

**Alternative Economy in the Arab region**  
**"Concepts and Issues"**

## Alternative Economy in the Arab region: Concepts and Issues

These papers are the outcome of a conference that was held in  
Tunis, Tunisia (16-17 September 2016)



### Researchers listed as per the order of their papers:

Salameh Kaileh- Jana Nakhhal - Ayman Abdel Moati

Layla Riahi-Raja Kassab -Marzouq Alnuf

Nourredine Bessadi - Gennaro Gervasio

**Editor:** Mohamed El Agati

**Translation:** Sonia Farid

**Project Coordinator:** Shimaa ElSharkawy

**Publishers:** Arab Forum for Alternatives and Rosa Luxemburg  
Stiftung North Africa office.

Publishing & distribution:

+2 01222235071

[rwafead@gmail.com](mailto:rwafead@gmail.com)

[www.rwafead.com](http://www.rwafead.com)



**The content of this publication is the sole responsibility of the  
authors, and does not necessary reflect a position of AFA and RLS.**

**Alternative Economy  
in the Arab region  
"Concepts and Issues"**

# Contents

Researchers Biographies	5
<b>Introduction</b>	7
<b>Introductory Chapter</b>	11
Social justice and alternative economy	13
<b>Case Studies</b>	37
The Srafa Cooperative and the Union Coordination Committee in Lebanon Countering sectarianism and NGOs hegemony	39
Towards a collective alternative economy: Self-administration and cooperatives in Egypt	57
A new alternative culture in the making in Tunisia	83
Solidarity economy and self-administration in Morocco	105
<b>Concluding Chapter</b>	131
Economy between the problematics of the current system and alternative models in the Arab region	133
<b>Appendix</b>	153
Participatory planning and Rudolf Meidner's model: Two alternative economic systems	155
Women's market in the Kabylie region in Algeria: Between an alternative economy and a gender-based approach	161
Which democracy for which civil society? The Role of Social Justice in Activists' Representations of Democracy. The case of Egypt	163

## Researchers Biographies

- **Mohamed Elagati (Researcher & Director of the Arab Forum for Alternatives ([www.afaegypt.org](http://www.afaegypt.org)))** Social science researcher and Civil society expert , M. Sc. degree in Political Development from Cairo University, Faculty of Economics & Political Sciences, in 2001. Conducted several research concerning civil society, social movements, and political reform in the Arab Region, including policy analysis and recommendation papers, as well and Editor of more than ten books in same field. In Addition to articles published in newspapers, such as El Shorouk in Egypt and El Safir in Lebanon. (All papers and articles on the blog: (<http://elagati.wordpress.com/>)).
- **Salameh Kaileh** (leftist writer and thinker, holds a BA in Political Science from the University of Baghdad. He has been published in several Arab newspapers and magazines such as the Lebanese al-Tariq, al-Nahj, Dirasat Arabiya, al-Wihda, and the Egyptian al-Shorouk. He has also published many research papers, books and studies on revolutions and the complexity of organization, the relation of heritage with the present and the future, ideology, nation and Arab nationalism).
- **Jana Nakhhal** (Researcher and leftist activist at Beirut and the south, working in the field of urban planning in slums and refugee camps, also active at university student organizations, and political action within the framework of feminist left.
- **Ayman Abdel Moati** (writer and an Egyptian leftist blogger, Editor of the blog “Write so that you do not be alone” <https://ayman1970.wordpress.com/>).

• **Layla Riahi** (architect and a holder of a doctoral degree in architecture. She is a professor at the National School of Architecture and Construction in Tunisia and she is a civil society activist. She participated in many ways in the most important events witnessed by Tunisia after the revolution, including the organization of the elections of the Constituent Assembly as the head of the sub election committee for France (2) district in October 2011. She also participated in the organization of the World Social Forum in March 2013 as the one responsible for logistics and the preparation of the site hosting the event. She is a founding member of the “Maalounash” campaign against agreements of May 2013 signed by Tunisia with the IMF. She is engaged with the Tunisian Economic Observatory, an organization that aims to monitor the economic policies of Tunisia and the activities of international financial institutions in Tunisia. She is currently working as the public relations officer for the organization.

• **Raja Kassab** (Moroccan Parliamentarian and a civil society actor, parliamentarian Counselor for the Labor Democratic Confederal (the second most important syndicate in Morocco) since October 2015).

• **Marzouq Alnusf** (Kuwaiti Researcher, has many academic and journalist writings on issues of development, Political economy in the Gulf countries, He is currently a PhD student of Political philosophy at NorthWestern University in the United States.

• **Nouredine Bessadi** (Algerian Trainer, consultant in issues related to Education, Social Justice, and Human Rights).

• **Gennaro Gervasio** (Italian Academic, His research interests focus on European Left, has multiple studies and writings on the Egyptian Left. He wrote many researches, studies, and articles in Egyptian and European newspapers. One of his important publications is “ The history of the Marxist movement in Egypt from 1967 to 1981” which could be the first study on the Egyptian left during this period).

# Introduction

Underlining the drawbacks of the capitalist system and looking into alternative economic solutions started with a number of initiatives that began in the 19<sup>th</sup> century. These included the Paris Commune in 1871 and before it farmers' revolts against feudalism, the Russian Revolution in 1917, the revolutionary waves of the 1920s and 1930s, and the alternative economic models initiated by workers and professionals in the late 20<sup>th</sup> century and the early 21<sup>st</sup> century. All these uprisings, initiatives, and efforts revolved around the possibility of establishing a humane system in which the well-being of people takes precedence over profit and the accumulation of wealth.

For the past 150 years, alternative economy featured prominently in different initiatives on participatory democracy, self-administration, cooperatives, and the role of the community in municipalities. In some cases, alternative constitutions and legislations were drafted. All such initiatives underlined the possibility of devising a new approach to the social, economic, and political management of society and which prioritizes public interests. The emergence of alternative solutions is directly linked to the destructive impact of capitalism on the social, political, and economic levels and the subsequent urgency of seeking a different route in which people can overcome impoverishment and marginalization and counter the intervention of institutions, governments, and different forms of authority even if this needs to materialize through radical revolutionary action.

The Arab region was, like many parts of the world, affected by the neoliberal ideology that is marketed as the only economic solution. This ideology was dealt a strong blow upon the eruption of the 2011 revolutions. True, those revolutions did not achieve their goals and neoliberal policies made a brutal comeback following a short interruption, yet seeking alternative patterns never lost its urgency as the repercussions of neoliberalism become more visible and more detrimental. It also became clear that traditional dualities—the state versus companies, the technocratic versus the ideological, the pragmatic versus the idealistic—are no longer valid since they all support the “there is no alternative” discourse.

The book examines the different types of alternatives offered by social movements in the Arab region throughout the few past years and looks into different international trends that focus on formulating an alternative economic theory that tackles the issues of ownership, accountability, communal participation, decision-making, and the environment. Papers and articles in the book focus specifically on the relationship between alternative economy and social justice and the different frameworks of alternative economies in the Arab region. The book also examines the actual experiences of several Arab countries especially in relation to cooperatives and self-administration. These countries are Egypt, Morocco, Tunisia, and Lebanon. Experiences from other countries will be tackled in more general terms such as Algeria.

The book is divided into an introductory chapter, which deals with basic ideas about alternative economy and its relationship to the concept of social justice and it is written by the leftist



writer and thinker Salameh Kaileh. The book then delves into a series of case studies on countries of the region and they are Lebanon, Egypt, Tunisia, and Morocco . In which researchers presented important experiences on self-administration, NUBA-SEED for seed production in Egypt, and the Djemna oasis experience in Tunisia and from Morocco, the researcher presents the case of the collective lands, and from Lebanon Srifa Atelier Women Cooperative.

Then these case studies also presents important experiences on cooperatives, for instance in Lebanon it tackles the experience of Union Coordination Committee and from Morocco, the case of COPAC (the cooperative for milk production), and from Tunisia the experience of MAMOTEX textiles, and finally from Egypt the experience of the National Initiative to Support Cooperatives in Fayoum.

Then AFA through its research team present a concluding analytical chapter that tackled the most important problems, patterns and strategies for alternative economy in the region.

Moreover, as a trial for widening margins for participation with different opinions and ideas on that issue, the book adds as an appendix a group of articles that was presented during the conference that was held on the same issue in Tunisia in September 2016.



# Introductory Chapter



# **Social justice and alternative economy**

## **Salameh Keileh**

The first prerequisite for the achievement of social justice is an economy, which means production, labor, and surplus. That is why it is impossible to look into social justice without thinking of the nature of the economy to accompany it and how it can be operated.

### **On social justice and economy:**

Examining cases when social justice was achieved reveals its strong association with the economy whether in typically capitalist systems or in countries that did not witness a conventional capitalist progress. In the latter, the establishment of production powers was accompanied by a constant consideration for social justice, which was achieved through public or private ownership, through drastic or moderate measures, and through different forms of relations with the ruling class.

Industrialism, which marked the beginning of modernization, gave rise to conflicts between the bourgeoisie and the proletariat. Because the profit of the bourgeoisie is mainly the surplus achieved by the proletariat, the first started putting more pressure on the second. As this pressure increased, the conflict intensified and workers staged protests that reached their peak in the late 19<sup>th</sup> century and the early 20<sup>th</sup> century and that were accompanied by the emergence of socialist parties. That is why the eruption of the Russian Revolution in 1917 sent shock waves across Europe as several capitalist countries feared

facing the same destiny especially following massive protests that took place in France and Germany. After the economic crises that followed World War One, capitalist European countries worked on improving the conditions of the proletariat especially regarding working hours, wages, and working conditions and allowed unions and socialist democratic parties to play a bigger role in the public sphere. This was known as the historical compromise since class struggle was turned into political negotiations. In addition, with the Great Depression in 1929, capitalist governments increased wages to expand local markets as part of the policies adopted to overcome the crises.

All those factors gave rise to the welfare state in which the capitalist system would redistribute wealth in a way that improves workers' conditions and expands the middle class. This meant that the wealth produced by workers was managed by the capitalist system that upon redistribution made sure the largest share went to the centers while the peripheries got much less. Therefore, the establishment of social justice in this era was linked to three main factors: first, industrialization as a main source of profit and a base for establishing a global system that supports the centralization of wealth in countries that developed as a result of preying on the resources of the world; second, the fear of an escalation in class conflict, especially after the eruption of the Russian Revolution and the creation of the first socialist state, the Soviet Union; third, finding a solution to the capitalist crises that resulted from production surplus and led to a depression, which necessitated organizing the centers while pillaging the peripheries then distributing the spoils in a

relatively fair manner among different classes in the center so that a decent level of social justice is reached.

Peripheral countries, on the other hand, were obstructed by industrial powers from developing, so the nascent bourgeoisie there focused on other non-industrial economic activities such as trade, services, and banking. In those countries, two types of social justice emerged: the first was radical and was basically manifested in the abolition of private ownership and the second was a combination of socialism and capitalism. In both cases, class struggles remained the most determining factor in demands for an alternative economy and which were motivated by a dire need to surpass the dominant capitalist model and counter its impact.

The 1917 Russian Revolution succeeded within the framework of a vision proposed by the Russian Social Democratic Labor Party for the purpose of achieving the “democratic tasks,” which were achieved by the European bourgeoisie, but not yet by the Russian bourgeoisie that was not at the time making any effort towards that end<sup>1</sup>. These tasks included elimination of feudalism, industrial development, and the prioritization of workers’ and farmers’ interests. It was in this context that socialism was considered a means of establishing a stable economy and modernizing society on one hand and improving the conditions of workers, farmers, and the impoverished, eliminating unemployment, and offering free education and healthcare services on the other hand. Unlike capitalist centers, which first achieved industrial development through the

---

<sup>1</sup> Vladimir Lenin. “The Tasks of the Russian Social-Democrats.”

exploitation of the peripheries then, started achieving domestic social justice later, socialist countries aimed at the simultaneous implementation of the two processes. That is why workers in socialist countries acquired more rights than their counterparts in capitalist countries. Socialist countries also implemented a number of policies pertaining to social justice before their capitalist counterparts in several fields did such as free education and healthcare, women rights, and social security.

Even though social disparities in socialist countries were not eliminated in the first years, private ownership was abolished and the gap started gradually narrowing between the “masses” and the “bureaucracy.” Social justice ended with the fall of socialism and it has for several years been receding in capitalist countries and the level of social justice achieved in socialist countries was higher than that in capitalist countries during the welfare state era and this was to a great extent due to the abolition of private ownership and the subsequent achievement of equality. It is noteworthy that such achievements took place through the economic development carried out by the state, particularly by replacing feudalism with modernization while simultaneously taking social justice into consideration. If absolute liberalization and its negative impact on social justice are the reason for the deterioration of the capitalist system, the socialist system also suffered from a number of complications that eventually led to its demise, on top of which was the



stagnation that resulted from the concomitant achievement of industrialization and social justice<sup>2</sup>.

Another type of social justice was achieved in countries that had just gained their independence from colonial powers. In these countries, the crisis of capitalism and the absence of a socialist alternative necessitated the intervention of members of the middle class, particularly the army and its supporters, to put an end to the feudalism and the capitalist system imposed by the colonizers. Nascent regimes in these countries attempted to establish a system that adopts some aspects of socialism and others from welfare states so they achieved several “democratic tasks” such as land reclamation, industrialization, central planning, free education and healthcare, employment, and social security, thus catering to the demands of workers and the impoverished and leaning towards social justice. Yet, those same regimes maintained private ownership, which later facilitated the looting of wealth, which was centralized by the state in the form of the public sector, by corrupt parties within the ruling class. The wealth owned by the state was gradually transferred to individuals in power who started forming a new capitalist class that intertwined with the old capitalist class that got restricted with the establishment of the new system<sup>3</sup>. Social justice, therefore, came to an end and the gap between the rich and the poor started widening once more. In this case, the old

---

<sup>2</sup> Salameh Kaileh. “The Crises of Socialism: A Study in the 20<sup>th</sup> Century Experience [Arabic].” Damascus: Khotowat for Publishing and Distribution, 2010, 1<sup>st</sup> edition.

<sup>3</sup> Samia Imam. *Who Owns Egypt? An Analytical Study of the Social Origins of the Open Door Policy Elite in the Egyptian Society* [Arabic]. Cairo: Dar al-Mostakbal al-Arabi, 1986. 1<sup>st</sup> edition.

feudal system was abolished but there was no system in its place, which made it easier for a capitalist system to come back in a different form. This was when capitalism became once more divorced from social justice like it was in the early 20<sup>th</sup> century.

The above-mentioned experiences shed light on three main issues pertaining to social justice. First, social justice was achieved in capitalist countries as a means of resolving a crisis, yet this proved to be a temporary fix. Second, colonization obstructed the development of a lot of nations as their economy kept catering to imperial capitalism and their post-independence development was contingent upon the achievement of social justice. Third, social justice becomes part of development when the latter is carried out by a class that does not serve its interests, but rather those of the public, and that does not support private ownership.

Based on the above, it becomes obvious that there is a difference between countries that achieved economic development and had to achieve social justice later and countries that remained backward owing to their inability to link development to social justice. The Arab region belongs to the second category despite some efforts done by post-independence regimes and which failed owing to the gradual looting of state wealth by certain parties within the ruling class.

Since the current economic system leads to more impoverishment and marginalization as a result of the close cooperation between global capitalism and local capitalist

classes in each country<sup>4</sup>, it is necessary to look into the possibility of an alternative. As the socialist experience shows, development was the basis for achieving social justice. Development is closely linked to the establishment of an alternative economy. Therefore, social justice is closely linked to the establishment of an alternative economy.

### **The economy:**

Capitalism came into being with the initiation of industrialism as well as looting the wealth produced by workers and by colonized countries. Capitalist countries had, however, to enact the New Deal, as was the case in the United States, or Keynesian economics, as was the case in Europe and Japan, which led to the emergence of the welfare state that now seems to be dwindling. Socialism, on the other hand, achieved industrialization and modernization in a classless society where a high level of social justice was applied. The first model, capitalism, proved its failure by the beginning of the 20<sup>th</sup> century, which led to the emergence of the second model, socialism, in reaction then came the third model, the welfare state, as a compromise between the two. The second model collapsed, yet its components are still applicable especially that development is no longer linked to a specific class, but is mainly about a popular struggle for a radical change.

The difference between the models is quite substantial for while the first model emerged in the context of a developed,

---

<sup>4</sup> Salameh Kaileh. "Capitalism and Social Justice: The Adopted Capitalist Approach Denies Social Justice [Arabic]." *Social Justice in the Arab Region between Street Politics and Political Paths*. Arab Forum for Alternatives and Rosa Luxemburg Stiftung-North Africa Office.

industrialized society, the second came into being as a result of lack of industrialization and the backwardness of the powers of production. That is why it is important to focus on the powers of production as an integral part of social justice.

Capitalism emerged as a result of the introduction of industry, which led to the reshaping of European societies, particularly England, France, and Germany, followed by the United States and Japan. Industrial production, which yielded more profit, was given precedence over agricultural production, which relied on backward techniques. That is why industrialized countries became richer and more developed and became more prosperous as they pillaged their colonies in the Americas<sup>5</sup>. Since capitalist countries needed raw material for their industries and markets for their products, they started colonizing other countries<sup>6</sup>. Those countries represented an imperial project through which they aimed at dividing the world amongst themselves<sup>7</sup>. Imperialist countries shaped the economies of their colonies in a way that serves their interests. For example, they imposed the cultivation of crops they need the most such as cotton and wheat while making sure industrialization is not introduced into the colonies so that they will keep acting as markets for the products of capitalist countries and so that they will not use their raw material in local industries thus harm the industry of capitalist countries. Meanwhile, in the city they encouraged the emergence of a middle class whose members worked in nonproductive fields

---

<sup>5</sup> Karl Marx. "The Origins of Capitalism."

<sup>6</sup> Lenin. "Imperialism, the Highest Stage of Capitalism."

<sup>7</sup> Ibid.

such as banking and import and export<sup>8</sup>. This way, the colonies maintained their conventional structure so that landowners remained the dominant class then later developed into businessmen and members of the new capitalist class and supported the system established by colonial powers. This arrangement meant linking the centers to the peripheries based on the accumulation of wealth in the hands of the minority in the second and who in turn serve the interests of powers in the first<sup>9</sup>. This led to a remarkable rise in poverty and unemployment rates, which triggered the eruption of revolutions and later independence movements.

It is, therefore, obvious that global capitalism relied on confining industrialization and development to the centers while exploiting the peripheries. This not only led to widening gaps in terms of accumulation of wealth, but also to a discrepancy in technology, skills, and power between the center and the peripheries. The dominance of market economy aided in sustaining and aggravating this situation, for an open market consolidates inequality resulting from decades of colonization and exploitation. Even when there was talk about transferring industrialization to the peripheries, this transformation was confined to a limited number of countries that were given special privileges such as China and South Korea<sup>10</sup>, or to already-existing industries in the peripheries such as textiles

---

<sup>8</sup> Samir Amin. *Unequal Development: An Essay on the Social Formations of Peripheral Capitalism*. (Originally *Le développement inégal Essai sur les formations sociales du capitalisme périphérique*).

<sup>9</sup> Samir Amin. *Accumulation on a World Scale*. (Originally *L'accumulation à l'échelle mondiale*).

<sup>10</sup> Martin Khor. *Rethinking Globalization: Critical Issues and Policy Choices*.

and cement or the assembly of car parts. Meanwhile, nonproductive economic activities such as real estate, services, banks, and stock markets were encouraged in the peripheries to make sure no actual development takes place. Capitalism, therefore, transferred all its ailments to the peripheries<sup>11</sup>.

Industry is the crux of modernization and the base of capitalism, yet peripheral countries remained in a “pre-capitalist” state despite their adoption of the capitalist system because their economy was based on either primitive agricultural techniques or modern non-productive activities, their social and institutional structure did not witness any development, and the issue of nationalism was never resolved. That is why peripheral countries were characterized by the marginalization of the powers of production since they had no industry or only conventional industries that did not develop. Even agriculture started collapsing as its techniques remained primitive while scientific progress led to the introduction of genetic modification, which allowed capitalist centers to increase their agricultural production and decrease their exports from peripheral countries. This meant that peripheries turned even more into markets for industrial and agricultural products, which resulted in a huge gap in the balance of trade and the balance of payments. Meanwhile, arable lands in peripheral countries became the target of real estate bids and projects and the countries in general became open to short-term foreign investment<sup>12</sup> which focused on offering job

---

<sup>11</sup> Salameh Kaileh. “The Financial Stage of Imperialism [Arabic].” Milano: Mediterranean Publications, 2016. 1<sup>st</sup> edition.

<sup>12</sup> Martin Khor.

opportunities in real estate, banking, and stock markets. This allowed for more looting of national wealth, thus further deterioration of the people's living conditions, a rise in poverty and unemployment rates, and growing dependence on imports.

Arab countries had for centuries been agricultural, but the problem is that they started importing their food and industrialization efforts in some countries were doomed to failure because of economic liberalization and the return of capitalism. That is when it became necessary to examine the role of powers of productions in the restructuring of the economic system and the achievement of social justice. Powers of production are a crucial component of every production model and are in fact what determines the nature of this model.

#### Powers of production:

The decades that followed the collapse of the Soviet Union and socialist regimes triggered a general tendency to abandon all ideologies traditionally linked with Marxism. Capitalist powers made sure to introduce an alternative discourse to replace the heritage of Marx and Engels. Capitalist centers felt threatened by the victory of workers, farmers, and the poor in almost half the world and the collapse of the Marxist system constituted an ideal opportunity for them to do away with this system for good. That is why capitalist countries were not satisfied with the fall of socialism, but proceeded to undermine all the ideologies that were inspired by it.

