially if their income was less than the regional poverty line.

In the city of Shanghai, a special office was established for employment services at the level of cities, villages and neighborhoods, and among its functions granting special benefits to unorganized labor in difficult circumstances, the local government has also integrated informal employment in the insurance statute so to involve subscriptions of less than 14.5% from the corresponding subscription of formal employment and on the basis of a wage lower than the average annual minimum wage in the city. The second is the designing insurance system to cover specifically informal workers even if a limited proportion managed to enroll in it. There are several models of the mechanisms of unorganized social security based on the principle of solidarity, such as micro-insurance models in Tanzania (General synergistic scheme for health care) and Bolivia (Synergistic health insurance scheme) and Bangladesh (health program for rural company Grameen Kaylan), as well as in India (Integrated scheme of social security of the Self-Employed Women Association SEWA). These tests are based on an important principle is that groups of workers that are not covered by formal systems to coordinate among themselves and in collaboration with the

local community to develop micro-insurance schemes, especially in light of their needs at one hand, and in light of the desire of its members to voluntarily pay insurance on the other hand. The importance of the innovation of these mechanisms is highlighted in the Egyptian situation in light of the increasing volume of informal employment, and in light of the reality of the existing pension system and the proposed system. The current system consists of four laws; one of them is concerned with irregular labour (Act 112 of 1980). It is compulsory and includes both, people that work for others and do not comply with the conditions that undergo compulsory Insurance Act No. 79 of 1975 (i.e. the law, which covers the administrative sector and employees of the public and private enterprise). It is clear that irregular employment to this effect is limited to a specific category and does not include other categories, including both those which belong to the labor involved in subsistence activities or those working in the micro-projects, thus limiting the current insurance coverage. As for the new pension system put forward by the Egyptian government is a positive step to achieving a degree of social solidarity of every citizen residing in Egypt and amounts to 65 years and does not receive a pension from the State. It proposes a pension equivalent to 15% of the average prevailing wage at the level of the national economy. However, the proposed law does not define irregular employment that will be incorporated into this framework, as the same definition of the current law, nor did it take into account the specificity of the unorganized sector and conditions of workers and their need for insurance schemes of their own.

It is worth noting that international experiences indicate that in all cases the government supports those insurance systems, and civil society organizations aids informal employment in the implementation of systems for health insurance, as well as the participation of the private insurance industry to the government on arrangements for social insurance systems on the basis of cost-sharing.

It is worth mentioning also that social protection does not include insurance and pensions, but also extends to health care systems and education facilities as well as providing housing. One of the most successful experiments managed by the State with NGOs in providing this service to irregular employment is India, where successful participation in the creation of five special funds to provide these services and also participated in the public sector insurance companies, cooperative societies and local organizations. Thailand is also one of the most Southeast Asian countries successful countries in the application of social protection systems to irregular employment, especially the health and education services.

With respect to occupational safety, despite the fact that some of the work done by informal employment is of a dangerous nature and workers face health hazards, but there should be interference from the government and civil society to control the circumstances of occupational safety. States such as Indonesia has succeeded in controlling the working conditions and

occupational safety even for those who work informally and who do not have formal contracts, and control working hours, wages and conditions of the workplace itself, as well as the cooperation with civil organizations in the provision of children's nurseries, in addition of controlling child labor.

Finally, the case of joining trade unions, it should be noted that traditional formulas of labor organization does not suit the unorganized sector. However, there are innovative attempts at the level of the developing countries to organize workers in the unorganized sector, and by governments, business organizations and civil society organizations and informal employment itself. India provides a unique example in this regard, and has issued a special legislation for some categories of unorganized workers in both rural and urban areas, and relates to the method of payment of compensation and benefits, the minimum wage and working conditions and assembly workers in cooperatives, and the legislation is essentially to transform the unorganized sector into an organized one. Moreover, some major official trade unions extend service to all workers, including the informal employment, through raising awareness of their union and seek to extend government insurance protection, and their minimum wage. According to reading and analyzing experiences of Southeast Asian countries, there are successful examples of how numerous official trade unions have assisted unorganized labor and pressured the government to protect their rights.

As for child labor, it is necessary that National Council for Motherhood and Childhood cooperate with the National Committee to combat child labor and civil society organizations in monitoring and taking the necessary measures to ensure that children are not exploited in any illegal acts, and that any individual under 14 years does not exercise apprenticeship, as well as not exposing children to acts that would harm their health (agriculture) or safety (eg hazardous).

Conclusion

This paper explained the magnitude of poverty and the extent of its spread and depth in the Egyptian economy, as did it explain different characteristics of the poor in terms of employment, and how the poor in the labor force are distributed between categories of unemployed Egyptians, and other unorganized labor groups, and a third category working in an informal and unstructured manner. If poverty alleviation can be achieved only through an integrated policy aimed at stimulating economic growth and distributive justice, affiliated with social policies that verify safety and social protection, the empowerment of the poor at their work force is a necessary condition for the fight against poverty as the ability to work is the only asset owned by the poor and that decent work is the way to break the cycle of impoverishment.

Hence the paper reviewed the various avenues of legal empowerment of the poor of their rights at work. And as for the unemployed poor people, the paper suggested macro economic

policies necessary for the creation of employment opportunities for the poor, and elaborated on the different ways in which to integrate the poor into these opportunities, in particular through the support of micro-projects, and support the rural sector and the development of human capital for the poor. For those who work in the informal sector, the paper recommended strengthening the institutional framework in which they operate, and the proposed revision of the Labor Code and the Trade Unions Act, and to amend the minimum wage, as well as address the wage structure, with caution when drafting the Civil Service Act and the adoption of a draft for the reform of the government administrative machinery. In this regard, the paper emphasizes the importance of freedom of association and freedom to organize a single method to protect the rights of workers and the poor, and also stresses the importance of providing adequate legislative framework from which the poor derive their rights.

With respect to informal employment, the paper has confirmed that legal techniques that trying to deal with them and dealing with the organized labor will not solve problem, and that it needs to take into account different methods of their own. Hence, the paper suggested two systems of social protection, guided by international experiences. Also, fixing unorganized employment conditions depends on the growth of the national economy itself and micro-projects with it and in this case will resolve many problems facing it.

The remaining final word is that the whole society must be aware that the cost of poverty is huge and the cost of not fighting it is bigger than the cost of efforts of fighting it and that could be made to alleviate it. Also, the whole society must be aware that to empower the poor in the labor force has no alternative. To translate this awareness into action on the ground, political will is a necessary condition, and the collaboration of the government with the private sector and civil society organizations is a sufficient condition to effectively empower the poor to acquire their rights.