This was the core of globalization, which started in the 1990s. The rise of globalization was aided by a number of factors including first the new media that emerged following the

collapse of socialism such as the internet, technology, and satellite channels and second education that replaced real economics and political economics with financial economics in a way that put an end to the use of terminology such as “powers of production,” “production relations,” and “infrastructure.” Globalization discarded the idea that economic production and the social structure it shapes form together the main foundation of the political and intellectual history of a given era and that history since the decline of primitive communism is mainly formed by class struggle<sup>13</sup>. Class struggle as the base of political and intellectual history was replaced by state struggles.

In his speech in front of Marx’s grave, Engels said, “Just as Darwin discovered the law of development or organic nature, so Marx discovered the law of development of human history: the simple fact, hitherto concealed by an overgrowth of ideology, that mankind must first of all eat, drink, have shelter and clothing, before it can pursue politics, science, art, religion, etc.; that therefore the production of the immediate material means, and consequently the degree of economic development attained by a given people or during a given epoch, form the foundation upon which the state institutions, the legal conceptions, art, and even the ideas on religion, of the people concerned have been evolved, and in the light of which they must, therefore, be explained, instead of vice versa, as had hitherto been the case”<sup>14</sup>.

---

<sup>13</sup> Karl Marx and Fredrick Engels. *The Communist Manifesto*.

<sup>14</sup> Frederick Engels’ Speech at the Grave of Karl Marx



This means that it is not possible to talk about freedom, democracy, and social justice without looking into the development of human history, which in turn is not possible without looking at production and the powers of production and this is when alternative economy becomes a necessity since it starts with establishing production modes that become the base for the power of production through human labor. Engels explains how production is the foundation upon which any society is based: “Just as Darwin discovered the law of development or organic nature, so Marx discovered the law of development of human history: the simple fact, hitherto concealed by an overgrowth of ideology, that mankind must first of all eat, drink, have shelter and clothing, before it can pursue politics, science, art, religion, etc.; that therefore the production of the immediate material means, and consequently the degree of economic development attained by a given people or during a given epoch, form the foundation upon which the state institutions, the legal conceptions, art, and even the ideas on religion, of the people concerned have been evolved, and in the light of which they must, therefore, be explained, instead of vice versa, as had hitherto been the case.”<sup>15</sup>. All existence is based on the production of material wealth, which is “the cardinal condition for the life of society”<sup>16</sup>. That is why the power of production is indispensable.

Powers of production are comprised of the means of production and the people who use those means through their skills and

---

<sup>15</sup> Frederick Engels. *Socialism: Utopian and Scientific*.

<sup>16</sup> Vasilii Podosetnik, Aleksandr Georgievich Spirkin. “Historical Materialism.”

expertise<sup>17</sup>. Means of production are extremely important in the production process since it is not enough to have people—workers—but also the means that transform their skills to a productive power. The absence of means of production leads to high unemployment rates and a drop in surplus, thus a decline in the wealth of society. Means of production are simply the tools used by the people to make the production process possible. This means they are tools through which the means of material life are produced<sup>18</sup>.

If history is divided into stages based on the role of the people, forms of labor can be categorized under three forms: the first is the hunter-gatherer pattern which needs primitive forms of means of production<sup>19</sup>, the second is agriculture, and the third is industry. In the third form, human beings became capable of producing independently from nature even though nature remains the source of raw material<sup>20</sup>. Industry is the mode of production that developed in accordance with the development of both professions and sciences.

If means of production are the tools through which production through labor is made possible<sup>21</sup> industrial development led to a substantial transformation in production so that products that

---

<sup>17</sup> Maurice Cornforth. *Dialectic Materialism: An Introduction*.

<sup>18</sup> Georges Politzer, Guy Besse and Maurice Caveing. *Elementary Fundamentals of Philosophy*.

<sup>19</sup> Salameh Kaileh. *Modes of Production in Global History: A Critique of the Marxist Theory on Modes of Production* [Arabic]. Beirut: Dar al-Tanweer for Printing, Publication, and Distribution, 2010. 1<sup>st</sup> edition.

<sup>20</sup> Salameh Kaileh. “From Hegel to Marx: A Materialist Perception of History [Arabic].”

<sup>21</sup> Ibid.

were previously unknown in history came into being and played a major role in serving mankind. For the first time, products were not made out of nature, which in turn became not the only source for human food, but rather the source of raw material used in industry. It was through industry that the bourgeoisie was created and through industry, that agriculture became subordinate to industry, the countryside to the city, and undeveloped countries to capitalist centers<sup>22</sup>.

**Industry as a global pivot:**

Industry, which started in Europe, then extended to the United States and Japan followed by socialist countries, became the pivot of world order for it is the foundation of the capitalist system and the main power that enables capitalism of ruling the world. Industry allowed for the production of new commodities in abundance, which led to the creation of a growing surplus value and fast accumulation of capital that turned into accumulation of wealth and profit surplus. The existence of agriculture became dependent on mechanizing it, which means relying on commodities produced by industry, which laid to the polarization of the world into centers and peripheries where industry developed in the centers and agriculture remained primitive and marginalized in the peripheries as it could not compete with other fields such as banking and stock markets and as many arable lands were taken by real estate projects. The deterioration of agriculture in the peripheries turned those countries from exporters to importers of agricultural products, so they ended up serving the

---

<sup>22</sup> *The Communist Manifesto*.

interests of the markets at the centers, which kept accumulating wealth. This led to a rise in poverty rates in the peripheries where agriculture could not survive and industry was not introduced.

The world, therefore, became divided into two parts: industrial countries and countries subordinated to industrial countries. This division was basically the result of constant attempts on the part of the first to obstruct the introduction of industry into the second mainly because industry is a source of power. This power is not only manifested in the general development of industrial countries, but also in their military supremacy, which is another result of successful industrialization. With a deteriorating agriculture, the spread of non-productive economic activities, and the absence of industrialization peripheral countries have no way out of their condition except devising a system that rebels against the hegemony of capital, an alternative system.

### **Alternative economy:**

There are two levels of alternative economy: the first is related to development and the second is related to the beneficiaries of this development. On the first level, it is necessary to look at the powers of production, which will become the basis of an economic pattern that can achieve abundance without which social justice is not possible. On the second level, it is important to look at the classes whose interests are in line with public societal welfare. This means that social justice can be achieved through an economic system that creates abundance and a class that distributes wealth equally.

Liberal policies that started in the 1970s were detrimental to local industries and agriculture and transformed the countries in which they are implemented into rentier economies that are dependent on real estate, services, trade, tourism, banking, and stock markets. Meanwhile, state lands and companies are looted by a local capitalist class that operates within a network of nepotism commonly known as crony capitalism<sup>23</sup> and that cooperates with global capitalism in the looting of national resources. The role of the state in providing public services started declining, which led to more marginalization. An unproductive economy that has room for only a small portion of the labor force and that did not offer proper wages was, thus, formed, which led to an increase in poverty and unemployment rates, a large deficit in the balance of trade, and the transfer of wealth to capitalist centers.

It is only through an alternative economy that such crises can be resolved through the shift from a rentier economy to production in a way that achieves the following:

- Creating production modes that can offer job opportunities for the labor force while taking into consideration population changes and the increasing numbers of workers every year
- Decreasing import rates and the balance of trade deficit through the local production of agricultural and industrial goods

---

<sup>23</sup> Mahmoud Abdel Fadil. "Crony Capitalism: A Study in Social Economy [Arabic]." Cairo: Egyptian General Book Association, 2011, pp. 75-92.

- Creating a surplus value that strikes a balance between wages and prices and allows for economic development

An alternative economy that achieves social justice is contingent upon two main conditions: first, creating modes of production that guarantee the establishment of a real economy and second, the local utilization of economic surplus. This brings back to the forefront the issue of industry and its pivotal role in any modern and productive economy, for not only are people's needs mainly dependent on industrial products, but also agriculture does not develop without the use of industrial technology. Talk about the decline of industry's share in the gross domestic product is not accurate and so are claims that industry is no longer a solution for unemployment. Such view reflects the crisis of capitalism in which the dominance of financial capital forebodes what is known as "the end of work"<sup>24</sup> or poses the question on the "future of work"<sup>25</sup>.

The crux of every economic policy that prioritizes the welfare of the people in the peripheries is the establishment of a productive economy that focuses on industry as the central means of production at the present time. This type of economy provides job opportunities as well as an economic surplus that would improve the living conditions of workers and for the society in general, thus reducing dependence on imported goods. This perspective is, by definition, contradictory to that of imperialist capitalism that has since its inception as a global system worked on subordinating the world in accordance with

---

<sup>24</sup> Jeremy Rifkin. *The End of Work: The Decline of the Global Labor Force and the Dawn of the Post-Market Era*.

<sup>25</sup> Jacques Attali. *A Brief History of the Future*.

its needs<sup>26</sup>. Industrialization in peripheral countries is not in the best interest of capitalism because this would not allow the centers to maximize the looting of economic surplus<sup>27</sup>. For this reason, global capitalism does not support the establishment of an economy that would guarantee the creation of a welfare state.

Many questions were posed about the type of alternative economy and the foundations on which it should be based. There were proposals about “independent development”<sup>28</sup> or “self-sufficient economy”<sup>29</sup>, both of which revolve around a strategy of independence, which in itself constitutes an integral economic, social, and political system<sup>30</sup>, according to Ramzi Zaki. This means the elimination of subordination, the establishment of independent development, and the achievement of social justice<sup>31</sup>. Zaki’s vision is based on the following:

- 1- Controlling national resources
- 2- Creating a production pattern that can lead this strategy

---

<sup>26</sup> Ramzi Zaki. *Self- Dependence between Dreams and Harsh Reality* [Arabic]. Kuwait: Dar al-Shabab for Publication, Translation, and Distribution, 1987, 1<sup>st</sup> edition, p. 27.

<sup>27</sup> Ibid, p. 78.

<sup>28</sup> Fouad Morsi. *Backwardness and Development: A Study in Economic Progress* [Arabic]. Cairo: Ain Shams Bookstore, 1984, 1<sup>st</sup> edition; *The Crises of Arab Economic Development* [Arabic]. Baghdad: Dar al-Thawra, 1979.

<sup>29</sup> Mohamed Dwidar. *The General Economic Movement in Half a Century: A Strategic View between Subordination and Retail* [Arabic]. Cairo: Sotour Publications, 2010, 1<sup>st</sup> edition.

<sup>30</sup> Ramzi Zaki, p. 113.

<sup>31</sup> Ibid, p.114.

- 3- The centralization of economic surplus
- 4- Agricultural technology
- 5- Industrialization directed towards catering to people's basic needs
- 6- Popular participation
- 7- Choosing the adequate technology<sup>32</sup>

Ramzi refers to socialist countries as pioneers of self-sufficiency which developed an earlier version of the contemporary developmental thought. The system in these countries depended on the socialist philosophy, ideological mobilization, organized mobilization of resources, comprehensive planning, and satisfying the basic needs of the people<sup>33</sup>. Despite all reservations on the socialist experience, it has so far remained the best form of development and a successful means of shifting from backwardness to modernization.

### **Class and development:**

Alternative economy also involves an alternative class structure that does away with the division of society or of the world order into centers and peripheries where the first loots the wealth of the second and works on obstructing its development. This is done through the establishment of an independent economy founded upon industry as a means of restructuring society in a way that rids it of its subordination. In this case, compromises are not the solution. These compromises were previously used in post-independence peripheral countries and they proved a

---

<sup>32</sup> Ibid, p.115.

<sup>33</sup> Ibid, p.17.



failure. That is why it is necessary to do away with capitalist mechanisms through a class that does not only aim at serving its interests regardless of the welfare of the people and whose interests coincide with those of the rest people. That it is why workers and farmers together with the impoverished from the middle class should be in charge of effecting this change and not the capitalist class or even the “petit bourgeoisie” since the first is subordinated to the centers and the second only prioritizes its own interests, which was obvious throughout decades of development attempts that were doomed to failure. Socialism is indeed the only solution, but only after examining previous experiences and learning from their mistakes.

**Conclusion:**

Based on the above, it becomes obvious that an alternative economy requires the following:

- 1- The coming to power of the impoverished and the elimination of capitalist hegemony
- 2- The role of the state as a central component of economic progress
- 3- Industry as the main pivot of the economy

An alternative economy should be characterized by the following:

- 1- Productivity through industry
- 2- A capital accumulation that is maintained on the national level, which means not allowing this capital to leave the country whether through capitalists, international companies, or balance of trade deficits

- 3- The state becomes the central investor and investment projects have to be productive, particularly industrial
- 4- The state regulates the relationship with the global market and determines the nature of this relationship in accordance with national interests and negotiates with companies and states
- 5- Private capital can only be active through the above-mentioned conditions.

### **Bibliography:**

- 1) Vladimir Lenin. "The Tasks of the Russian Social-Democrats, Progress publications, Moscow.
- 2) Salameh Keileh. "The Crises of Socialism: A Study in the 20<sup>th</sup> Century Experience [Arabic]." Damascus: Khotowat for Publishing and Distribution, 2010, 1<sup>st</sup> edition.
- 3) Salameh Kaileh, "The dilemma of Capitalist Development: Marxism and development in the Arab world", Rawafed for publications, Cairo, 2015.
- 4) Samia Imam. *Who Owns Egypt? An Analytical Study of the Social Origins of the Open Door Policy Elite in the Egyptian Society* [Arabic]. Cairo: Dar al-Mostakbal al-Arabi, 1986. 1<sup>st</sup> edition.
- 5) Salameh Keileh. "Capitalism and Social Justice: The Adopted Capitalist Approach Denies Social Justice [Arabic]." *Social Justice in the Arab Region between Street Politics and Political Paths*. Arab Forum for Alternatives and Rosa Luxemburg Stiftung-North Africa Office.
- 6) Karl Marx. "The Origins of Capitalism", Progress publications, Moscow.
- 7) Lenin. "Imperialism, the Highest Stage of Capitalism", Progress publications, Moscow.

- 8) Samir Amin. *Unequal Development: An Essay on the Social Formations of Peripheral Capitalism*. (Originally *Le développement inégal Essai sur les formations sociales du capitalisme périphérique*).
- 9) Samir Amin. *Accumulation on a World Scale*. (Originally *L'accumulation à l'échelle mondiale*).
- 10) Martin Khor. *Rethinking Globalization: Critical Issues and Policy Choices*.
- 11) Salameh Keileh. "The Financial Stage of Imperialism [Arabic]." Milano: Mediterranean Publications, 2016. 1<sup>st</sup> edition.
- 12) Karl Marx and Fredrick Engels. *The Communist Manifesto*.
- 13) Frederick Engels' Speech at the Grave of Karl Marx
- 14) Frederick Engels. *Socialism: Utopian and Scientific*.
- 15) Vasilii Podosetnik, Aleksandr Georgievich Spirkin. "Historical Materialism."
- 16) Maurice Cornforth. *Dialectic Materialism: An Introduction*.
- 17) Georges Politzer, Guy Besse and Maurice Caveing. *Elementary Fundamentals of Philosophy*.
- 18) Salameh Keileh. *Modes of Production in Global History: A Critique of the Marxist Theory on Modes of Production [Arabic]*. Beirut: Dar al-Tanweer for Printing, Publication, and Distribution, 2010. 1<sup>st</sup> edition.
- 19) Salameh Keileh. "From Hegel to Marx: A Materialist Perception of History [Arabic]."
- 20) Mahmoud Abdel Fadil. "Crony Capitalism: A Study in Social Economy [Arabic]." Cairo: Egyptian General Book Association, 2011, pp. 75-92.
- 21) Jeremy Rifkin. *The End of Work: The Decline of the Global Labor Force and the Dawn of the Post-Market Era*.
- 22) Jacques Attali. *A Brief History of the Future*.
- 23) Ramzi Zaki. *Self- Dependence between Dreams and Harsh Reality [Arabic]*. Kuwait: Dar al-Shabab for Publication, Translation, and Distribution, 1987, 1<sup>st</sup> edition, p. 27.

- 24) Ismail Sabry Abdallah, "Towards a new economic system: Studying development and international relations", The National Egyptian Agency for Book, Cairo, 1977.
- 25) Fouad Morsi. *Backwardness and Development: A Study in Economic Progress* [Arabic]. Cairo: Ain Shams Bookstore, 1984, 1<sup>st</sup> edition.
- 26) Fouad Morsi. *The Crises of Arab Economic Development* [Arabic]. Baghdad: Dar al-Thawra, 1979.
- 27) Mohamed Dwidar. *The General Economic Movement in Half a Century: A Strategic View between Subordination and Retail* [Arabic]. Cairo: Sotour Publications, 2010, 1<sup>st</sup> edition.

# Case Studies



# **The Srifa Cooperative and the Union Coordination Committee in Lebanon Countering sectarianism and NGOs hegemony**

**Jana Nakhal**

## **Introduction:**

The Lebanese Civil War destroyed cooperatives and unions and the neoliberal policies of Rafik al-Hariri's government destroyed whatever was left of movements that represented the working classes and the marginalized. Attempts at aborting workers' demands are still ongoing and that is why the establishment of an alternative economy became a necessity.

This paper will discuss two experiences that are seen as extremely significant in the organization of cooperative and unionized entities. The first is the Srifa Cooperative in the south and the second is the cross-regional Union Coordination Committee. The two experiences provide examples of different forms of self-administration, which will be discussed in the paper in addition to the political, economic, and organizational challenges the two initiatives were faced with and whether they were overcome. The paper will also look into the motives that drove members of the two initiatives to decide joining them and how far they responded to their demands.

The two experiences will be evaluated based on four factors:

- 1- The relevance of the focus of each initiative to the historical and political context.
- 2- The distinguishing features of members of the two initiatives as a means of discovering whether or not they managed to include impoverished segments of society.
- 3- The organizational structure, representational power, and democratic participation in each experience.
- 4- The political change the two experiences achieved regarding the balances of power or cultural impact.

It is necessary to link the work in which the two groups engaged to the political context in Lebanon in the sense that they both underline the internal struggle in the country as one pertaining to politics and class, rather than sectarian affiliations. In fact, they both prove that sectarian factions can easily ally with each other when political and class interests are at stake. The paper will also underline the differences between the two initiatives.

The weakness of cooperatives has a negative impact on different sectors of a country's economy, especially in the absence of national or local programs that through legislative, organizational, and executive networks can protect the community from arising crises and guarantee the rights of its members. Agriculture is one of the most affected sectors by the weakness of cooperatives. A large number of farmers lost interest in joining cooperatives and many of the existing cooperatives are not playing an effective role on the ground. In



addition, cooperatives need continuous support from donors, non-governmental organizations, and civil society initiatives<sup>34</sup>.

The Ministry of Agriculture's strategic 83-page report for 2015-2019<sup>35</sup> includes a half-page section on cooperatives entitled "Cooperative work and protection from natural disasters." It is interesting that this section acknowledges the absence of any policies or programs that aim at developing cooperative work, adding that this is major cause of the crisis of the agriculture sector. However, this is immediately followed by the necessity of opening this sector to bank loans and insurance companies while totally overlooking farmers' rights. This is, in a nutshell, how the Lebanese state deals with cooperatives.

In addition to the damage caused by the civil war and neoliberal policies, the state is almost absent from the agricultural sector, which is the main source of livelihood for the Lebanese in rural areas, while political parties lobby for privatization and fight the establishment of cooperatives and independent unions. Meanwhile, capitalism keeps growing and controlling markets in both the center and the peripheries<sup>36</sup>. The vacuum created by the state's absence made room for the United Nations and foreign organizations, both governmental and non-governmental<sup>37</sup>, as part of a neoliberal agenda that is detached from the needs of the people and the society.

---

<sup>34</sup> Ministry of Agriculture Strategy, Lebanon, <https://goo.gl/xgjZrr>

<sup>35</sup> Ibid.

<sup>36</sup> Field research in the Marjeyoun District in May 2016 by Karim Eid al-Sabbagh and Jana Nakhal, The Asfari Institute for Civil Society and Citizenship.

<sup>37</sup> Women's Cooperatives in Lebanon empowered by the sweet taste of success, UNDP, <https://goo.gl/IMMPAF>

Several studies were conducted by UN agencies and NGOs on cooperatives in rural areas with special focus on those run by women. Those studies praise the role of cooperatives in empowering residents of rural areas, especially women, in promoting the practice of participatory democracy, and in creating spaces that are capable of overcoming the repercussions of capitalism<sup>38</sup>. However, the reality of cooperatives is totally different.

The International Labor Organization defines a cooperative as “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”<sup>39</sup> According to the ILO, “formal and informal cooperative activities can be important in organizing rural populations to share risks, pool resources, and provide credit, particularly for women who would otherwise have limited access, agency and voice in these settings.”<sup>40</sup> The ILO then enumerates the advantages of cooperatives: “The advantages of this sector lie in the large number of agricultural cooperatives and cooperative unions that can be activated and

---

<sup>38</sup> De Sousa Santos, B. (2006). Another production is possible: Beyond the capitalist canon (Vol. 2). Verso, <https://goo.gl/ndUqWT>

<sup>39</sup> A cooperative is “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (ILO 2002). ” In <https://is.gd/Cwo2cQ>

<sup>40</sup> Ibid.

“Formal and informal cooperative activities can be important in organizing rural populations to share risks, pool resources, and provide credit, particularly for women who would otherwise have limited access, agency and voice in these settings.

in the continuous support to cooperatives offered by donors and non-governmental organizations. In addition, there are some credit schemes such as the small farmers and cooperatives collateral guarantee fund developed by KAFALAT and the European Union. In addition, cooperatives benefit from tax exemptions”<sup>41</sup>.

In her article on cooperatives in Lebanon, Carol Kerbaj argues that in the neoliberal era, the state abandoned its role in agricultural reformation and which should focus on supporting cooperatives and giving them access to the market to sell their products. This, Kerbai continues, opened the door for USAID, the EU, UN agencies, and foreign governmental and non-governmental organizations to pump their money into rural cooperatives and the state allowed a number of farmers to establish cooperatives only to make use of this funding<sup>42</sup>. This kind of funding subordinates cooperatives to these entities and render their destiny totally dependent on them<sup>43</sup>, as Kerbaj notes in another article. The cooperatives that are funded by international organizations also turn into entities in which money is pumped but that lack focus and have no plan, so instead of working towards specific developmental goals, they

---

<sup>41</sup> “The advantages of this sector lie in the large number of agricultural cooperatives and cooperative unions that can be activated and in the continuous support to cooperatives offered by donors and non-governmental organizations. In addition, there are some credit schemes such as the small farmers and cooperatives collateral guarantee fund developed by KAFALAT and the European Union. In addition, cooperatives benefit from tax exemptions.” Ibid.

<sup>42</sup> Carole Kerbage, “Agricultural cooperatives are successful, But not totally”, Al-Akhbar, July 3<sup>rd</sup> 2009, <https://is.gd/j1MIT1>

<sup>43</sup> Carole Kerbage, “NGOs violates labor rights every day”, Al-Akhbar, July 10<sup>th</sup> 2012, <https://is.gd/KpaeVZ>

just operate mechanically. This defeats the purpose of cooperatives. In addition, funds going into these cooperatives focus on providing technical training and supplying material and equipment, but do not work on establishing a political infrastructure that promotes participatory democracy and raises awareness about the role of cooperatives in impacting relations of power.

### **Srifa Cooperative (Atelier Srifa):**

In 2011, the Italian NGO called Gruppo di Volontariato Civile (GVC) and the Development for People and Nature Association (DPNA) established a sewing studio in the village of Srifa in the Tyre District in southern Lebanon after training 17 women for 6 months. According to the GVC website, the project aimed at “improving socio-economic conditions in the South of Lebanon, particularly focusing on the role of the women within their families and community. A group of 17 women, coming from the villages of Srifa, Froun and Ghandurie, managed to re-invest in their future”<sup>44</sup>. On the other hand, the DPNA took part in establishing the studio as part of its developmental program for Srifa and the neighboring villages and intended it to be a multi-purpose studio<sup>45</sup>. The project was to include a public library, an employment office, a children’s activities room, a sewing studio, and an internet room<sup>46</sup>. The products of the

---

<sup>44</sup> “improving socio-economic conditions in the South of Lebanon, particularly focusing on the role of the women within their families and community. A group of 17 women, coming from the villages of Srifa, Froun and Ghandurie, managed to re-invest in their future.” <https://is.gd/NG4IHW>

<sup>45</sup> Rasha Mahdi, “ Project of promoting and supporting economic growth for socio-economic services, 19<sup>th</sup> March, 2008, <https://is.gd/PYGKsa>

<sup>46</sup> Ibid.

studio were sold in seasonal markets in the south as well as Christmas and Easter Markets and events organized by UN troops in the south.

Women working in the studio were paid US 3.5 per hour. The annual production of the studio reached USD 1,500 when only 4 women were working, but it dropped to 1,000 in the last working year because of the scarcity of markets and the difficulty of moving between them. The cooperative stopped working a year ago because of marketing difficulties.

The paper depended in much of the information about the studio on interviews with Fatima, who was in charge of designs, and Rudaina, who was in charge of sewing. In addition to a number of women who received the training whether those who worked in the cooperative or left after the training. It is noteworthy that Fatima is an activist in the Lebanese Communist Party and her husband was killed in the 2006 war with Israel while Rudaina is a supporter of the Amal Movement and is a mother of two disabled sons.

#### The political context and the impact of the cooperative:

Srifa is distinguished by the strong presence of the three main parties in southern Lebanon: Hezbollah, the Communist Party, and the Amal Movement. This created strong rivalry between families and individuals in all fields including, in addition to municipal elections, the size of offices, activities for children, youths, and women, and events related to resistance. This rivalry was expected to be seen in the Srifa cooperative as was the case with other cooperatives. For example, the village's agricultural cooperative, mostly made up of men, is controlled

by the Communist Party. Surprisingly, none of the parties tried to interfere in the Srifa Atelier, which might be attributed to the fact that women were not a priority for those parties as women in the village themselves say. So, instead of competing to play a role in the project, none of the parties paid it any attention, which led the atelier to suffer from marginalization. This lack of interest in the cooperative could also be related to the fact that it included few women, so not many families depended on it for a living. Sewing was also not a main activity for women in Srifa who mainly worked in agriculture and the production of mortar. Women working at the atelier complained that the municipality did not support them. "They never took us seriously," said one of the women. "The organization [GVC] gave them a truck, but they don't let us use to take our products to the market and when they do they make us pay for gas."

According to Fatima, few women in the village knew about the Atelier, which made it difficult for the women who worked there to effect a real change. "Women here didn't like the bags we made," she said. "They don't like fabric bags and they said they were expensive and looked like plastic bags they use for harvest.<sup>47</sup>" However, women working there were proud of their products which, they said, were liked "by Christian and foreign women" who came to the markets. They still say that working at the atelier did not change their social status in a substantial manner. "But we were very happy and we bought ourselves stuff with the money we earned."

---

<sup>47</sup> In Lebanese dialect they stated: "بيقولونا لشو هو، مناخدنش عالقطيفة نحوش فيهن دخان".

### Organization:

Work in the cooperative started without elections and without agreeing on an organizational structure. GVC chose three women for three tasks: design, sewing, and finance. According to Fatima, the division of tasks was decided by GVC and one woman objected that there were no elections and left: “But the rest of us did not mind.” Women who worked in the atelier did not see a link between this project and other cooperatives or unionized initiatives because they saw it as a ready-made project that GVC presented without consulting the women about their needs or its importance for them.

Through talking to the workers, it became obvious that they treated the cooperative like a regular factory, which means they only saw it as a production unit. This was mainly because it was not self-funded or established through their own efforts for the equipment and the raw materials were provided for them, so they saw it as just a place where they worked. That is why they did not attempt to expand the cooperative or encourage other women to join and did not make more effort in marketing their products.

The cooperative worked for three consecutive years. Women only made fabric bags and went to sell them in markets determined by GVC. Several workers left until only four remained, for the cooperative did not play the role expected of cooperatives, which is challenging the system and changing the balance of power. That is why the women in the village were not interested. It was not something they wanted or made; it

was just a ready-made project brought to their village by a foreign organization.

The desired alternative:

In his book *Another Production is Possible: Beyond the Capitalist Canon*, Boaventura de Sousa Santos<sup>48</sup> examines the main characteristics of a cooperative with special emphasis on Mondragón Cooperative Complex in Spain. For him, cooperatives need to be capable of creating an alternative and to challenge the existing balances of power. He argues that cooperatives carve a niche at the heart of the capitalist system, one in which they create their own spaces of production and political organization and which bypass existing power relations.

The problem is that workers at the Srifa Atelier did not have enough awareness about the role of a cooperative and that is why they were incapable of seeing it as different from a regular company. They are not to be blamed for this, but rather the state that did not put an effort into establishing cooperatives and raising awareness about their importance. This particularly applies to the Ministry of Agriculture, which is in charge of establishing cooperatives<sup>49</sup> and, instead abandoned its role in doing so.

---

<sup>48</sup> De Sousa Santos, B. (2006). *Another production is possible: Beyond the capitalist canon* (Vol. 2). Verso. <https://is.gd/yVO17D>

<sup>49</sup> Rasha Abu Zaki. "95% of Cooperatives do not Exist [Arabic]": <http://www.al-akhbar.com/node/17657>



## **Union Cooperation Committee:**

The Union Cooperation Committee (UCC) was created in 2011 under the leadership of famous unionist Hanna Gharib, known for his long struggle against the authorities. The committee challenged the general political climate as well as the labor law that banned public sector employees from establishing unions.

In three and a half years, the committee managed to become a powerful political union that organized massive protests and strikes that included tens of thousands, declared solidarity with workers, and defied business owners and the private sector. The committee was most known for its struggle to raise the wages of civil employees, which necessitated defying the system upon which the public sector is based. Salary raises in the public sector are determined according to the hierarchical system in which employees are divided into categories, each of which is divided into levels. Salaries are determined based on the position of each employee within this hierarchy and which is determined based on seniority, that is the number of years spent at work, rather than competence and skills<sup>50</sup>.

The UCC targeted in its battle for wage hike teachers at public elementary, high, and vocational schools, the union for private school teachers, and the union of public administration employees, which translates into one third of Lebanon's work force<sup>51</sup>. UCC refused to secure those salary hikes through

---

<sup>50</sup> Maha Zuraket. "The Basis of the Wage Hike Battle [Arabic]": <http://www.al-akhbar.com/node/207145>

<sup>51</sup> Benefit from this chain employees, contractors and employees in the public administration, and in the Lebanese University, municipalities and public institutions are not subject to the labor law and members of the teaching staff in

imposing more taxes on the middle and impoverished classes as was proposed by the government and, instead, proposed an alternative. The committee suggested restructuring the taxation system through imposing a tax on unused property and increasing tax rates on interest income so that it becomes equal to the corporate tax. UCC also called for imposing fines on the usurpation of public property especially on river and sea fronts and imposing a special tax on franchises, contracts, and monopolies such as Sukleen, Duty Free Shops, Jeita, and exclusive brands.<sup>52</sup> However, those proposals were rejected by both the government and economic associations because they conflicted with their interests. Because meeting those demands would have substantial economic repercussions as they ranged between 2,290 and 3,150 billion liras, the government tried to turn the people against the committee. The government claimed that if the committee's demands were met, prices would increase and the impoverished classes will suffer more. This discourse was also supported by several parties who found in the committee a threat to their interests as well.

### Organization:

The UCC was established through a typical unionized structure that was based on participatory democracy, mutual support, and interaction between different sectors. The committee

---

the Ministry of Education and Higher Education and military, and teachers in private schools, and retired. On the other hand, approximately one-third of the labor force in Lebanon (Ibid).

<sup>52</sup> Ibid.

introduces itself as being home to teachers unions and the union for public administration employees<sup>53</sup>.

The strength of the committee lies in its ability to defy the law. Public sector employees are banned from forming unions, so in order to have all those employees join it, the committee went around the law through establishing a “coordination committee” for teachers and calling upon teachers to join it and they did.

The committee established regional sub-committees that took part in the decision-making process. Decisions made by those sub-committees would be sent to the central office so that no decision was taken unilaterally and the committee did not follow a centralized system. Women played a major role in leadership, mobilization, and the organization of protests and strikes.

Despite the fact that the UCC is no longer working because of the interference of entities that saw its existence as a threat to their interests, it remains a success for a number of reasons:

- 1- Defying the law instead of allowing the law to control its actions
- 2- Breaking the center-periphery dichotomy through reaching out to different regions across the country and not confining its activities to Beirut
- 3- Attracting people from different ideologies and political affiliations as well as both independents and partisans, leftists and non-leftists

---

<sup>53</sup> Official Website for the UCC, <https://is.gd/4G362N>

- 4- Gaining the people's trust, which is partly attributed to the fact that Hanna Gharib, known for years of unionized struggle, was its leader
- 5- Introducing a type of unions that was different from those that prevailed in Lebanon after the Civil War and which were mainly made up of regime loyalists and paid unionists
- 6- Adopting a democratic approach in all its activities
- 7- Politicizing unionized work in a way that made any victory a disruption of the current balance of power
- 8- Underlining the drawbacks of the capitalist system
- 9- Offering independent alternative solutions that aim at serving the interests of the people regardless of what the state wants
- 10- Encouraging the participation of woman

The success of the committee is not only measured by what it managed to achieve, but also through the aggressive response of the government, which proves that the committee posed a real threat to its interests. Several sectarian parties were also concerned about the activities of the committee and they did push some of their members to run in the committee's 2015 elections in an attempt to do away with Hanna Gharib and change the committee's policies, which is what happened. However, the success of the government and its allies is not determined by their ability to oust Hanna Gharib from the committee, but by whether they will succeed in eliminating his

legacy and his impact on the unionized movement and its role<sup>54</sup>.

But the Union Cooperation Committee changed drastically after the elections and its demands for the rights of the marginalized are barely audible, for now its structure is more in line with the government and the powers it is allied with. Therefore, it is no longer capable of playing the same unionized role it was known for. It is now allied to the same party it is expected to fight<sup>55</sup>.

Despite its internal problems<sup>56</sup> and the campaign launched against it by the government and its allies, the Union Cooperation Committee's role in unionized work in Lebanon is of extreme importance. The committee's work paved the way for the protests that took place in 2015 as a result of the garbage crises which later developed into broader demands.

### **Conclusion:**

The ILO report on Iraq, Lebanon, the West Bank, and Gaza<sup>57</sup> starts with arguing that cooperatives' dependence on foreign funding is a main obstacle in the way of their development. The Lebanese economy is suffering from many problems, on top of which are stagnation and unemployment. This is where

---

<sup>54</sup> Hani Massoud. "The Union Cooperation Committee: The Dissipation of Illusions [Arabic]": <http://al-akhbar.com/node/231897>

<sup>55</sup> Ibid.

<sup>56</sup> Faten al-Haj. "Partisans in the Union Cooperation Committee [Arabic]." <http://al-akhbar.com/node/214082>

<sup>57</sup> Simel Esim and Mansour Omeira, Rural women producers and cooperatives in conflicts settings in the Arab States, International Labour Organization, Regional Office for the Arab States, Lebanon, <https://is.gd/Cwo2cQ>

cooperatives have the ability to counter the repercussions of the capitalist system. According to Boaventura de Sousa Santos, the role of cooperatives is to propose options other than existing ones in order to defy the status quo and refuse to accept that there is no alternative to the current reality<sup>58</sup>.

However, it is important to ask which type of cooperatives is needed at the moment. Are they cooperatives that stir away from politics? Or cooperatives that offer an alternative to sectarian leadership? Do they work on challenging the existing balance of power? Or do they keep a low profile?

The most significant achievement of the Union Cooperation Committee is that it created a sphere of political activism away from sectarian and regional conflicts and decided to focus instead on class struggle to prove that this is the core of the conflict in Lebanon. This view was supported by Mahdi Amel: “What if we discover that sectarianism is nothing but a political relationship that has throughout history been determined by class struggles as part of the social colonial structure in Lebanon?”<sup>59</sup> For Amel, sects do not exist on their own, but are dependent on the bourgeoisie and that state that supports them without which they cannot survive: “Sectarianism cannot politically exist without this state that is only sectarian by virtue of being classist.”

As for the Srifra Cooperative, it could have played a very different role had it attempted to defy the balance of power and

---

<sup>58</sup> De Sousa Santos, B. (2006). Another production is possible: Beyond the capitalist canon (Vol. 2). Verso. <https://is.gd/yVO17D>

<sup>59</sup> Mahdi Amel. The Sectarian State [Arabic]. Beirut: Dar al-Farabi, 1986.

distinguish itself from projects initiated by other organizations or political parties. The cooperative had potential since it was established in a rural area in which women play a major role in the economy by virtue of their work in agriculture. Women in Srifa would have been encouraged had they seen a different model that offers them a real alternative.

Political awareness is the key to successful cooperative and unionized initiatives and the same applies to organization, because only through those would it be possible to break the political pattern that keeps reproducing poverty and exclusion. Economic and political independence is another important factor that determines the impact a cooperative or a union can exercise on the public. Last, but not least, none of those initiatives would constitute actual alternatives without if participatory democracy is not practiced among its members as well as with the public.





# **Towards a collective alternative economy: Self-administration and cooperatives in Egypt**

**Ayman Abdel Moati**

## **Introduction:**

The idea of establishing an economy that works on serving the interests of the community rather than a few individuals who only seek profit is not really new. Starting from primitive communism, human communities have for successive eras divided labor and shared resources. That was long before the emergence of private property and all the economic patterns associated with it such as the accumulation of wealth in the hands of the minority at the expense of the working majority. Family economies, which still exist in both urban and rural areas, are based on collective management of production processes and the distribution of products through cooperation among members of the same family or at times the same networks of interests. Such kind of cooperation meets the demands of the producers themselves as well as the local community in which they live.

For more than 100 years, Egypt has seen a number of experiences in cooperative work that extended to different production and service sectors for the purpose of establishing a parallel economy that allows for collective management, product, and distribution of revenue. Cooperatives in Egypt managed to strike a relative balance at times of economic crises

in order to provide a considerable portion of the impoverished class with their needs in a direct manner. In the early 2000s, a different kind of experience emerged as workers would in many cases run debt-laden factories whose corrupt owners left and would actually manage to pay the debts and get their delayed wages as well as create a surplus that allows the start of new production cycles.

This paper examines two experiences from Egypt: first, workers' self-administration in the Nubaria Seed Production Company (NubaSeed) in the Beheira governorate (150 kilometers north of Cairo) from October 2011 till November 2013 and second, the women's cooperative partly established by the National Initiative to Support Cooperatives in Fayoum governorate (90 kilometers southwest of Cairo) starting 2014. The two experiences offer examples of citizens' economy that focuses on meeting the needs that are usually discarded or marginalized by the mainstream economy. The two examples were specifically chosen for two reasons: first, they are quite recent since both of them took place after the January 2011 revolution and second, they both happened outside Cairo which proves that such initiatives are not necessarily linked to the capital which is seen as the center of all change. The success of the two experiences does not mean they did not have their points of weakness and these too will be examined in the paper so that mistakes are not repeated in future initiatives.

### **Egypt: Impoverishment and resistance:**

Workers and farmers and members of other marginalized classes started managing their collective interests following the

failure of traditional capitalist solutions in providing basic needs and decent living conditions. This shift can be understood in the light of two major factors: first, the nature of economic crises caused by production relations within a society ruled by capitalism and second, the role of protest movements in effecting real changes in social and economic relations.

Regarding the first factor, the Egyptian society has for dozens of years been subjected to impoverishment attempts. For example, 80% of amounts allotted to wages go to only 30% of workers while the remaining 20% go to 70% of workers<sup>60</sup>. Before the January 2011 revolution, unemployment rates in Egypt reached 10% and poverty rate 22%, but now have risen to 13% and 26%, respectively<sup>61</sup> while some official sources estimate poverty at 27.08%<sup>62</sup>. Minimum monthly spending for the highest echelon, which does not exceed 15.7% of the population, is estimated at 4,160 Egyptian pounds, that is 50,000 annually, whereas individuals in the poorest 10% spend 3,332 annually, that is 277 per month<sup>63</sup>. Egypt's ranking dropped to 137, out of 140 countries, in the 2015 Global Competitiveness Index<sup>64</sup>.

---

<sup>60</sup> Hussein Abdel Razeq. "The Future of Social Justice in Egypt [Arabic]." *Al-Ahali*, February 12, 2013: <http://is.gd/3bB6B1>

<sup>61</sup> Abdel Hafiz al-Sawy. "Privatization in Egypt have no Developmental Purpose [Arabic]." *Aljazeera.net*: <http://goo.gl/HIHq2H>

<sup>62</sup> Central Agency for General Mobilization and Statistics. Press statement on income, spending, and consumption in 20016, July 26, 2016: <http://goo.gl/RVuEHL>

<sup>63</sup> Mohamed Abul Gheit. "The 15% Society [Arabic]." *Al-Masry al-Youm*, September 28, 2016: <https://is.gd/CpfevS>

<sup>64</sup> Abdel Hafiz al-Sawy.

A recent report by the Egyptian Central Bank stated that internal debt reached in late March 2016 around 2.5 trillion, compared to 2 trillion in March 2015 while external debt reached USD 53.4 billion, compared to 40 billion in March 2015. This means that the total debt constitutes 92% of gross domestic product<sup>65</sup>. Added to this are other loans the government is trying to obtain such as the USD 25 billion from Russia to fund the construction of the Dabaa nuclear facility and the IMF loan that requires increasing the prices of fuel, electricity, drinking water, and public transportation within three months at most<sup>66</sup>. The IMF loan increased from 4.7 billion in 2012 to 7.11 in mid-July 2016 then 12 billion by the end of July as part of a USD 21 billion bundle that reportedly aims at solving the country's financial crisis<sup>67</sup>.

The crisis through which Egypt is going is manifested in the budget deficit exceeding 11%, the balance of trade deficit estimated at 8%, and inflation rate reaching 4%. Loan interests became one of the most important items on the budget as it constituted 7.6% of the budget, compared to 7.4% for wages and 5.1% for subsidies. The deficit is covered through loans and printing more money (the amount of money increased by 16%

---

<sup>65</sup> Official statement by the Socialist Popular Alliance Party entitled "No to Loans that Threaten Citizens' Lives and National Independence [Arabic]." June 14, 2016: <http://goo.gl/WvXhtd>

<sup>66</sup> Dina Ezzat. "Egypt Working on USD 7.11 billion from the IMF [Arabic]." *Al-Shorouk*, July 15, 2016.

<sup>67</sup> "Egypt on the Verge of Obtaining IMF Loan [Arabic]." *Aswat Masriya*, July 27, 2016: <http://goo.gl/IxBehf>

in the past year)<sup>68</sup>. This coincided with the pound floatation policies as 1 USD equaled LE 5.62 in 2010, but reached LE 8.82 in early May 2016, that is a 36% increase<sup>69</sup> while at the same time it reached LE 11.5 in the black market. This led to a 27% increase in prices between 2014 and 2016<sup>70</sup>.

What aggravates the situation is that in the midst of such conditions where basic needs are not met, military spending has remarkably increased. Military imports reached in 2015 USD 2,226 billion, making Egypt the world's fourth in arms imports, according to a report published by the global analysis firm IHS Markit. According to the Stockholm International Peace Research Institute, which measures spending through production costs rather than purchase price, Egypt's arms imports reached USD 1,475 billion in 2015, compared to USD 686 million in 2010 and 368 million in 2014. The military's budget in Egypt is kept secret, but Transparency International estimated it at USD 4.4 billion annually while industry intelligence firm BMI Research estimated the 2015 budget to have reached 5.1 billion and expected it to increase to 5.4 billion in 2016. On the other hand, the budget allocated for health care is LE 49.2 billion<sup>71</sup>.

---

<sup>68</sup> "Dr. Gouda Abdel Khaleq proposes a national program to replace the IMF loan [Arabic]." *Al-Ahali*, August 9, 2016: <http://goo.gl/rX36yO>

<sup>69</sup> The Ministry of Finance's financial statement on the draft budget for the financial year 2016/2017: <http://goo.gl/db2oit>

<sup>70</sup> "Video: Prices Rise by 27% Two years after Sisi Comes to Power [Arabic]." *Al-Tareeq*: <https://goo.gl/IPAVRw>

<sup>71</sup> "Egypt Ranks 4<sup>th</sup> in Arms Imports [Arabic]." *Mada Masr*, June 15, 2016: <http://goo.gl/lMuZ4e>

As for the second factor, protests had been spreading before the January 2011 revolution, particularly starting 2007 with 617 protests followed by 2008 with 609 protests, 2009 with 700 protests, and less in 2010 with 530<sup>72</sup>. Protests increased significantly in 2011 to reach 1,400 as both workers and revolutionaries joined forces and this continued after Mubarak's ouster so that protests reached 1,969 in 2012 and an unprecedented 2,239 in 2013. The numbers decreased in 2014 to reach 1,600 followed by 1,117 in 2015 as a result of the protest law and the general restriction of public sphere activities<sup>73</sup>.

Social justice was the main demand in the protests staged in the past 10 years, yet those demands were not confined to the economic aspect as they used to be before, but they still did not reach the point of possessing the tools of political struggle to resolve the conflict between the people and the state. It is for this reason that many entities formed during and after the revolution did not survive for long and this includes professional, labor, and farmers' unions, popular committees, cooperatives, and political parties and movements. Most of those whether totally disappeared or have come to play a minor role in the political scene and all of them failed to subvert state policies against which the protests were staged. This does not, however, underestimate the significance of sending ripples across stagnant waters and which was the cause for the success

---

<sup>72</sup> Joel Beninin. "Struggling for Workers' Rights in Egypt [Arabic]." Report issued by the Solidarity Center in 2010: <http://is.gd/onLcKS>

<sup>73</sup> Reports by the Egyptian Center for Economic and Social Rights on protests in 2012, 2013, and 2014: <http://ecesr.org/>

of several initiatives that would not have been possible otherwise.

### **Towards an alternative economy: Two experiences from Egypt**

There is a difference between cooperatives and self-administration. The first, which is the oldest and the most wide-spread, is based on the initiation of small and medium sized projects that yield profit for a specific community whose members also take part in administrating and managing the cooperative in what resembles a family business. Products of cooperatives can be released in the market, yet usually do not have the competitive edge that enables them to influence production policies or market rules. Cooperatives are supposed to be independent, but in many cases are not since they can be controlled by the state so that they are eventually marginalized and their existence becomes a sheer formality. The second involves the management and operation of companies or factories by workers through a court ruling as a means of dealing with a financial crisis. Unlike cooperatives, self-administration undermines the core of capitalist accumulation in which business owners make the maximum profit at the expense of the wages and living conditions of workers. The exact opposite happens when workers are in charge of running a factory since management becomes communal, thus prioritizes the welfare of all those involved in the production process and challenges the conventional division between the management and the labor force. At the same time, factories managed by workers keep their competitive power in the

market and yield enough profit to cater to the demands of workers as well as deal with debts and financial problems<sup>74</sup>.

### **First: Workers' self-administration:**

#### Beginnings:

Following its participation in the First Gulf War, Egypt signed a restructuring agreement with the International Monetary Fund (IMF) in 1991, followed by another one with the World Bank three months later. The two agreements were followed by the issuing of law no. 203 for the year 1991 on turning public sector companies into business sector companies that encompasses production and service sectors under the supervision of holding companies assigned the task of liquidating those companies then selling them to become private companies. This marked the onset of privatization.

The total number of privatized companies from 1991 till 2009, when the privatization program was temporarily paused, reached 382 sold for LE 57.353 billion<sup>75</sup> despite the fact that senior experts estimated that 314 companies would be sold for

---

<sup>74</sup> Anton Penacock distinguishes between two types of alternatives to capitalist economy. The first deals with the issue of ownership only in the sense that private ownership should be abolished while the second delves into the core of this issue which is that modes of production should be controlled by workers and not the capitalist class. Non-private ownership can be public or communal. In the first, property is owned by the state and therefore run by a number of officials, politicians, and civil servants who give orders to workers. In the second, on the other hand, workers become managers and the word “workers” is used to mean every single active participant in the production process, thus includes scientists, teachers...etc.: <http://goo.gl/YHcgdz>

<sup>75</sup> “Ganzouri and Privatization [Arabic].” The Egyptian Center for Economic and Social Rights, December 7, 2011: <http://goo.gl/wG6W15>



LE 320 billion<sup>76</sup>. This means that an additional 68 companies were sold with a loss of LE 262.647 billion. Privatization also increased early retirement cases from 384,000 in June 2004 to 403,000 in June 2005, with a 40% increase in the number of cases during that interval<sup>77</sup>.

These policies played a major role in undermining the components of the economy and the deterioration of workers' conditions. The difference between the market price of the companies and the actual price at which they were sold was the result of a series of corrupt agreements, which led a number of workers to file lawsuits to reclaim some of the sold companies and manage them on their own, especially after the failure of the new post-privatization administrations. Many of the new owners also fled leaving the companies in a deplorable condition.

#### The experiences:

According to Hector Palomino, poverty and unemployment are the two major factors that delegitimize the current economic system since market economy is incapable of finding solutions to those two problems within its normal process. Social movements, on the other hand, acquire legitimacy through their attempts to tackle these problems in an innovative manner that departs from institutional economy and this is when an alternative economy is created. Alternative economy

---

<sup>76</sup> Abdel Wahab Khedr. "Egypt's Workers' from Hard Labor to Privatization and Layoff [Arabic]." Al-Tagamoa Party, December 8, 2015: <http://goo.gl/BmeBU8>

<sup>77</sup> Mahmoud Shehata. "Privatization and it's Economic and Social Impacts in Egypt [Arabic]." A paper presented at a workshop entitled "Workers from Protests to Organization" by the Arab Reform Initiative, publication in process.

not only aims at catering to the needs of a given community, but also tackles the two problems state institutions are unable to solve through providing job opportunities<sup>78</sup>.

Workers' self-administration is one of the most innovative solutions brought forward by social movements to solve the problems of companies whose owners could not pay their debts. Self-administration is a system through which an organization is run by its workforce, which means that workers determine production policies such as wages, working hours, labor division, and working regulations in a democratic manner whether through consensus or majority votes. It is, therefore, unlike the conventional hierarchy in which orders are given from the top down across the organizational pyramid and which is seen in state institutions and the capitalist system. Workers' self-administration usually takes place in companies shut down by their capitalist owners or sold by the state to investors, causing the dismissal of their workers. In such cases, workers reclaim the company and run it in through a communal organizational structure that eventually turns this company to some form of cooperative<sup>79</sup>.

Such experiences demonstrate that the workers' need to interact with market economy enabled them to be well-versed in several commercial transactions since they became responsible for selling their own goods and finding new

---

<sup>78</sup> Hector Palomino. "Social Movements in Argentina." Center for Socialist Studies. *Socialist Papers Magazine*, issue no. 15, October 2006.

<sup>79</sup> Sameh Aboud. "Workers' Self-administration of Shut Down Facilities and the Struggle against Unemployment [Arabic]. *Al-Tareeq*, April 18, 2016: <http://goo.gl/6TgkTY>

markets for them as well as dealing with suppliers, customers and banks, promoting their products, and handling their accounts. In Argentina, self-managed factories made two innovative additions to management. First, they paid the same salary to all workers and employees in one third of the reclaimed factories without distinguishing between manual and mental work. Second, they considered the workers' board, which included all the workers at the factory, the main decision-making body and the podium through which workers can freely express their views. Through the workers board, an executive committee is elected to run the factory on daily basis and is in charge of commercial duties, legal representation, and other executive jobs<sup>80</sup>.

Egypt witnessed a number of self-administration cases in several factories years before the January 2011 revolution as well as after it.

- 1- The beginning was with the Electric Lambs Factory when the owner Rami Lakah decided to sell it in 2004, but the workers managed to run it and within two years were capable of solving its problems and making profit.
- 2- Workers at the Industrial Company for Paper Products and Packaging Materials (IncoPapp) managed to obtain the self-administration ruling but were not able to implement it since the Ministry of Interior placed riot police troops around the factory and prevented workers from entering.

---

<sup>80</sup>Frederic Mathias Rossi. "Workers' Self-administration in Argentina and the Movement for Reclaiming Factories." Introduction and translation by Amr Adli, The Egyptian Initiative for Personal Rights, June 2014: <http://goo.gl/XNTrDA>

- 3- Workers at the Nubaria Seed Production Company (NubaSeed) decided in 2011 to run the factory after the owner decided to liquidate it and they succeeded in doing this and started making profits.
- 4- The Kouta Steel Company experience became in 2012 a self-administration model where the workers elected a board and gave up half their salaries in order to buy raw material and pay the factory's debts to the gas and electricity companies and which amounted to LE 23 million.
- 5- Workers' self-administration at the Tanta Flax and Oil Company started in 2013 when the government did not put into effect a court ruling that returned the factory to state ownership and stipulated the return of laid off workers. Electricity was cut off from the factory and workers staged a 35-day sit-in inside the factory. The sit-in was dispersed by force by the security personnel of the Egyptian Labor Union<sup>81</sup>.

It is important to distinguish between two types of workers' self-administration: first, self-administration as a quick fix that takes place under specific circumstances when workers attempt to save the factory where they work from a financial crisis and save themselves from dismissal and second, self-administration as predetermined, long-term plan that aims at breaking away from the hegemony of the state and/or the capitalist system

---

<sup>81</sup> Amira Ahmed and Ahmed Ouf. "Factories' Self-administration: Egyptian and Tunisian Labor Unions [Arabic]." *Al-Tareeq*, March 20, 2016:  
<http://goo.gl/eAEHQM>

and giving precedence to workers' interests<sup>82</sup>. The second type did not apply to any of the cases that took place in Egypt. However, this does not in any way underplay the significance of those experiences which marked a substantial victory for workers and endowed them with expertise and confidence they could not have acquired otherwise. These experiences are also expected to play a role in changing the balances of power in future struggles for workers' rights.

NubaSeed: The investor, the state and the workers:

NubaSeed was established as a state company 40 years ago by ministerial decree no. 489 for the year 1976. The company was affiliated to the Ministry of Agriculture and for years controlled 60% of the seed market in Egypt. This percentage started declining after the company was bought by Saudi investor Abdel Ellah al-Kahki in 1998 and until October 2011 when it was managed by its workers. However, the self-administration experience ended in November 2003 when the company went back to the Saudi owner.

The story started when the General Authority for Reconstruction Projects and Agricultural Development submitted a memo to the Illicit Gains Authority giving a detailed account of violations in the selling process including the Saudi investor taking hold of a plot of land that did not belong to the company through forgery. This drove the ministry to issue confiscation decree no. 1833 for the year

---

<sup>82</sup> Haitham Gabr. "Tanta Flax Once More: Is Self-administration the Way Out? [Arabic]." September 7, 2009: <https://goo.gl/JNRjqu>

2011<sup>83</sup>. Kahki asked the workers to stay at home and get their salaries so that he would invalidate the confiscation decree, but the workers staged a sit-in in front of the administration's building and kicked Kahki's team out and called for running the factory through a committee that includes representatives from amongst them and representatives from the Ministry of Agriculture. For two years, the workers managed to pay wages and profit share as well as make profits. In fact, the workers took a bankrupt company and left it with LE 6 million after paying all its debts and workers dues<sup>84</sup>.

Workers filed a lawsuit to annul the selling contract and have the investor out of the equation for good, but while they were making progress, the government was making a deal with the investor so that it would give him the company back if he drops an international arbitration lawsuit he had filed. So, Kahki got the company back and on the same day he did, November 25, 2013, he fired 20 workers out of 200, most of whom were union members and leaders of the self-administration initiative. Only 50 workers remained in the company that kept deteriorating ever since.

### How workers ran the factory:

---

<sup>83</sup> Wael Gamal. "NubaSeed Workers Know Better [Arabic]." *Al-Shorouk*, January 2, 2014: <http://goo.gl/qnPkY>

<sup>84</sup>Information available in this experience was obtained by the researcher through interviews conducted with Massoud Farag, an agricultural supervisor at the greenhouse sector in the company, and Sameh Abdel Salam, former member of the independent union committee in the company and a supervisor at the pest control department in the company.

- 1- **Dues:** The problem started when the investor stopped paying annual profit share to workers. This coincided with the issuing of the confiscation decree by the Ministry of Agriculture for financial violations that amounted to LE 1.5 billion. In addition to the workers' profit share, it was also important to pay the company's debts, electricity and irrigation bills, and insurance as well as the money due to contractors and suppliers of pesticides.
- 2- **Liquidity:** Workers sold the corn, peanuts, and orange crops, which enabled them to generate cash that in turn allowed them to start the production of new seeds and get more cash selling them. A portion of this cash was used to pay some of the dues and workers negotiated with several creditors such as the electricity company to pay in installments.
- 3- **Daily management:** The company was managed through meetings between representatives of workers within each department as well as monthly public meetings for all workers. Workers were always updated on company conditions and took part in solving arising problems.
- 4- **Security groups:** In order to face any threats by the investor and to make up for the police's reluctance to provide proper security, workers formed groups amongst themselves and their families and took shifts to guard the company.

Why the experience failed:

NubaSeed workers faced a number of obstacles, some of which are related to the general context and others to the level of awareness and expertise and organizational skills among workers. Those obstacles can be summarized as follows:

- 1- The state's bias towards investors and its constant keenness on striking deals with businessmen at the expense of workers' interests
- 2- The state's realization that the success of the workers' initiative would pose a serious threat to its economic policies that were already proving a failure
- 3- The challenges workers faced in marketing their products and making enough profit to cover production cost in the context of regulations that do not prioritize their interests, which was mainly demonstrated in traders' attempts at decreasing the prices of NubaSeed crops
- 4- The time and effort invested to make the initiative succeed eventually drained the workers and this was aggravated by the fact that they needed to provide security for the 2,000-acre property
- 5- Difficulties in permanently legalizing the workers' status as they got permission to run the company for a limited time, which made the entire project unstable<sup>85</sup>
- 6- Discrepancy between workers' decisions and their ability to implement them on the ground whether because they are not yet ready to take major collective steps or

---

<sup>85</sup> Hisham Fouad. "Self-administration from IncoPapp to Kouta [Arabic]." *Revolutionary Socialists Gateway*, March 6, 2013: <http://goo.gl/XNviDr>



because the circumstances under which they take them did not help

- 7- Lack of popular support for this project and its likes, which makes it harder for it to effect a large scale impact against the state's capitalist policies, and lack of coordination between projects of the same type in order to form a solid front
- 8- The Success of self-administration initiatives is not only contingent upon the workers involved in them, but also the support of popular movements and political factions as was the case in Brazil, but this did not happen in Egypt<sup>86</sup>

Despite all the challenges, the NubaSeed experience marked a substantial shift from conventional management and offered a model of an alternative economy in which the interests of a given community are given precedence over profit making.

*“The company is now ours and no one can lay their hands on one single corner of it,” said one of the NubaSeed workers. Similar statements were repeated by other workers in the company to express their liberation of the oppression of a capitalist owner who only cares about making money. It is this feeling of liberation that motivated them to work extra hours in order to safeguard the property.*

---

<sup>86</sup> Interview conducted by the author with Fatma Ramadan, head of the Independent Public Sector Workers Union in the Giza governorate, June 19, 2016.

*Throughout the two years this experience took, workers were struggling against a number of powers that aimed at undermining their project. These included the state, the police, the investor, traders, and everyone whose interests can be harmed by such an example. Those powers may have possibly won this time, but the initiative remains a model that can be emulated later on and maybe manage to effect a real change on the long run.*

## **Second: Cooperatives:**

### Background:

The cooperatives system is almost as old as human existence, for tribes and communities organized in networks that divided labor, distributed resources, and traded and exchanged goods. Reformist socialist theories that emerged in the 19<sup>th</sup> century played a major role in the success of the cooperative experience and its spread across the world. This was particularly the result of the efforts of Robert Owen, Charles Fourier, William King, Louis Blanc, and Ferdinand Lassalle then in the 20<sup>th</sup> century the German School and cooperative profit theories as well as Miller's cooperative theories<sup>87</sup>.

Cooperatives are based on voluntary, unconditional membership and democratic, participatory management. They offer job and training opportunities for their members, focus on

---

<sup>87</sup> Sameh Saeid Abboud. "The Emergence and Development of the Cooperative Movement [Arabic]." *Al-Fasail*, June 4, 2015: <https://goo.gl/4dzE3G>

the local interests of the community in which they are established, and interact with other cooperatives. Cooperatives are not established for profit, but for catering to the needs of the community through the efficient utilization of available resources. Members of cooperatives, who contribute to its capital, do not receive top down orders or instructions as is the case with the capitalist entities<sup>88</sup>.

The development of cooperatives in Egypt can be divided into two main stages: creation and legalization. The first started in 1908 when the first cooperative in Egypt was created by cooperatives pioneer Omar Lotfi and ended in mid-1952 while the second, known as the dark age of cooperatives, starts after the July 23 uprising in 1952 with the shift in the relationship between the state on one hand and cooperatives and different types of civil society organizations on the other hand<sup>89</sup>.

Recent statistics show that the number of active cooperative members in Egypt reached 18 million within 13,000 cooperatives that work in the fields of production, consumption, agriculture, fishing, and housing<sup>90</sup>. The condition of cooperatives in Egypt relatively improved following the January 2011 revolution as more activists started expressing interest in serving their local communities and as calls for

---

<sup>88</sup> Nashwa Zein al-Abidin. "Major Differences between Cooperatives and Companies [Arabic]." *Al-Hewar al-Motamaden*, June 14, 2015: <http://goo.gl/iaE3Aw>

<sup>89</sup> Magdi Saeid. "Towards the Reformation of the Cooperative Movement in Egypt [Arabic]." The First Egyptian Conference for Progress and Development (June 16-17, 2012), *Moheet*, August 7, 2012: <http://goo.gl/JnXYgo>

<sup>90</sup> Ahmed Sabah. "Towards a New Concept of Egyptian Cooperative Economy [Arabic]." *Alfa Beta*, October 31, 2013: <http://goo.gl/jBZ81n>

independence from the state started resonating. However, the state has for years taken hold of cooperatives and undermined their communal nature in favor of profitable projects, thus rendering the existence of cooperatives a sheer formality. That is why a lot of time and effort are needed to achieve an actual reform that would tackle of the effect of 60 years of laws, legislations, and policies that stripped cooperatives of their independence and rendered them affiliated to the state.

### The Bread Winning Women Cooperative:

In 2014, a number of activists in the Fayoum governorate started encouraging girls and women from different villages to engage in collective working projects that would secure them a regular income and help them battle rising unemployment rates. It all started with the establishment of the National Association for Economic Development and Project Support after the eruption of the January 2011 revolution. From this association another initiative came into being under the name the National Initiative for the Support of Cooperatives<sup>91</sup>.

### Challenges:

The projects involved in this experience started with 13 women. After more women joined the project was divided into three groups: the first for manufacturing clothes in the village of Sanhour and this included 23 women, the second also for clothes and this included 16 trainees, and the third for pottery in al-Ealam village and this included 18 women. The project

---

<sup>91</sup> Information about this experience was obtained from an interview conducted with Mohamed Abdel Hakim, the coordinator of the National Initiative for the Support of Cooperatives in Fayoum on July 23, 2016.

faced a number of challenges pertaining to funding, legalization, and relation with the state. The main challenges were as follows:

- 1- **Establishment:** The circumstances under which the project was established were quite challenging. Even though the Egyptian countryside is run through a system that resembles that of the cooperatives, it was still not easy to bring together a group of women who have not previously worked together and to make them both the workers and the managers of a project in which there is no boss and where the capital comes from the members and supporters of the project.
- 2- **Legalization:** Laws and regulations obstruct in many ways the establishment of cooperatives. For example, a cooperative has to have a 10-year lease contract for its headquarters and a bank deposit of LE 50,000. However, the National Initiative for the Support of Cooperatives decided to bypass these conditions and declare the establishment of the cooperative anyway as a means of asserting the independence of cooperatives and their importance as an alternative economic system<sup>92</sup>.
- 3- **Technical obstacles:** Women who took part in the project lacked the technical skills and the expertise required for starting the production process. Supporters of the project and students at the School of Fine Arts volunteered to teach them about pottery, especially using the kiln and dealing with raw material, and gave them

---

<sup>92</sup> Mohamed Abdel Hakim. "The Legal Status of Cooperatives under the Constitution [Arabic]." An unpublished paper.

advice on the types of clothes the local market would need. It was, however, difficult for women in the project to get proper training on modern sewing and knitting techniques due to the small size of the project and the limited chances it had in terms of competition.

- 4- **State institutions:** Despite the fact that the countryside is not generally a priority for the Egyptian state, the project was still subjected to several intrusions on the part of the state. For example, production was obstructed on regular basis because of power cuts and legalization was conditioned upon the cooperative consent to operate under the auspices of the Long Live Egypt Fund that supports the policies of President Abdel Fattah al-Sisi.

#### Why it worked:

Several factors saved this project from failure and enabled it to continue:

- 1- Fear of state bullying started gradually dissipating and even though the state did interfere in many ways to abort the project, the support of activists and locals was strong enough to make it succeed.
- 2- Funding and technical obstacles were overcome through the support of activists, students, and specialists.
- 3- The awareness of women in the cooperative was developed through training sessions given by experts in cooperatives and hosted by civil society organizations.
- 4- Work in the cooperative progressed remarkably as women started gaining more expertise in the production

process and division of labor and started getting regular incomes.

- 5- Women in the cooperative focused on products that are on demand in the local market which made it easier for them to sell them without having to compete in a larger market where they would have a lesser chance.
- 6- The women avoided competing with traders who sold products similar to theirs, therefore not entering into struggles that might obstruct their work and not allowing detractors of their project to distract them.
- 7- Products of the cooperative were sold at lower prices which allowed the women to make a profit that, though modest, managed to pay their salaries since no money is taken by employers or mediators.
- 8- The National Initiative for the Support of Cooperatives facilitated the establishment of the cooperative and mobilized activists, students of the Faculty of economics and politica science in Beni-Suief <sup>93</sup>, and locals through a series of lectures and seminars to explain the importance of cooperatives as an alternative economic system.

*In the late 1990s, a friend from Fayoum said that some youths work 12 hours a day for LE 40 per month. Even I, a government employee, was shocked since my salary at the time was 10 times this amount and I considered myself a low-income citizen.*

---

<sup>93</sup> The southeast of Fayoum governorate related Beni Suef governorate, follow the Faculty of Economics and Political Science University of Beni Sueif, And There is no like it in Fayoum University.

*Things have not changed a lot ever since not only in Fayoum, but also in southern governorates. In fact, Fayoum and those governorates have for years been amongst the 10 poorest across the country. Looking for a job and securing a stable income is extremely challenging under the current economic system and that is why cooperatives are necessary not only because they offer job opportunities, but also because they are based on equality while other regular working spaces still discriminate between men and women. This equality was also demonstrated in the division of labor among women in the cooperative as they basically performed all the duties alternately and they equally divided the profits. This, in fact, is the essence of a democratic, participatory economy.*

### **Conclusion:**

It is quite unfair to compare between the success of the women's cooperative in Fayoum and the failure of the NubaSeed initiative since the circumstances are totally different and so are the foundations upon which self-administration and cooperatives are based. Self-administration can succeed in the beginning, but this initial success does not guarantee sustainability since it is a system that is linked on the long run with social movements and political factions whose support is much needed for the continuation of this form of management.



Self-administration is also more of a threat than cooperatives since its success undermines the economic system that the state adopts and that is why the state would always work on aborting similar initiatives.

In all cases, regardless of success and failure, those two experiences and similar ones underline two major points:

- 1- It is always possible to initiate independent projects that attempt to assuage the repercussions of social disparities and unfair state policies through catering to the needs of the local community and allowing members of the community to participate in the production process.
- 2- Projects that aim at establishing an alternative economic system will always be faced with resistance on the part of the state that would always attempt to abort such projects. The only way to overcome this challenge is proper organization, exchange of information and expertise among members of the same projects and across projects, raising awareness on the importance of alternative economy, and devising innovative means of countering exploitation.



# **A new alternative culture in the making in Tunisia**

**Layla Riahi**

## **Introduction:**

Several studies attempted to look into the reason that led to the eruption of Arab revolutions, especially in Egypt and Tunisia, and they were mainly attributed to social disparities, unemployment, and corruption, which means the failure of development projects and lack of social justice in addition to lack of respect for citizens' economic, political, and environmental rights. Generally speaking, Arab revolutions erupted in protest of liberal policies that those countries adopted as part of their subordination to global capitalism and international financial institutions.

Despite statements by international financial institutions that Tunisia had overcome all the challenges that obstructed the establishment of a democracy and had managed to establish a system where citizens' rights are respected, the people still staged a revolution calling for those same conditions. However, successive post-revolution governments did not work on meeting the demands of the people. In fact, the years following the revolution saw the signing of more agreements with the International Monetary Fund (IMF) which conditioned a number of "reforms" accompanied by austerity measures that would be detrimental to impoverished classes. With a remarkable increase in debts and a higher level of

subordination to market economy, social and economic conditions of Tunisians kept deteriorating and people lost faith in the state's ability to change their status, so they decided to take the matter into their hands. This marked the start of a parallel economy through which middle and poor classes can attempt to secure their needs despite the fact that activities related to this economy are in many cases outlawed<sup>94</sup>. Informal economy is, in fact, accused of endorsing illegal activities and endangering the safety of citizens, yet it is undoubtedly a way out for a large portion of Tunisians since it provides job opportunities and assuages the impact of increasing inflation rates.

Economist Lotfi ben Eissa, an expert in social and solidarity economics, argues that the only advantage of the crisis in Tunisia is that it revealed the existence of an alternative: social and solidarity economy that offers solutions through projects that aim at effecting real social, democratic, and environmental transformation. According to Eissa, “the crisis allowed this new player an ideal chance to prove itself and to be known and acknowledged”<sup>95</sup>.

The Tunisian economy was, in fact, empowered by a considerable number of small and family businesses on the local and regional levels. It is noteworthy that a substantial

---

<sup>94</sup> *Protection sociale et économie informelle, défis de la transition vers l'économie formelle*. Centre de Recherches et d'Etudes Sociales (CRES), 2016:

[http://www.cres.tn/uploads/tx\\_wdbiblio/Secteur\\_informel\\_Tunisie.pdf](http://www.cres.tn/uploads/tx_wdbiblio/Secteur_informel_Tunisie.pdf)

<sup>95</sup> Lotfi ben Eissa. “Social and Solidarity Economy: A More Citizen-Friendly Economy that Offers Job Opportunities and Local Development [Arabic].”

<https://goo.gl/LojpRI>

percentage of economic activities that operate outside of the law adopt, at least in their self-organization and their strong ties to societal and cultural values, the most important components of social and solidarity economy and offer opportunities for the unemployed and the marginalized. In fact, alternative solutions usually start outside the legal framework and formal economy then develop as they attempt to offer a parallel model. That is why there is a strong link between parallel economy on one hand and social and solidarity economy on the other hand.

**The problematics of social and solidarity economy as an alternative:**

Social and solidarity economy is always mentioned as an alternative economy and is currently given considerable attention by civil society organizations and unions on one hand and international financial institutions and the state on the other hand. Social and solidarity economy is founded upon a dual concept because it is similar to both the public and the private sector since it focuses on the interests of the community like the first and aims at making profit like the second. While social and solidarity economy institutions are diverse, they all share a number of characteristics such as public welfare, democratic management, development-based projects, and an enhancement of the principles of citizenship. In general, social

and solidarity economy gives precedence to human beings over capital and to communal projects over individual ones<sup>96</sup>.

The question is whether any communal participatory project can be categorized under alternative economy. Several international organizations<sup>97</sup> try to look into the possibility of introducing projects that might be categorized under social and solidarity economy, but most of those depend on external funding, which means they are not established out of actual awareness of the necessity to prioritize people's rights over liberal policies. These projects might offer job opportunities to people, but this is not enough for them to be categorized under alternative economy because they do not aim at changing the economic policies that obstruct the achievement of social justice. Alternative economy should have a political aspect that is rights-oriented and that aims at effecting a change in the policies because of which injustice prevails.

This paper will tackle two experiences from Tunisia, each of which attempting to be independent from the mainstream economy that did not meet the demands of the people and to meet the needs of marginalized echelons of society. The two experiences are the Mamotex factory in the coastal city of Chebba in the Mahdia Governorate and the Djemna oasis (Henchir)<sup>98</sup> in the southern Kebili Governorate.

Those two particular cases were chosen because several characteristics of an alternative economy apply to them. First,

---

<sup>96</sup> Ibid.

<sup>97</sup> Mercy Corps, the EU, Laboratoire de l'économie sociale et solidaire (LAB'ESS), and Italian, German. And French cooperation programs.

<sup>98</sup> A word in the Tunisian dialect and means the vast land.

they are self-established and funded which means they came to the light through an initiative by a group of individuals who rejected the state's inability to respond to their social and economic demands. Second, they managed to change the balance of power with the state and the private sector through offering realistic solutions and exhibiting strong organization skills. Third, both cases were characterized by a critical approach to prevalent economic policies and therefore the political and rights-oriented approach applies to them.

### **Mamotex factory: A failed attempt?**

When a group of people, whether workers in a company or residents of a city or a neighborhood, decide they can no longer accept their current conditions and embark on changing their conditions through an initiative that they manage outside of the formal framework, then this is definitely a promise for a real change<sup>99</sup>.

#### The story:

It all started from the coastal city of Chebba in an industrial region known for its textile factories established under the Offshore Companies Law, also known as the 1972 Law. Mamotex is a factory in which a number of women work under inhumane conditions and are paid very little in addition to being mistreated by the factory owner<sup>100</sup>. In January 2013,

---

<sup>99</sup> Denis Clerc. Extrait du postface de *Créateurs d'utopies, Démocratie, Autogestion, Economie sociale et solidaire* (Pierre Thomé), Editions Yves Michel, 2012.

<sup>100</sup> Résister et produire: La lutte des ouvrières de Mamotex, <https://goo.gl/iYsOxm>

women working in the factory established a union affiliated to the Tunisian General Labor Union after the owner stopped paying their wages. The union fought for workers' rights and after several protests and negotiations salaries increased from 350 dinars per month to 460 in addition to payment for extra working hours and the right to take leave. The textile sector faced financial problems after the revolution that affected 300 factories between 2011 and 2015 and led to the layoff of around 40,000 workers, both male and female, and exports dropped by 70% in 2015<sup>101</sup>. Mamotex, like many other factories, was hit by the crises and the owner decided to shut it down and this is when the workers decided to manage the factory.

Negotiations were held between the union and the owner. Workers demanded that they run the factory until they can deliver the last orders and get their pending salaries and compensation provided that the owner stays away and gives up his 2000-dinar salary as manager of the factory. The agreement was signed on March 1, 2016, allowing workers to run the factory until they can get all their financial dues. The owner pledged to bring electricity back to the factory and to provide required raw material within one week<sup>102</sup>.

Problems started when the main supplier of the factory, who is also the owner's business partner, refused to provide the workers with raw materials and did not recognize the new administration at the factory. Therefore, Mamotex offered an

---

<sup>101</sup> Statement by president of the National Textile Federation Belhassan Gherab, February 12, 2016: <https://is.gd/XSkyvq>

<sup>102</sup> "In Chebba, Women Workers Run a Textile Factory [Arabic]." *Nawaat*, March 9, 2016: <https://is.gd/2elvg6>



example of lack of access to the market in the case of self-managed project owing to existing balances of power between business owners<sup>103</sup>.

#### Mamotex and state policies in the textile industry:

In a report on the textile sector in the governorate of Monastir, which suffers from similar problems to its neighboring Mahdia, the Tunisian Forum for Economic and Social Rights analyzes the reasons for the failure of the Tunisian state in this sector and the repercussions on the working class. According to the report, the state adopted export-oriented policies when issuing the 1972 law that encourages investment and gives investors several privileges at the expense of workers and in accordance with the fluctuations of the global market. The state treated workers in the textile sector as cheap labor, thus opening the door for their exploitation at the hands of business owners<sup>104</sup>.

The Mamotex factory was not closed for financial problems, but rather for fear workers would start voicing their demands. The owner was able to do that because he was supported by a legal framework that gives investors precedence over workers. For example, laws allow short-term contracts and unfixed wages and the state, under the pretext of encouraging investment, is reluctant to monitor factories to make sure they abide by

---

<sup>103</sup> Mamotex workers filed a number of lawsuits against the owner demanding the payment of their pending dues and the reopening of the factory after the supplier finally agreed to provide the factory with raw materials. They suggest that the factory be run jointly by him and committee of elected representatives from amongst workers and that both parties form a board of directors.

<sup>104</sup> Violation des droits économiques et sociaux des femmes travailleuses dans le secteur du textile (Etude du cas de Monastir), <https://goo.gl/hhIYyC>

international charters as far as human rights are concerned. There are also no guarantees for workers in case a factory is shut down<sup>105</sup>. Investors and business owners have the upper hand and they can shut down a factory the moment financial problems loom in the horizon or if workers start protesting as was the case with Mamotex.

However, in the case of Mamotex, the owner had to negotiate in order to solve the problem with the least damage. The union formed by Mamotex workers started negotiating with a local representative from the Ministry of Social Affairs and an agreement was reached to reschedule the debts and offer support to the workers to find new suppliers in order to break the factory's subordination to the owner's business partner. The real problem was that the factory always depended on outsourcing. Workers at Mamotex chose an alternative path to that of the state when they insisted on running the factory, for unlike the owner who preferred to shut the factory down the moment he started facing problems, they offered an example of prioritizing public welfare and taking into consideration the social and economic rights of all workers at the factory.

#### Mamotex and the development of unionized work:

The transformation Mamotex women went through as they turned from subordinate workers into active unionists was not a matter of coincidence according to them<sup>106</sup>. One of the workers is married to a Union member who talked to all the

---

<sup>105</sup> Ibid.

<sup>106</sup> Interview with Samia Shoushan, member of the Mamotex union, and Al-Bahari Al-Huthaili, local secretary general of the Tunisian General Labor Union at Chebba, July 2016.

women about their rights and ways of defending them. This enabled the workers to better negotiate the terms of reopening the factory. While workers operated most of the time within the regular boundaries of Union work, the self-administration proposal was the contribution of the women and was new to traditional unionized work of the Tunisian General Labor Union. Mamotex workers, therefore, managed to develop unionized work in accordance with the principle of social and solidarity economy that would guarantee a fair division of labor and a fair distribution of profit.

The Mamotex experience was followed by a number of Union statements about the importance of social and solidarity economy as an alternative to capitalism or at least as a complementary system that is capable of solving problems and narrowing gaps while enhancing economic development. Mamotex workers told their testimonies about the experience in meetings with Union leaderships and civil society representatives. The Union also prepared a draft law on social and solidarity economy as an alternative to the state's draft law on the same matter<sup>107</sup>.

### Beginnings of a new economic and labor culture in the textile sector:

Mamotex workers are now without a job for the union they formed was not able to find other jobs for them, partly owing to the fact that business owners would not want to hire them. More than 60 lawsuits were filed by the Mamotex workers to

---

<sup>107</sup> The Tunisian General Labor Union submitted a draft law in a press conference in July 2016 but it has not been yet publicized.

go back to their factory and the rulings came in their favor, but nothing has been implemented on the ground yet. There are also another 40 lawsuits against the owner for unjustified dismissal, but no rulings have been issued so far. Workers tried to reach a compromise through dropping the lawsuits in return for going back to the factory, but this matter is still being negotiated.

The Mamotex experience can technically be considered a failure<sup>108</sup> since the self-administration initiative did not materialize and they did not make profits. However, it remains a remarkable experience in the history of Tunisian workers and it did achieve a number of positive changes:

- Raising awareness among workers about their rights and making them capable of coming up with alternative solutions
- Demonstrating the workers' ability at organizing themselves and setting a self-administration plan that would enable them to run the factory on their own
- Setting an example of alternative economic systems that break away from traditional models and that can inspire other workers in similar situations
- Drawing attention to the significance of alternative economy and putting it on the agenda of the Tunisian General Labor Union

Self-administration is a tool through which social relations undergo a remarkable change because self-administration of a

---

<sup>108</sup> Le combat perdu des ouvrières de Mamotex, <https://goo.gl/fwCsY1>

vital entity implies taking control of one's living conditions and that is why it is a system that is both economic and political<sup>109</sup>. Mamotex workers managed to control the means through which they can control their living conditions through solidarity and faith in their ability to run the production process. And while unionized work usually recognizes the hierarchical organizational structure as the ideal means of running institutions, the Mamotex initiative offered an alternative model based on communal management. That is why it constitutes a substantial development in unionized work.

### **The Djemna Oasis:**

The oasis of Djemna, which contains 10,800 palm trees, attracts a large number of workers that increases in peak seasons. The oasis was nationalized following independence from French colonization. It was run by the Tunisian Society of Milk Industry (La Société Tunisienne de l'Industrie Laitière- STIL), which declared bankruptcy later on. The state then decided to lease the land for 15 years, but the two new tenants neglected the oasis and hired only 6 or 7 workers who basically did irrigation work. The lease agreement looked suspicious<sup>110</sup> especially that the amount paid by the tenants did not exceed 40,000 dinars per year.

In January 2011, Djemna youths reclaimed the oasis after a 69-day sit-in and started managing it. The number of workers

---

<sup>109</sup> Denis Clerc, extrait du postface de *Créateurs d'utopies, Démocratie, Autogestion, Economie sociale et solidaire*. (Pierre Thomé), Editions Yves Michel, 2012.

<sup>110</sup> "STIL in Djemna: Public Welfare before Private Profit [Arabic]." <https://is.gd/3Chyca>

multiplied and revenue was distributed equally among them while production increased. This marked the first “popular nationalization” experience in Tunisia as the ownership was transferred from private capital to civil society and profit no longer went to the few, but was fairly distributed amongst workers in a project that benefited the entire community<sup>111</sup>. In the past four years, the revenue of the oasis, currently run by the Association for the Protection of Djemna Oasis, increased from 969,000 dinars in 2011 to 1,800,000 in 2014, compared to 450,000 during the lease time<sup>112</sup>.

In addition to providing jobs for the unemployed and improving working and living conditions, the association funds a number of developmental projects such as the construction of schools, clinics, sports centers, and a date market for the products of the oasis as well as the purchase of ambulances. The association also funds several organizations that focus on culture, children, and people with special needs. This means that the oasis managed to perform the duty of the absent state that marginalized this area and succeeded in achieving actual development.

The Association for the Protection of Djemna Oasis was established in March 2011 and was managed by a committee of volunteers. The first year was the toughest and the association launched a campaign asking local residents to donate to the oasis and took loans from date trades and water associations in the area to bring the capital required for starting the production

---

<sup>111</sup> Ibid.

<sup>112</sup> Mohamed Cochkar. *Djemna and the Trap of Globalization* [Arabic]. Issued by the Association for the Protection of Djemna Oasis in 2016.

process. After that, farmers managed to increase production and to make enough profit for increasing their wages and improving both the quality of production and working conditions in the oasis.

Communal management: The key to success:

The Djemna oasis is not the only land that was reclaimed by the locals. In the aftermath of the revolution, farmers took part in a massive movement that aimed at getting back lands that were either owned by the state or figures from the ousted regime. However, work on most of the lands reclaimed in 2011 and 2012 was obstructed for a number of reasons. These included police repression and problems pertaining to the farmers themselves such as lack of organizational skills, the inability to establish a communal system in which all farmers can work together instead of dividing the land into smaller plots, which hindered the proper utilization of the land and the smooth progression of the production process<sup>113</sup>.

As mentioned in Mohamed Cochkar's book *Djemna and the Trap of Globalization*, there have been several attempts at getting land back in Tunisia, but the Djemna experience has so far proven the most successful<sup>114</sup>. The success of this experience can be attributed to a number of reasons such as the agreement among the farmers to keep the land intact and not to divide it and to run it together in a democratic manner. Farmers proposed the creation of an administrative committee whose

---

<sup>113</sup> Mohamed Cochkar (ibid.) and an interview with Taher al-Taheri, head of the Association for the Protection of Djemna Oasis conducted by Mohamed al-Mathlouthi on October 28, 2015 and published by the association in 2016.

<sup>114</sup> Interview with Taher al-Taheri.

members are elected by local residents and this committee is in charge of the decision-making process on participatory basis and while observing the principles of transparency and accountability. This model of management enhanced the sense of belonging among the locals in the entire city so that some youths volunteered to work in the land in their free time after hearing of the success of the project<sup>115</sup>. The project<sup>116</sup> was also successful because of the harmony within members of the group that managed the oasis and the keenness of the residents of Djemna to prioritize public welfare over personal profits. Neither the farmers nor the residents were influenced by the wave of political polarization that swept Tunisia at the time, not because of lack of interest in politics and public affairs, but rather owing to an agreement that the interests of the oasis is a priority.

Alternative agricultural policies:

Since 1881, French colonizers had been controlling 10% of Tunisia's most fertile arable land. After independence in 1956, a nationalization process started. This was done through buying from colonizers the lands they controlled<sup>117</sup>, the confiscation of neglected lands<sup>118</sup>, or the transfer of ownership<sup>119</sup>. The Tunisian government borrowed from France to buy around 150,000

---

<sup>115</sup> La « comuna » del oasis de Jemna, <https://goo.gl/14aOWA>

<sup>116</sup> STIL in Djemna: Public Welfare before Private Profit, *Opcit.*

<sup>117</sup> 127,000 hectares for the state and 40,000 for landowners between 1956 and 1960.

<sup>118</sup> Law issued on May 7, 1956.

<sup>119</sup> "Protocoles de cession à la Tunisie des terres des agriculteurs français." October 13, 1960 and March 2, 1963.



hectares for 10 times the market price in order to help the colonizers resettle in their country upon going back<sup>120</sup>. The rest of the lands were nationalized through the 1964 agricultural property law and the Djemna oasis was reclaimed by the state through this law. Those lands were estimated at 745,000 hectares in addition to another 83,000 listed as endowments. During the rule of Habib Bourguiba, 40% of these lands were given up which left only 500,000 hectares, 400 of which are in Djemna.

State-owned land was then used for the establishment of cooperatives for the first time<sup>121</sup> and in 1968, the number of cooperatives reached 348 covering around 379,000 hectares. The state aimed at creating of these cooperatives a type “ideal estate” in which production increased through using the technology previously utilized by the colonizers in order to develop Tunisian agriculture. However, this is not what happened on the ground as landowners started violating the rights of farmers and the state did not interfere, thus wasting an unmatched chance at achieving real agricultural development. This is currently reflected on the structure of arable land across the country<sup>122-123</sup>. Till the present day, the experience of cooperatives is linked in the minds of Tunisians

---

<sup>120</sup> Interview with Abdullah Bensaad in the town of Dahmani on August 29, 2015 on restructuring state-owned lands.

<sup>121</sup> Cooperatives law no. 19 issued on May 25, 1963.

<sup>122</sup> Abdullah Bensaad, *Opcit.*

<sup>123</sup> In the Tunisian popular memory, the idea of synergy was associated with the failure of this experience, which represents an obstacle to the establishment of today's social solidarity economy.

with failure and that is partially why the implementation of a social and solidarity economy is still quite difficult.

In the early 1990s, the Tunisian state started implementing the agricultural reform program dictated by the IMF. This program included restructuring state-owned lands that did not achieve the desired goals through allowing investment in the form of the so-called “agricultural reclamation and development companies.” In fact, those companies were only a step towards the privatization of cooperative production units established in the 1960s, which marked the state’s withdrawal from such a vital sector in favor of private businesses<sup>124</sup>. Privatization resulted in overworking the lands and contaminating them through the use of hazardous pesticides in addition to destroying the genetic makeup of local crops and draining water resources<sup>125</sup> without any consideration that this ruins the land on the long term. In this way, agriculture turned from a strategic sector that aims at providing nutritional security to a private business that prioritizes profit and focuses on exports.

The problem of state-owned land is clearly manifested in the case of Djemna and that is why communal management of the oasis offered an ideal alternative to state policies that proved a failure. Unlike privately-owned arable lands across the country, Djemna was an example of preserving the long-term fertility of the land whether through the wise use of water resources or the methods of cultivation. For example, farmers in Djemna

---

<sup>124</sup> Wassim Abidi. “Dynamique d’Economie Sociale et Solidaire en Tunisie : Acteurs, Enjeux, Paradoxes et Perspectives de Construction, Mémoire de fin d’études”, 2015.

<sup>125</sup> Abdullah Bensaad, Opcit.

went back to the traditional “three-layer” cultivation strategy that combines the cultivation of legumes, seeds, and dates in the same land. The revenue of the land was also used in developing the production of the oasis such as the establishment of a packaging facility. The oasis also encouraged women empowerment through hiring female farmers<sup>126</sup>. Thus the residents of Djemna succeeded where the state failed and managed to find solutions for the problems that the state created through its defective policies.

#### The challenge of legalization:

The residents of Djemna managed to reclaim their rights when they got back a land that was originally their own after the state failed to respond to their demands. However, the legal status of the Djemna oasis is quite complicated. Residents have ownership documents that go back to the early 20<sup>th</sup> century before their land was usurped by the French. Then the land was nationalized after the 1964 agricultural property law. In the 1980s, residents of Djemna agreed to buy their lands back from the state and they collected half the required amount, 40,000 dinars, and paid it, but they did not get the land back<sup>127</sup>. In fact, the amount they paid was used in for-profit projects such as the Oasis Hotel in neighboring Gabes and others that did not serve the interests of local residents of Djemna at all.

Since Djemna residents got their land back, they have been in quite an unstable situation. Reda ben Amer<sup>128</sup>, the former

---

<sup>126</sup> Interview with Taher al-Taheri and workers at the Oasis, August 2016.

<sup>127</sup> Mohamed Cochkar, Opcit.

<sup>128</sup> The previous owner of the “Henchir”.

tenant of the oasis, considered members of the Association for the Protection of Djemna Oasis “a bunch of thieves.” He filed a lawsuit against the president of the association Taher al-Taheri, but the court dismissed it then he filed another lawsuit against the Ministry of State Property and Land Affairs, which leased the land to him and no ruling has been issued so far. On September 3, 2016, the Minister of State Property and Land Affairs issued a decree<sup>129</sup> that prevents the Association for the Protection of Djemna Oasis from selling the crops and gives the ministry the right to confiscate and handle the crops. This stirred the indignation of Djemna residents who staged an open sit-in and protested in front of the Kebili Land and Property Office<sup>130</sup>. A meeting was arranged with the minister’s office in the same week to negotiate<sup>131</sup>. Residents rejected being deprived of the fruits of their efforts and warned that they would escalate if the state insists on violating their right to the land. Even though negotiations are still ongoing, the determination of Djemna residents together with the lobbying of political activists and civil society gives the issue enough leverage against state intransigence, which in itself is a promising sign that this kind of initiatives is starting to gain ground.

Meanwhile, the Association for the Protection of Djemna Oasis is working on finding a legal solution through establishing an

---

<sup>129</sup> Telephone interview with Taher al-Taheri, September 2016.

<sup>130</sup> “Ministry of State Land Adamant on Confiscating the 2016 Djemna Harvest [Arabic]”: <https://is.gd/qbIFDm>

<sup>131</sup> Residents proposed a number of solutions such as transferring the revenue to the city of Djemna or transferring the surplus to the Ministry of State Land after deducting the amounts needed for the following year and for ongoing project. No resolution has been reached so far.

agricultural development company that can lease the land legally, but this still remains contingent upon the approval of the ministry.

The Djemna experience: Lessons learnt:

According to Taher al-Taheri, head of the Association for the Protection of Djemna Oasis, it was much easier for them to practice democracy when they held public meetings and consulted the locals: “We were then able to make the right decisions, but now that we need to deal with the organizational hierarchy, we can’t do anything”<sup>132</sup>. This is the most significant achievement of the Djemna experience since it proved that communal management is capable of achieving development and serving the community and it showed the wisdom of keeping the land intact instead of dividing it among farmers. In short, it offered an example of the benefits of prioritizing public welfare over personal interests.

The fact that the committee running the land was chosen by the people builds the kind of trust that is missing between the state and its citizens. Holding regular public meetings in the main square of Djemna to update the people and discuss major issues rendered the management process transparent and also set the rule of accountability in addition, of course, to promoting participatory democracy. In fact, the Djemna experience offered a form of participatory democracy that is different from the traditional one where the administrative committee has the

---

<sup>132</sup> Interview with Taher al-Taheri.

right to make unilateral decisions at certain times, which was not the case in Djemna<sup>133</sup>.

In order to raise the capital required for running the oasis, residents resorted to an alternative to borrowing from the state or banks through the diversification of sources. Locals were called upon to donate 30 dinars each and this eventually led to collecting a total of 33,000 dinars while local water associations lent the association 22,000 dinars and date traders lent it 120,000 in return for being given priority in buying the harvest of the oasis. Other supporters of the association donated more than 2,000 dinars<sup>134</sup>. A large number of youths also worked as volunteers in the land in the initial phases, which led to saving reasonable amounts of money.

Djemna residents embarked on a strategy that led the entire community to benefit from the revenue of the oasis so that instead of dividing the revenue amongst them, they chose to invest in developmental projects that serve them and future generations. They believed that the prosperity of the individual cannot be achieved without providing the entire community with dignified living conditions through which individuals reach the desired stability<sup>135</sup>.

It can be said that the Djemna experience is one of the most successful in post-revolutionary Tunisia for it not only consolidated the principles of social and solidarity economy, but also underlined the drawbacks of the state's agricultural policies

---

<sup>133</sup> "STIL in Djemna: Public Welfare before Private Profit", Opcit.

<sup>134</sup> Mohamed Kochkar, Opcit.

<sup>135</sup> Interview with farmers and members of the association, July 2016.

that hinder the development of this vital sector. The current standoff between the state and Djemna residents puts this experience to the test. According to Taher al-Taheiri, the Djemna experience is a pioneering one that proves the failure of privatization and offers a successful model of social and solidarity economy. “And we have to make it work and we will persevere in doing so because this is what serves our community”<sup>136</sup>.

### **Practical alternatives: A new culture in the making:**

The two cases have several features in common even though they seem different. First, both of them were in response to a form of injustice: the closure of the Mamotex factory and the usurpation of the Djemna oasis. The workers in the first case and farmers in the second made a communal decision to demand their rights even though for the second, timing was a determining factor since they took advantage of the weakness of the state following the eruption of the revolution and the escape of Ben Ali to get the land back. Second, organization played a major role in both cases since both groups managed to agree on one common goal and work together to achieve it, thus demonstrating the impact of communal action. Third, both experiences started through a positive initiative as neither the women of Mamotex nor the farmers of Djemna confined their response to protests and sit-ins, but decided to take further action in order to solve their problem rather than wait for it to be solved by an external party. Both of them, therefore, consolidated the principle of active citizenship and its role in

---

<sup>136</sup> Mohamed Kochkar, *Opcit.*

serving the community. Fourth, the two experiences share a critical stance on state policies whether as far as prioritization of investors and business owners in the case of Mamotex or its defective approach to arable lands.

These common features between the two cases demonstrate the rising level of awareness among local groups and the way it can lead to innovative solutions through which citizens can claim their rights while serving their community and protesting against unfair state policies. It is not only an awareness of the existence of alternative systems, but also an awareness of the failure of the state in performing its duties towards its citizens. The two experiences also highlight the principle of local legitimacy established by the groups' ability to work for the best interest of their respective communities. Last but not least, the Mamotex and Djemna experiences mark the beginning of a new culture in Tunisia, one that discards the traditional system and looks for alternative models.



# Solidarity economy and self-administration in Morocco

**Raja Kassab**

## **Introduction:**

The concept of social and solidarity economy differs from one country to another. The International Labor Organization uses the definition agreed upon in October 2009 in Johannesburg and which states that social and solidarity economy is “a concept that refers to enterprises and organizations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which specifically produce goods, services and knowledge while pursuing economic and social aims and fostering solidarity”<sup>137</sup>.

Morocco has for a long time seen different types of solidarity practices as part of its traditions especially in relation to land and agriculture among different tribes even if they differ in their details from one tribe to another. Differences are especially detected between tribes that were subjected to Islamic influences and those that kept their traditions away from Islamic laws<sup>138</sup>. Morocco acknowledged the importance of cooperatives in the 1950s, yet this sector did not make a remarkable appearance until the early 2000s.

---

<sup>137</sup> Regional Meeting-AFRM. 12-P. 7-2011-09-0269-Ar. Docx

<sup>138</sup> Rachid al-Hussein. *Amazigh Social Relations: Between Tradition and Law* [Arabic] (2004), p. 10.

On the other hand, communal lands occupy a prominent position in rural areas as they constitute one third of arable lands and are considered a major source of livelihood for a large section of the society. Although those lands are communally owned, they were usurped when colonizers started settling in Morocco in the early 20<sup>th</sup> century. In fact, settlers got hold of the most fertile lands and ostracized the farmers who became confined to barren areas.

This paper is divided into two parts. The first part focuses on cooperatives in Morocco through an overview of their historical and institutional background, the development they went through, and the case of a successful cooperative initiative in the countryside. The second part tackles the role of ethnic groups in the communal management of their land and the changes they have undergone since the French colonization till the present moment especially in the light of the threats to which these communities are exposed.

### **First: Cooperatives in Morocco:**

#### The development of Moroccan cooperatives<sup>\*139</sup>:

##### 1- Colonial times (1937-1956):

During French colonization, 120 cooperatives were established and they mainly focused on agriculture and

---

\* This part of the paper was completed in cooperation with Dr. Abdel Mawla Ismail who visited several cooperatives in Morocco and studied their activities and geographical distribution.

<sup>139</sup>Cooperatives and solidarity economy in Morocco, case study. Abdel Mawla Ismail, a researcher in the field of environment and development, The Egyptian Association for collective rights.

traditional crafts. These cooperatives were established to serve the French authorities, thus the purpose of their establishment was basically political. After independence in 1956, only 37 cooperatives remained.

## 2- Post-independence (1956-1983):

The recently-independent state encouraged the establishment of cooperatives as a means of achieving economic development in different parts of Morocco, especially impoverished regions. In this context, several laws and legislations on cooperatives were issued in order to endow different cooperative activities with the legal framework that was lacking before. Some laws were issued for specialized cooperatives such as mining and housing cooperatives.

During this period, the state took control of cooperatives on both the financial and administrative levels so that they almost became state-affiliated institutions. For example, all financial aid for cooperatives only came from the state. This robbed members of cooperatives of their enthusiasm or desire for initiative especially that membership became more mandatory than voluntary.

Agricultural reclamation cooperatives were the most prevalent during this period that witnessed the establishment of 670 cooperatives with 26,500 farmers among whom the state distributed around 340,000 hectares reclaimed from colonizers. This experience marked the beginning of the fair distribution of wealth and the establishment of a solidarity-based community.

This arrangement was made easier by the fact that communal values had for a long time been prevalent as part of tribal traditions. However, this promising set-up was undermined by bureaucracy as a manager and an auditor were appointed in each cooperative which led cooperatives to lose their independence and gradually corruption became rampant as managers and auditors became the sole authority. Eventually, many of the cooperatives were laden with debts and the members were clueless<sup>140</sup>.

Laws and legislations on cooperatives led to a remarkable increase in their number from 63 in 1957 to 2000 in 1983. This period also witnessed the establishment of the Cooperatives Development Office which was restructured in 1975 to become a public sector institution to support cooperatives in terms of establishment, legalization, and financial affairs<sup>141</sup>.

### 3- After the unified cooperatives law (1983- ):

The unified cooperatives law was issued in 1983, yet it only came into action in 1993 and it was modified in 2011 and 2014<sup>142</sup>. The law defined cooperatives as a group of individuals who constitute a legal personality and work together under the principles of cooperation and in

---

<sup>140</sup> Hussein Lahnawi. "On Agricultural Reformation in Morocco [Arabic]":

<https://is.gd/NgEdrY>

<sup>141</sup> le Bureau du Développement de la Coopération (BDECo),

<http://www.odco.gov.ma/fr>

<sup>142</sup> Decree no. 112-12, *The Official Gazette*, 2014.

accordance with the rules of the International Cooperative Alliance<sup>143</sup>.

The unified cooperatives law states in article (4) that cooperatives are independent legal entities that enjoy financial autonomy and in article (11) that resident and nonresident foreigners have the right to engage in cooperative activities on Moroccan territories and this included membership in the cooperative or in the board of directors. According to the law, cooperatives can turn into companies after notifying the authorities and based on a decision made by all members of the general assembly. In this case, the assets of the cooperative are transferred to the company and members who do not approve have the right to withdraw from the cooperative and get the adequate financial compensation. The law also states that cooperatives working in the same field have the right to form a cooperative union with a minimum of three cooperatives. These unions can join the National Federation for Cooperatives that can be established under article (94) of the law and whose responsibility is to promote cooperative principles, provide feedback on laws and legislations that regulate the work of cooperatives, interact with foreign cooperatives, and represent the Moroccan cooperative movement inside and outside Morocco. The law includes a number of penalties for members and board members

---

<sup>143</sup> International Day of Cooperatives, Basic information, United Nations official website, <https://goo.gl/iHBCKJ>

of cooperatives in case of violating the unified cooperatives law.

The unified cooperatives law played a major role in the growth of cooperatives in Morocco as their number increased by 178% between 2005 and 2014 so that the total number of cooperatives reached 13,882 with 461,878 members by the end of 2014.

Cooperatives in Morocco are divided into 22 sectors and 124 types of activities. However, three sectors are particularly dominant: agriculture (66.7%), traditional crafts (21.5%), and housing (8.1%). The total capital of these cooperatives amounts to 6.4 billion dirhams and they employ around 25,000 workers<sup>144</sup>. More than 25,000 women are active in 1,213 cooperatives whose capital amounts to 13 million dirhams and whose activities focus on argan oil, traditional crafts, and handicrafts. Examples of women's cooperatives include:

- **Amal Argan Oil Cooperative:** Argan is a rare tree that only grows in Morocco and Mexico. In Morocco, it specifically grows in the Atlas mountain range in the southwest. Argan forests are designated as a UNESCO biosphere reserve. Thousands of Moroccan women work in picking, extracting, and preparing Argan oil, dozens of whom are organized within cooperatives that regulate their work and market their products. This led to substantial changes in the

---

<sup>144</sup> le Bureau du Développement de la Coopération (BDECo),  
<http://www.odco.gov.ma/fr>

social and economic conditions of a large number of Moroccan rural women. The number of cooperatives specialized in producing and marketing argan oil reached 140 and 10 of them have their brand names. Amal is one of those cooperatives that played a major part in combating the poverty and isolation suffered by Moroccan women living in the town of Tamanar in Essaouira Province. Women in this region used to pick argan fruits, dry them and grind them the primitive way using a millstone to extract food oil or in a semi-mechanical manner to extract oils for medical and cosmetic use. It is thanks to the cooperatives that now women can use modern technology to extract argan oil.

- **Izenaguene Cooperative in Ouarzazate:** This cooperative specialized in the manufacture of old Amazigh rugs was established in 2008 in a rural area that lives on grazing. The cooperative was created by 65 women who live in more than 43 housing complexes in different areas where most houses contain one or more traditional rug weaves. Around 120 families benefit from this cooperative through the women who either work in weaving or contribute with money. The activities of the cooperative also include the development of several traditional skills that precede the weaving process such as producing wool and washing it then dyeing it naturally through using dried plants. Through the cooperative, women also learnt how to market and sell their rugs.

- **Coroza Cooperative for goat milk and cheese:** The cooperative was established in 2003 in Ouarzazate by the Tassemit Group. It includes 235 women with a self-funded capital of 32,100 dirhams and is run by a six-member board. The cooperative managed to expand its activities across 23 towns in the region so that the daily production of goat milk reached 230 liters. This cooperative not only promotes local milk and cheese, but also empowers women both socially and economically through providing them with a stable income. The cooperative is home to modern equipment for treating goat milk and manufacturing cheese and receives donations from a number of supporters in addition to the contributions of members. The Coroza Cooperative operates within the framework of the National Initiative for Human Development.

#### Agricultural cooperatives: The COPAG Cooperative:

When in 1987, Moroccan authorities decided to liberate exports based on instructions by international financial institutions, 39 farmers from the Taroudant Province established an agricultural cooperative that they called CopAg (Coopérative agricole). The cooperative aimed at controlling the production process throughout its different phases up to distribution. After exporting its products to Europe, USA, and Canada, the cooperative established a milk processing unit in 1993<sup>145</sup>, which

---

<sup>145</sup>- Jaouda: 17 ans, 2,5 Millions de berlingots de lait, yaourts et jus vendus chaque jour, <https://is.gd/WB8x4l> .



constituted a major step in the cooperative's activities. The cooperative then further expanded its activities in 1999 through establishing a fodder manufacturing unit for feeding its cattle then introduced the ultra-high temperature (UHT) processing technology, thus becoming the second producer of this type of milk across Morocco.

The cooperative worked on diversifying its products so in 2001 it established a juice manufacturing unit then in 2005 constructed a village for breeding cattle. In 2012, the cooperative established a new dairy products unit in the town of Larache in the north and in 2015 it established a unit for manufacturing red meat<sup>146</sup>.

COPAG is now considered the first cooperative in Morocco and the second producer of milk and dairy products (25% of the market). It is also one of the top five food facilities in Morocco<sup>147</sup>. The number of COPAG members reached 108 independents and 72 cooperatives, 3 of which are women cooperatives, which translates into 14,000 producers. COPAG provides 3,500 direct and more than 50,000 indirect working opportunities<sup>148</sup>. The success of COPAG was mainly attributed to the policies the cooperative adopted. For example, whenever the members of the cooperative required additional equipment or the like, the administration made it available through self-

---

- COPAG La Coopérative Agricole Marocaine. Exportation de fruits et première laiterie. La COPAG aujourd'hui en chiffres. 2015: <https://is.gd/QeF8lj>

-On COPAG, <https://is.gd/7y23QL>

<sup>146</sup> COPAG, <http://www.copag.ma/>

<sup>147</sup> COPAG: La Coopérative Agricole Marocaine, <https://goo.gl/ICxXjg>

<sup>148</sup> COPAG, <http://www.copag.ma/>

funding so that all units received their needs, which contributed to improving the quality of its products and expanding the scope of its markets. The cooperative also supplies farmers with seeds and saplings produced in its nurseries. In order to guarantee the distribution of its raw, manufactured, and half-manufactured products, the cooperative owns 320 trucks<sup>149</sup>.

COPAG funds its projects from the surplus it makes at the end of each season after all members receive their shares. However, the financial stability of COPAG is threatened by its subjection to the value added tax (VAT) and corporate tax following extensive lobbying by several private sector companies, on top of which is Centrale Laitière for dairy products. According to those companies, big cooperatives should be treated like private corporates. The cooperative called for reducing the tax to 5% or 7% so that it can continue its developmental role<sup>150</sup>.

COPAG works on enhancing the skills of its members through offering training sessions in different specializations and also qualifies technicians through its partnership with an American association according to statements by a COPAG official.

In order to improve the standard of cooperatives that merged with it, COPAG designed in 2001 an ambitious program that encompassed more than 10,000 workers through establishing a cooperative complex in partnership with the Ministry of Agriculture- the Souss-Massa regional office- and the Department of Animal Products. The complex includes different

---

<sup>149</sup> COPAG: L'ascension d'une petite coopérative soussie, <https://goo.gl/qdZ8w6>

<sup>150</sup> On Copag, <http://wikimapia.org/1938674/ar/copag->

economic, social, administrative, and accounting structures required to qualify the workers<sup>151</sup>.

## **Second: Communal lands and self-administration:**

### Property types in Morocco<sup>152</sup>:

There are different types of property in Morocco according to the regulations to which they are subjected whether Islamic law, civil law, or tradition. This difference is mainly attributed to the developments through which Moroccan property have gone over time owing to a number of political, economic, and social factors that led to the emergence of diverse legal entities whether civil, religious, or customary. Lands in Morocco are privately or publicly owned. The second type is divided into communal property and military property. There are also lands categorized under endowments as well as state-owned lands.

### Communal land:

Communal land is owned by ethnic groups, tribes, or communities linked through racial, family, or religious ties and they are mostly located in mountainous areas and the eastern and southeastern parts of Morocco. In these lands, the rights of individuals are not separable from those of the community. This property is run by the community through tribal chiefs, clan elders, or representatives members of the community

---

<sup>151</sup> Ibid.

<sup>152</sup> Rajaa Kassab. "Communal Lands between Laws, Tradition, and Violations [Arabic]," 2011.

choose. Members of the community agree amongst themselves on usufruct rights<sup>153</sup>.

### Military land:

Military land is state-owned land given by the authorities to some tribes in return for enlisting their members in the army. Most of this land is located in the outskirts of major old cities like Rabat, Fez, Marrakech, and Meknes. The land is divided into parts that were given to residents who already lived there and in this case the communal land laws apply to them while other parts have not been finalized and are still owned by the state but individuals living there are using them through usufruct rights.

### Development of communal lands: From independence to subordination:

Communal lands occupy a special position in the rural structure and they constitute a national wealth estimated at 112 million hectares. The number of ethnic groups exceeds 4,500 distributed across around 50 regions. Approximately 9 million rural people benefit from this land<sup>154</sup>.

#### 1- Communal land in pre-colonial times:

The communal land system can be traced back to ancient times<sup>155</sup> and they are located in the Maghreb for political,

---

<sup>153</sup> Mohamed Boukhniat. "Property Law, Civil Law [Arabic]," 2006:

<https://is.gd/SbaoRe>

<sup>154</sup> Statistics provided by the minister of interior at a conference on communal lands held in Rabat, December 5-6, 1995.

<sup>155</sup> Abdul Karim Balzaa. *Communal Land: A Study of their Political and Social Structure and their Role in Development* [Arabic], 1998, p.34.

economic, and social factors pertaining to this region. The semi-nomadic life of the tribes in the plains and the Middle Atlas mountain range made it difficult for them to settle down and did not place much value on the concept of property ownership, so communal use of the land was well suited to the conditions that prevailed at the time<sup>156</sup>. Communal lifestyle was dominant and the community had rules that helped it remain intact and these rules differed from one tribe to another<sup>157</sup>. In order to avoid the disintegration of the land, it was distributed among living males. Females were excluded from inheritance even before customary law in some regions and this is still the case in several parts. On the other hand, the Islamic law of preemption<sup>158</sup>, included in the Maliki school of thought applied in Morocco, helped to keep property within the same family. Through this law, if a member of the group sold the land to an outsider, the rest of the group has the right to object as a means of protecting the property from disintegration or avoiding the harm of having a stranger share it with them. This remained the case until French colonization when

---

<sup>156</sup> Ibid, p. 40.

<sup>157</sup> Revue de géographie du Maroc N° 8 et 9- 1965-1966.

<sup>158</sup> According to Mohammed Ben Arfa, one of the imams of the Maliki school, pre-emption is "taking a sales partner Butmenh partner maturity." They serve as a constraint that limits the freedom of the disposition of the property in order to prevent damage that may be caused by common and protecting partners from entering a foreign joint property. Preemption also aimed at preventing the fragmentation of the real estate and disperse into small pieces.

several laws were issued to facilitate getting hold of the most fertile of arable land.

2- Communal land in colonial times:

During the era commonly called “siba,” during which several communities were not part of the centralized state, several residents used their influence or social status to transfer ownership of communal lands assigned to them by the traditional distribution. The same was done by colonial authorities as settlers moved to the countryside<sup>159</sup>. However, after the signing of the Protectorate Agreement in 1912, French authorities issued several decrees that aim at stopping the sale of communal lands<sup>160</sup>.

After that, the idea of guardianship started coming into being. In 1915<sup>161</sup>, a ministerial decree was issued to impose guardianship on communal property and this task was assigned to the secretary general of the government, the chieftains, and the Sheikhs<sup>162</sup> and the last two were assigned the task of providing assistance for ethnic groups before the courts<sup>163</sup>. In 1918<sup>164</sup>, another ministerial decree was issued to assign the task of

---

<sup>159</sup> Al-Yaacoubi, 2000: Geocities.com

<sup>160</sup> *The Official Gazette*, November 1, 1912, p.6.

<sup>161</sup> *The Official Gazette*, February 1, 1915

<sup>162</sup> The Sheikh works for the authorities and is chosen by members of the tribe known for their loyalty to the authorities. In fact, the Sheikh plays the role of an informant for the authorities in some way.

<sup>163</sup> The ministerial periodical, issue no. 817, issued by the secretary general of the government, January 23, 1915.

<sup>164</sup> Abdul Karim Balzaa, p.45.

supervising communal land and managing guardianship to the head of the local Rural Affairs Bureau.

After World War One, colonizers settling in Morocco increased and they bought the most fertile lands with the help of colonial authorities that then decided to issue one comprehensive law that tackles all affairs pertaining to communal lands, hence the 1919 law<sup>165</sup> that came to be considered the charter which regulates communal lands. This law was modified in 1924, that determined means of demarcating communal lands, and this was modified once more in 1933<sup>166</sup>. This was followed by the 1938<sup>167</sup> law, which permitted the passing of ownership of communal lands to family supporters who have rights to the land, followed by the 1941 law<sup>168</sup> that legalized long-term lease of communal lands and the transfer of rights to benefit from communal funds, then the 1951 law<sup>169</sup>, which legalized the disposition of communal funds.

The 1919 law asserted the communal lands are the property of communities that form a legal entity, however this community was no longer capable to manage the land on its own, but was restricted by administrative guardianship that was responsible for

---

<sup>165</sup> *The Official Gazette*, April 28, 1919, p. 375.

<sup>166</sup> Abdul Wahab Rfaaa. "Military Facilities and Communal Lands in Moroccan Property Laws [Arabic]." The national seminar organized by the Center for Legal, Civil, and Property Studies at the Faculty of Law, Cadi Ayyad University, April 5-6, 2002. Published by the center in 2003, p. 83.

<sup>167</sup> *The Official Gazette*, June 17, 1938, p. 778.

<sup>168</sup> *The Official Gazette*, January 23, 1942, p. 34.

<sup>169</sup> *The Official Gazette*, April 6, 1951, p. 495.

authorizing the transactions carried out between the community and other parties, supervising the transfer of land to the state or local communities, and looking into fixed-term utilization of the land by right holders and any ensuing disputes. It is noteworthy that this law was not applied to some lands owned by tribes whose members were enlisted in the army since the authorities considered them state-owned and saw that the duty of military tribes was over, therefore they should give up those lands.

On the other hand, the first chapter of the 1919 law stated that communal lands cannot be subjected to transfer of ownership, confiscation, or statute of limitation, yet there were exceptions that aimed at currying favor with tribal chiefs and controlling communal lands with a minimum cost<sup>170</sup>, which marks the start of alliances between colonial authorities and tribal elders so that the first can control communal lands, which constituted 80% of Morocco, through the influence of the second. This way, rural elites lay their hands on large swathes of arable lands while colonial authorities turned a blind eye to their violations.

### 3- Communal lands in the post-independence era:

Following independence from French colonialization, Moroccan authorities issued a number of laws that introduced substantial changes to laws regulating communal lands. These include the following laws:

---

<sup>170</sup> See the 1919, 1938, and 1951 laws.



- The 1956 law<sup>171</sup> changed the structure of the guardianship council so that it included the ministers of interior and agriculture, head of administrative affairs at the Ministry of Interior, and two members chosen by the interior minister. The actual guardianship over the land is in the hands of the minister of interior who can consult the council in some cases. This means that the Ministry of Interior was dominant in the council, thus in decisions made on communal lands.
- The 1959 law abolished long-term lease and ownership transfer for communal lands<sup>172</sup>, stipulated revising medium-term lease, and gave the guardianship council the authority to have the final say in such matters.
- The 1963 law<sup>173</sup> modified the 1919 law so that a community acquired the right to transfer its powers to individuals of its choice. Those selected individuals would form a representatives' council, one or two of whose members can represent the community before the courts.

This shows that laws pertaining to communal lands are not consistent in many parts and are at times quite ambiguous. This led to making the resolution of disputes

---

<sup>171</sup> *The Official Gazette*, August 17, 1956, p. 900.

<sup>172</sup> Abdul Karim Balzaa, p. 50.

<sup>173</sup> *The Official Gazette*, February 22, 1963, p. 252.

over land between individuals and tribes more difficult and also opened the door to violations.

Management of communal lands:

Communal lands are public property, which means that the community is the owner and that the land is managed in accordance with prevalent traditions within each community. The most distinguished characteristic of communal lands is that they cannot be sold, confiscated, or mortgaged, but can be utilized through usufruct rights in different activities such as grazing, agriculture, housing, or lease. Usufruct rights are distributed among right holders by the representative council in accordance with the nature of the land so that grazing lands are used communally while arable lands are used by individuals and so on. The representatives' council would also determine the criteria according to which the land is to be used. However, lately and in most cases representatives' councils no longer redistribute the lands and usufruct rights so that the same people used the same land in what came to be known as "frozen-share lands." Even though the 1919 law prohibited the transfer or confiscation of communal land, article (11) provided an exception through which transfer is allowed under the supervision of the guardianship council provided that this transfer is to the state, local communities, public institutions, and other ethnic groups for the purpose of initiating projects that serve the public good.

The 1956 law gave the Ministry of Interior the upper hand as far as ownership rights are concerned. This meant that the implementation of any project on these lands became a

complicated process that includes a feasibility study prepared after consulting local and regional authorities, the approval of representatives of ethnic groups, and deciding on the price which is done by the administrative evaluation committee. After that, the file is submitted to the guardianship council which is to make the final decision.

Representation plays a major role in the management of communal lands since the community chooses members that forms the representatives' council, which in turn chooses legal representatives<sup>174</sup>. The representatives' council also plays a major role in determining the fate of communal lands owing to the spread corruption whether in the selection of representatives or in the management of the affairs of communal lands and the communities. Representatives' councils are formed through election or fixed-term appointment. Representatives have to meet a number of conditions to qualify for membership in the council such as being a member of and a permanent resident in the community, knowledge of the customs according to which the communal land is managed, and having no previous disputes over land with other members of the community. Representatives are appointed by right holders registered in community registers and if there is none, they are appointed by 12 community elders, who are by definition expected to be right holders. In case of elections, representatives are chosen in direct, secret polls by an electoral committee comprised of right holders registered in the community regulations under the

---

<sup>174</sup> On Communal Lands, <https://goo.gl/Pt5M4T>

supervision of the local authorities<sup>175</sup>. Elected representatives are supervised by the guardianship council that can impeach any of them any time. After the choice of representatives, the representatives' council is formed. The number of the members should be the same as the number tribes, sub-communities, or clans of which the community is made provided that it is an odd number. The council then selects one or two of its members to represent the community before the courts or other institutions that might handle community affairs. Representatives' councils are in charge of drafting regulations, resolving disputes, and distributing usufruct rights. They also have the right to sign lease and co-farming contracts that do not exceed three years and implementing projects that serve the interests of the community under the supervision of the guardianship council<sup>176</sup>. It is noteworthy that the representatives of those councils in the guardianship council are chosen by the minister of interior, which raises question marks over the independence of the council and the real objective of putting communal lands under guardianship.

Despite the fact that tribal and ethnic groups could be said to have a legal personality by virtue of owning the land and having representatives, yet many of their affairs are subject to either the preliminary approval of the representatives' council or the final approval of the guardianship council. On the other hand, the Department of Rural Affairs at the Ministry of Interior is handles the funds that result from lease and sale transactions in communal lands. These funds are deposited in bank accounts

---

<sup>175</sup> The ministerial periodical, May 14, 2007.

<sup>176</sup> Ibrahim Biffr. "Communal Lands and the Green Morocco Plan [Arabic].

and their disposition is subject to supervision by the Ministry of Interior<sup>177</sup>

### The beginning of the end of communal lands?

Communal lands have been marginalized and excluded from land reclamation projects with the exception of lands located within the irrigation perimeter and which distributed among farmers by law no. 30-69-1 issued on July 25, 1969. However, communal lands have been given more attention lately by the state on one hand and real estate lobbies on the other hand owing to their spaciousness, that fact that they are communally owned, and the corruption of many elected representatives.

#### 1- Communal lands and “Plan Maroc Vert”:

The Plan Maroc Vert, or the Green Morocco Plan, is a capitalist strategy that aims at including arable lands in mega-projects that mainly focus on export-oriented agriculture<sup>178</sup>. This means that rights holders in communal lands are not part of these projects which require pumping billions of dirhams into them and they neither have this money nor the guarantees required to take out bank loans. Therefore, the projects’ main objective is to transfer communal lands to investors, both Moroccan and foreign, for cheap prices to encourage investment and allegedly achieve local development.

---

<sup>177</sup> On Communal Lands, <https://goo.gl/Pt5M4T>

<sup>178</sup> "Collective land management in Morocco: the current situation and future prospects", <https://goo.gl/MgXdkL>

Any form of “local development” in this case would mean that right holders will become cheap labor in the projects, assuming they will really create job opportunity as claimed which is doubtful since projects of that size mostly use machines rather than human labor. Since the projects will be export-oriented, local consumption agriculture is expected to start declining, which means an increase in the prices of raw materials that will not be on high demand and will, therefore, start withdrawing from the markets. In short, such projects are bound to have a negative impact on local communities and the activities that constitute their economic backbone.

2- Communal lands violations:

The complicated status of communal lands created of them a fertile soil for corruption, manipulation, violations, and disputes. Large parts of those lands were taken illegally and their residents rendered homeless in collaboration with officials, including municipal councils, urban associations, and construction agencies. Forests and natural reserves were not an exception which is demonstrated in the touristic project in the Saïdia<sup>179</sup> region by the Spanish company Fadesa, and the Temara zoo project by the Doha Real Estate<sup>180</sup> Company. In addition to real estate companies, the authorities used

---

<sup>179</sup> “Moroccan Real Estate between Development Ambition of Embezzlement of Public Funds [Arabic].” Talk by Dr. Mohamed ben Atta in a seminar organized by the National Association for the Protection of Public Funds and the Moroccan Human Rights Association in Rabat on April 17, 2008.

<sup>180</sup> Transpaerncy News, 2008, Issue No. 3, p. 9-14

the laws on dispossession for public welfare to control many communal lands to give them to influential real estate companies. Almost every region in Morocco had witnessed incidents of looting communal lands. This can be obvious when looking at the numerous cases referred to the Association for the Protection of Public Funds and which were later taken to court.

Communal lands remarkably shrunk as a result of these violations, which affected the living conditions of people whose lives depended on those lands and who had to live in slum areas. The projects initiated on those lands do not cater to the needs of the impoverished, but are made for high-income citizens or for touristic purposes, so they never contribute to the development process or solve housing problems. This was particularly revealed through the ongoing battles over communal lands between real estate moguls.

Amongst the major violations related to communal lands are those pertaining to women who are deprived of benefiting of this land and its revenue based on a rigid interpretation of the 1919 law<sup>181</sup>. This interpretation is founded on old traditions that were followed in several Amazigh tribes where women did not inherit land for fear they would marry men from outside the community and allow strangers to control the land<sup>182</sup>.

---

<sup>181</sup> Ministerial periodical issue no. 2977, November 13, 1957.

<sup>182</sup> Ahmed Arhamoush. *Amazigh Customary Laws* [Arabic]. Part I. Rabat: Imperial Publication, 2001, p. 85.

Protest movements by women from communal lands started in the city of Kenitra after they were excluded from ownership transfers that started in the 1980s and from which all males above 16 years old benefited. This movement expanded to include women from communal lands all over Morocco<sup>183</sup>. The Ministry of Interior issued law no. 60 on October 25, 2010 demanding that its officials in different regions instruct representatives of communities to include women in the benefits of real estate projects initiated on the land. The decree blamed the exclusion of women on community representatives while overlooking the role played by the Ministry of Interior through its interpretation of the 1919 law. The ministerial decree did not also say anything about revenue that comes from projects other than real estate, thus confining the problems of women in communal lands to this issue only and ignoring all other violations.

### **Conclusion:**

Morocco is home to a number of experiences that have positively contributed to solving the problem of unemployment and played a role in decreasing migration rate from the countryside to the city. The paper examined two cases that can be used as examples for the establishment of an alternative economy that achieves actual development. It is, however, necessary to note that if such projects are not accompanied by supporting economic and developmental policies, especially in relation to institutional, legal, financial, and marketing aspects,

---

<sup>183</sup> See the Democratic Association of Moroccan Women: [www.adfm.ma](http://www.adfm.ma)



they would not be able to resume their role in offering job opportunities and achieving economic growth.

Cooperatives in Morocco are facing a number of challenges. The cooperatives law, despite the modifications it has undergone, is still ambiguous in many respects and cooperatives still have difficulties in accessing banks and markets. Members of cooperatives do not in many cases receive the proper training and they do not have insurance coverage<sup>184</sup>. That is why it is important to review cooperative laws in terms of the conditions of members, the relations between cooperatives and their economic and institutional context, and the taxation system. It is also important to design a national fair trade system to guarantee that cooperatives will not be overshadowed by big companies and will not also be turned into companies. That is why there has to be accurate definitions that distinguish between a cooperative and a company.

On the other hand, the spaciousness of communal lands does not coincide with the limited role they play in the economy, which is attributed to a number of reasons. These include the exploitation of communal lands by different entities, distribution criteria, and methods of management. Guardianship is also a major problem since it facilitates the looting of large parts of communal lands and the subsequent disruption of the ecosystem in addition to impoverishing a large number of residents, especially women.

Laws on communal lands overlook a large number of rights and this applies specifically to women. They also give extensive

---

<sup>184</sup> Report by the Economic, Social, and Environmental Council.

powers to the Ministry of Interior, which robs communities living on their lands of their independence and takes them back to colonial times. Communal lands will be under a grave threat if transactions related to them are not carried out transparently. In fact, without transparency it will be impossible to achieve real development in these areas.

# Concluding Chapter



# **Economy between the problematics of the current system and alternative models in the Arab region**

## **Introduction:**

One of the main problematics of the capitalist system is the contradiction between its alleged adoption of social justice and its actual implementation of policies that lead to it on the ground. In fact, the main components of capitalism, especially its take on production powers, eventually lead to widening the gaps between different segments of society, hence the absence of social justice. Production powers are comprised of means of production and the people who use these means with their skills and expertise in order to turn their power into a productive power. That is why people alone are not enough and it is the absence of means of productions that leads to rising unemployment rates, a decline in surplus value, and the deterioration of resources<sup>185</sup>.

Means of production are the medium through which labor becomes productive and primitive means of production used to play the role of the mediator between human labor and the source of production, the land. Industrialization constituted a major leap not only because it led to a remarkable progress in the means of production, but also because it led to the emergence of products which never existed before and the land

---

<sup>185</sup> Salameh Kaileh. "Social Justice and Alternative Economy," included in this book.

no longer became only a source of food for human beings, but also a source of raw materials to be used in industry. The bourgeoisie was formed through industrialization when industry took precedence over agriculture, the city over the countryside, and developed over developing countries.

Industrialism, which marked the beginning of the capitalist system, led to the formation of a new order in which industrial products were the main source of profit and while industry kept advancing, agriculture remained backward because it was turned into only a source of raw material. And because capitalist power needed markets for their products, it was in their best interest to keep peripheral countries unindustrialized. Several countries, therefore, remained agricultural, which allowed big landowners to become the dominant class and from them emerged traders and the new capitalist class. Different classes within the capitalist system were interconnected in a way that allowed them to protect their interests and together they formed a new economic pattern<sup>186</sup>.

The dominance of industrialism in some countries and agriculture in others led to dividing the world into centers and peripheries where the second is exploited by the first through a local capitalist that takes part in the accumulation of capital, which in turn leads to widening the gaps between classes. Arab countries remained unindustrialized and their economy was dependent on agriculture, yet also became dependent on food imports. Some of them attempted to introduce industrialization, but the dominance of market economy led to

---

<sup>186</sup>Ibid.

the failure of those attempts. Industry is directly linked to the development of means of production, which are in turn the basis of any economy, and this development is not about industrialization as an aim, but more as a step towards a more balanced economic system in which the achievement of social justice becomes possible<sup>187</sup>.

This paper examines the development of alternatives to the capitalist system through examining new means of production, forms of ownership, and developmental patterns that were discussed in this book and their possible role in achieving social justice.

**First: Forms of ownership:**

The establishment of institutions in the Arab world goes back to the post-independence era. This includes service institutions such as education, healthcare, housing, and municipal administration, production institutions such as the public sector and state-owned projects, and strategic institutions such as the army, security forces, and diplomatic representation. Post-independence institutions attempted to implement an agenda that prioritized social justice and this was also reflected in the way ownership patterns were changed in favor of the poor and the marginalized. This transformation was in line with the demands of pre-independence movements that rose against feudalism and the dominance of landowners. Yet, after the departure of post-independence leaders, the situation changed in favor of the rising capital class and this affected both institutions and ownership patterns and was reflected in the

---

<sup>187</sup> Ibid.

gradual decline in social justice as policies became no longer linked to social and economic rights<sup>188</sup>.

This regression led to the emergence of new forms of ownership that aimed at achieving a considerable level of social justice. According to the International Labor Organization (ILO), a cooperative is “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”<sup>189</sup>. Cooperatives are as old as humanity as tribes and primitive communities were organized through distribution of resources and division of labor as well as the trade and exchange of goods. Reformist socialist theories that emerged in the 19<sup>th</sup> century played a major role in the spread of cooperatives across the world. Cooperatives are based on voluntary, unconditional membership and democratic, participatory management. They offer job and training opportunities for their members, focus on the local interests of the community in which they are established, and interact with other cooperatives. Cooperatives are not established for profit, but for serving the community through the efficient utilization of available resources. Members of cooperatives, who contribute to its capital, do not receive top

---

<sup>188</sup> Mohamed ElAgati and Omar Samir. “The State and Social Justice in the Arab Region: A Crisis of Policies or Structure?” *Social Justice in the Arab Region between Street Politics and Political Paths*. Arab Forum for Alternatives, 2016

<sup>189</sup> A cooperative is “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (ILO 2002). ” <https://is.gd/Cwo2cQ>



down orders or instructions as is the case with the capitalist entities<sup>190</sup>.

Cooperatives started emerging in different parts of the Arab World as a means of countering social disparities. This is demonstrated in Egypt in the case of the Bread Winning Women Cooperative in Fayoum that encouraged girls and women from different villages to engage in collective working projects that would secure them a regular income and help them battle rising unemployment rates<sup>191</sup>. COPAG in Morocco is an example of an agricultural cooperative that managed to acquire considerable leverage in the market through diversifying its products and expanding its activities. It also helped in combatting unemployment through offering job opportunities and improving the social and economic conditions of members of the community<sup>192</sup>.

The Srifa Atelier in Lebanon is another women's cooperative in which workers manufactured fabric bags and sold them in different markets. However it was different in many aspects from its counterparts in Egypt and Morocco since it was established by a foreign organization, the Italian GVC, and presented as a ready-made project in whose creation women took no part and where the choice of members was not done

---

<sup>190</sup> Ayman Abdel Moati. "Towards a collective alternative economy: Self-administration and cooperatives in Egypt," included in this book

<sup>191</sup> Ibid.

<sup>192</sup> Raja Kassab. "Solidarity economy and self-administration in Morocco," included in this book.

through elections. Therefore, the cooperative did not offer a real alternative to conventional economic systems<sup>193</sup>.

Communal lands in Morocco constitute a different ownership pattern since lands are owned by the community and are managed in accordance with the traditions adopted by this community. Communal lands are different in the sense that they cannot be sold, confiscated, or mortgaged, but can be utilized in different activities such as grazing, agriculture, or housing projects. Despite the fact that communities living on these lands constitute legal personalities by virtue of owning the lands and are represented through councils, they do not have the final say in decisions related to the lands and those lands are under the guardianship of the state through the Ministry of Interior. This complicated situation created in communal lands a fertile soil for corruption and disputes. Large parts of those lands were looted and many of their residents were rendered homeless to allow the construction of mega-projects<sup>194</sup>.

The Djemna oasis in Tunisia offers an example of the transfer of ownership from the state to farmers and from private capital to civil society. Following a 96-day-long sit-in, the farmers managed to claim the oasis and to start managing it communally for the benefit of the community<sup>195</sup>.

---

<sup>193</sup> Jana Nakhal. "The Srifa Cooperative and the Union Coordination Committee in Lebanon: Countering sectarianism and NGOs hegemony," included in this book.

<sup>194</sup> Raja Kassab.

<sup>195</sup> Layla Riahi. A new alternative culture in the making in Tunisia

Protest movements played a major role in the establishment of alternative patterns pertaining to ownership forms as well as production resources. The protests staged by environmental movements against the World Trade Organization in Seattle in 1999 and at the World Social Forum in Porto Alegre in 2001 inspired a number of protest movements. For example, a number of activists from the Brazilian Farmers without Land and the French Agriculture Confederation uprooted the crops at a corn field cultivated through the biotechnological model applied by the American agrochemical and agricultural biotechnology corporation Monsanto as part of the battle against genetic modification and its detrimental health effects. Environmental struggle is an integral part of the struggle against the dictatorship of multinationals that give precedence to profit over human health<sup>196</sup>. Environmental activism is seen in Morocco and Tunisia where movements demand the democratic distribution of natural resources, water systems, and food and protest against the usurpation of land<sup>197</sup>.

Attempts at establishing patterns of communal ownership are linked to the desire to achieve independence from market economy and the capitalist system and the struggle against the role private ownership plays in widening social gaps between owners and workers. The role of women in experiences pertaining to alternative ownership patterns is quite prominent, which demonstrated the role of these initiatives in the economic and social empowerment of women, who are also

---

<sup>196</sup> “On Environmental Socialism [Arabic]”: <https://goo.gl/RkyfFQ>

<sup>197</sup> “On Struggling for Environmental and Climate Justice in the Greater Maghreb [Arabic],” *Nawaat*, November 14, 2016: <https://goo.gl/OE2UAF>

marginalized under the male-oriented capitalist system. Cooperatives, self-administration, and communal ownership are all forms of revolution against the social, political, and economic conditions imposed by the capitalist system and that is why they are constantly resisted by the state and its allies. Also, these initiatives cannot succeed if they are not supported by laws and legislations that rob those entities of their independence and restrict their activities.

### **Second: Modes of production:**

Liberal policies that started in the 1970s were detrimental to local industries and agriculture and transformed the countries in which they are implemented into rentier economies that are dependent on real estate, services, trade, tourism, banking, and stock markets. Meanwhile, state lands and companies are looted by a local capitalist class that operates within a network of nepotism commonly known as crony capitalism<sup>198</sup> and that cooperates with global capitalism in the looting of national resources. The role of the state in providing public services started declining. An unproductive economy that has room for only a small portion of the labor force and that did not offer proper wages was, thus, formed, which led to an increase in poverty and unemployment rates, a large deficit in the balance of trade, and the transfer of wealth to capitalist centers.

It is only through an alternative economy that such crises can be resolved through the shift from a rentier economy to production in a way that achieves a number of changes. These

---

<sup>198</sup> Mahmoud Abdel Fadil. "Crony Capitalism: A Study in Social Economy [Arabic]." Cairo: Egyptian General Book Association, 2011, pp. 75-92.

include creating production modes that provide job opportunities, decreasing import rates and the balance of trade deficit through the local production of agricultural and industrial goods, and creating a surplus value that strikes a balance between wages and prices and allows for economic development<sup>199</sup>.

An alternative economy requires the establishment of a system that replaces the rentier economy, utilizes economic surplus in production development, and achieves social justice. This involves first, creating modes of production that allow the establishment of real economy and second, retaining economic surplus within local borders. Since human beings mainly depend on industrial products and industrial technology is now applied in agriculture, industrialization is a priority for every form of alternative economy. Talk about the decline of industry's share in the gross domestic product is not accurate and so are claims that industry is no longer a solution for unemployment. Such view reflects the crisis of capitalism in which the dominance of financial capital forebodes what is known as "the end of work"<sup>200</sup> or poses the question on the "future of work."

An economic policy that prioritizes the welfare of the people establishes a productive economy that focuses on industry as the central means of production. This type of economy provides job opportunities as well as an economic surplus that would improve the living conditions of workers and for the society in

---

<sup>199</sup> Salameh Kaileh. "Social Justice and Alternative Economy."

<sup>200</sup> Jacques Attali. *A Brief History of the Future*.

general, thus reducing dependence on imports. This perspective is, by definition, contradictory to that of imperialist capitalism that has since its inception as a global system worked on subordinating the world in accordance with its needs. Industrialization in peripheral countries is not in the best interest of capitalism because it would not allow the centers to maximize the looting of economic surplus. For this reason, global capitalism does not support the establishment of an economy that would guarantee the creation of a welfare state<sup>201</sup>.

Countering the injustice caused by the capitalist system is seen through self-administration initiatives by workers who agree to run the factories where they work after financial problems cause the owners to shut them or flee without paying the workers' dues or factory debts. Self-administration offers a different pattern of operating a company since it is not based on the hierarchical structure in which orders come from the top down, but is rather practiced through participatory democracy in which all workers take part in the decision-making process. The factories that the workers decide to run eventually turn into cooperatives.

Such experiences demonstrate that the workers' need to interact with market economy enabled them to be well-versed in several commercial transactions since they became responsible for selling their own goods and finding new markets for them as well as dealing with suppliers, customers and banks, promoting their products, and handling their

---

<sup>201</sup> Ramzi Zaki. *Self- Dependence between Dreams and Harsh Reality* [Arabic]. Kuwait: Dar al-Shabab for Publication, Translation, and Distribution, 1987, 1<sup>st</sup> edition, p. 27.

accounts. In Argentina, self-managed factories made two innovative additions to management. First, they paid the same salary to all workers and employees in one third of the reclaimed factories regardless of their jobs. Second, they considered the workers' board, which included all the workers at the factory, the main decision-making body and the podium through which workers can freely express their views. Through the workers board, an executive committee is elected to run the factory on daily basis and is in charge of commercial duties, legal representation, and other executive jobs. The NubaSeed experience in Egypt offers an example of self-administration as workers refused the owner's decision to shut down the company and decided to manage it together and actually making profits<sup>202</sup>.

Providing an alternative system of management and organization is seen in the creation of the Union Cooperation Committee in Lebanon that remarkably differed from other union established following the end of the Civil War. This is particularly demonstrated in the way the committee reached out to several regions across Lebanon and did not restrict its activities to the capital and the way it adopted a participatory approach both within the committee and in its interaction with the public. Even though the committee was subjected to fierce campaigns by the government and sectarian parties, which led to drastic changes in its administration thus the abortion of its original goals, the committee is still an example of the success

---

<sup>202</sup> Ayman Abdel Moati.

of establishing an alternative entity that represents people's demands and achieves independence<sup>203</sup>.

The Fayoum cooperative in Egypt also offered a different mode of production since the women in the cooperative focused on products that are on demand in their local context to guarantee that they will be able to sell them in local markets. This did not only spare them the need to access larger markets, but also guaranteed that they will have no competition. The fact that they sold their products directly in the market without a mediator or the interference of a business owner increased the profit they made so that even though they sold at cheaper prices, they still got enough money to cover their wages<sup>204</sup>.

In COPAG in Morocco, the cooperative managed to control different stages of the production process up to distribution. After exporting its products to Europe, USA, and Canada, the cooperative established a milk processing unit then further expanded its activities through establishing a fodder manufacturing unit for feeding its cattle then introduced the ultra-high temperature (UHT) processing technology, thus becoming the second producer of this type of milk across Morocco. The cooperative worked on diversifying its products so it established a juice manufacturing unit then in 2005 constructed a village for breeding cattle. The cooperative also established a new dairy products unit and established a unit for manufacturing red meat. This way, COPAG managed to become first cooperative in Morocco and the second producer of milk

---

<sup>203</sup> Jana Nakhal.

<sup>204</sup> Ayman Abdel Moati



and dairy products (25% of the market). It is also one of the top five food facilities in Morocco<sup>205</sup>.

In the Djemna oasis in Tunisia, profit was used in development projects from which all members of the community can benefit instead of going to the hands of a few capitalists or owners. In fact, the new management system succeeded in multiplying profit. Under the supervision of the Association for the Protection of the Djemna Oasis, which ran the project, the profit increased from 969,000 dinars in 2011 to 1,800,000 in 2014, compared to 450,000 at the time when the property was leased to two tenants who neglected the property<sup>206</sup>. This did not apply to the Srifra Atelier in Lebanon since the number of workers kept decreasing until they became only four. This is mainly attributed to the fact that the project was more of a company than a cooperative and, consequently, it neither defied the current system nor offered an economic alternative. That is why it was not as productive as other cooperatives and few women were encouraged to join it<sup>207</sup>.

As it becomes obvious from the above-mentioned experience, the impact of new modes of production is linked to the way they introduce an alternative that defies the dominant system. This defiance is done in many ways including the practice of participatory democracy in management, the fair distribution of profit, and the development of the community. The success of such initiatives is also associated with the identification of main

---

<sup>205</sup> Raja Kassab.

<sup>206</sup> Layla Riahi. "A new alternative culture in the making in Tunisia," included in this book.

<sup>207</sup> Jana Nakhal.

challenges such as marketing problems, lack of funding, market monopolies, or resistance on the part of the capitalist system.

### **Third: Developmental patterns:**

The main problem related to development stems from the conflict between the capitalist system and independent economy. The first is based on market economy and the liberalization of capital and is maintained through the accumulation of capital through the exploitation of economic surplus in the peripheries. The second, on the other hand, is based on doing away with the dominance of capital to establish an economy that runs itself independently from the rules imposed by the global market. It is obvious that those two models stand are contradictory since independent economy is, by definition, a threat to capitalism<sup>208</sup>.

Lack of development is the direct result of a number of problems, on top of which are poverty, unemployment, and the deterioration of free public services such as education and healthcare. The adoption of liberal policies undermined the social infrastructure as the public sector disintegrated and privatization was implemented while a small class took control of the economy that adopted a rentier approach based on unproductive economic activities such as services, real estate, banking, tourism, and imports. The alliance between local and global capitalism had a detrimental effect on social justice<sup>209</sup>.

---

<sup>208</sup>Salameh Kaileh. "Social Justice and Alternative Economy."

<sup>209</sup> Salameh Kaileh. "Social Movements and the Concept of Social Justice in Arab Revolutions [Arabic]." *Social Justice: Concept and Policies after the Arab Uprisings*. Arab Forum for Alternatives and Rosa Luxemburg Stiftung, 2014.

The capitalist system is also the source of a number of environmental problems that affect people whose main source of livelihood is related to nature such as farmers and fishermen whose living conditions have remarkably deteriorated. Several factors contribute to this deterioration, on top of which is the monopoly of resources as well as unequal access to these resources. The latter constitutes a serious problem in the context of the neoliberal production mode, which makes it difficult for owners of small lands, for example, to make use of technology in order to increase the productivity of their land. Capitalist policies also lead large numbers of people to migrate from the countryside to the outskirts of the city, thus increasing the number of informal workers<sup>210</sup>. Capitalism also prioritizes the rise in growth and productivity rates, which led to its dependence on non-renewable sources of energy such as oil and its extracts. This was accompanied by a remarkable negligence and at time conscious destruction of nature as is the case with a number of climate and environmental crisis such as global warming<sup>211</sup>.

Any alternative economic system that aims at changing the economy from rentier to productive will never be in the best interest of capitalism on both the local and global levels. This new system would embark on a number of changes that would undermine the capitalist ideology such as raising wages and changing the status of the balance of payments in favor of

---

<sup>210</sup> Abdel Mawla Ismail. "Environmental problematics and the role of alternative economy." *Social Disparities in the Arab Region*. Arab Forum for Alternatives.

<sup>211</sup> Dalia Hani. "How Capitalism Destroys Nature [Arabic]." *Revolutionary Socialists Gateway*, March 29, 2015: <http://revsoc.me/theory/34362/>

decreasing imports. That is why a real change will not be achieved by capitalist classes, but rather by classes that suffer under the brunt of capitalism. In fact, capitalist classes are known to abort all attempts at introducing such kind of alternative, which was clearly demonstrated in the post-independence era<sup>212</sup>.

Independent economies are, however, starting to emerge in different parts of the Arab world. For example, the success of COPAG was mainly attributed to how self-sufficient the cooperative managed to be. For example, whenever the members of the cooperative required additional equipment or the like, the administration made it available through self-funding so that all units received their needs, which contributed to improving the quality of its products and expanding the scope of its markets. The cooperative also supplies farmers with seeds and saplings produced in its nurseries. In order to guarantee the distribution of its raw, manufactured, and half-manufactured products, the cooperative owns 320 trucks. COPAG also funds its own projects from the surplus it makes at the end of each season after all members receive their shares<sup>213</sup>.

The Djemna oasis in Tunisia was not a much different case. In addition to providing jobs for the unemployed and improving working and living conditions, the association that runs the oasis funds a number of developmental projects such as the

---

<sup>212</sup> Salameh Kaileh. "Capitalism and Social Justice: The Adopted Capitalist Approach Denies Social Justice." *Social Justice in the Arab Region between Street Politics and Political Paths, Arab Forum for Alternatives and Rosa Luxemburg Stiftung*, 2014.

<sup>213</sup> Raja Kassab.

construction of schools, clinics, sports centers, and a date market for the products of the oasis. The association also funds several organizations that focus on culture, children, and people with special needs. This means that the oasis managed to perform the duty of the absent state that marginalized the area in which the city of Djemna is located and succeeded in achieving actual development. The farmers managed to increase production and to make enough profit for increasing their wages and improving both the quality of production and working conditions in the oasis<sup>214</sup>.

Other experiences highlight the role of alternative economy in ending the exclusion of women in the conventional economy, which is seen in the example of the women-only market in the Kabylie region in Algeria, particularly in the village of Ait Ouabane. In this market, women sell their local products including fruits, vegetables, and traditional handicrafts. The market is organized by members of the Assourif Association for Rural and Environmental Development, which aims at empowering women economically, promoting organic agriculture, encouraging self-administration, and achieving sustainable development<sup>215</sup>.

It is obvious that the developmental patterns promoted by alternative economies are quite different from those adopted in the capitalist system. This is because alternative economy

---

<sup>214</sup> Layla Riahi.

<sup>215</sup> Nourredine Bessadi. "Women's market in the Kabylie region in Algeria: Between an alternative economy and a gender-based approach," included in this book.

discards the rentier approach for one that depends on production through industry and agriculture, both sectors that are capable of containing a large segment of the labor, and that prioritizes justice whether in terms of wages, distribution of resources, access to services, developmental projects, or living conditions. An alternative economy would also work on empowering all segments of society that are excluded in the capitalist system such as women, children, and people with special needs. This economy treats the environment differently for it does not only consider it a source of raw materials, but also an integral component of any development process and sees its protection as a necessity and not a luxury.

### **Conclusion:**

It is obvious from the afore-mentioned cases that compromises are not the solution. It is necessary to do away with capitalist mechanisms through a class that does not only aim at serving its interests regardless of the welfare of the people and whose interests coincide with those of the rest people. That it is why workers and farmers together with the impoverished from the middle class should be in charge of effecting this change and not the capitalist class or even the “petit bourgeoisie” since the first is subordinated to the centers and the second only prioritizes its own interests, which was obvious throughout decades of development attempts that were doomed to failure<sup>216</sup>.

Many questions were posed about the type of alternative economy and the foundations on which it should be based.

---

<sup>216</sup> Salameh Kaileh. “Social Justice and Alternative Economy.”

There were proposals about “independent development” or “self-sufficient economy,” both of which revolve around a strategy of independence, which in itself constitutes an integral economic, social, and political system. This means the elimination of subordination, the establishment of independent development, and the achievement of social justice through controlling national resources, creating a production pattern that can lead this strategy, the centralization of economic surplus, agricultural technology, industrialization directed towards catering to people’s basic needs, popular participation<sup>217</sup>. It is also important to stress that those who propose economic alternatives should be the same who implement them since experiences that offer economic alternatives are more likely to succeed when the people whose interests are at stake are the same who defend those interests.

Economic alternatives will always be met with resistance on the part of the state and its institutions or interest networks that want to keep the status quo. That is why the best way to guarantee the success of such initiatives is through raising awareness, mobilizing efforts, and choosing the adequate means<sup>218</sup>. At the same time, people who embark on such initiatives should be aware that organization is a key factor since projects that offer an alternative system have to be democratically structured so that all members participate in the decision-making process and so does the public<sup>219</sup>.

---

<sup>217</sup> Ibid.

<sup>218</sup> Ayman Abdel Moati.

<sup>219</sup> Jana Nakhal.

Through surveying a number of experiences that attempted at offering an alternative economic system, it becomes obvious that each of them was a success in its own way despite the challenges they had faced and attempts at undermining them. This success is not necessarily linked to the work or activities involved, but rather the possibility of coming up with initiatives that aim at changing an oppressive reality and which are expected to be followed by more as the culture changes and the likeliness of a transformation does not seem that far-fetched.



# Appendix



# Participatory planning and Rudolf Meidner's model: Two alternative economic systems

Marzouq Alnusf

## Introduction:

Talk about economic alternatives to capitalism is not only theoretical in the sense that it does not solely focus on the basic foundations according to which non-capitalist financial entities can be established. As important as a theoretical framework is, examining actual cases in which an alternative economy was adopted is of no less importance. At times, it is even more useful to apply the practical to the theoretical and not the other way round. In fact, this seemingly unlikely sequence is closer to historical materialism. This article looks at two alternative economic systems: the first offers an example of participatory planning in which the budget is prepared in a democratic manner and the second demonstrates the gradual shift of modes of production from private to public ownership through an innovative tax system. Although the two examples are not from the Arab region, they can constitute a beneficial guide for major players in the field of alternative economy there.

It is noteworthy that this article is based to a great extent on the research project entitled *Real Utopias* and which attempted to explore practical alternatives to capitalism. The project was conducted by Marxist sociologist Erik Olin Wright, professor of sociology at the University of Wisconsin – Madison and one of

the most prominent contemporary sociologists in the United States.

**First: Participatory budget planning in Brazil:**

In 1988, Olívio Dutra, founding member of the Brazilian Workers' Party, was elected mayor of the city of Porto Alegre, yet his party did not get the majority in the city council. This meant that the mayor would be relatively restricted in the implementation of his program if he adopts the traditional voting mechanism, in which representatives of different parties cast their votes. Dutra then decided to enhance the democracy of public administration through direct popular participation in determining spending priorities in the city. This is how the participatory planning of the public budget came into being.

The participatory budget planning process starts with an evaluation of the previous year's budget and a discussion of the priorities of the current year. However, this does not take place among members of the city council, who are representatives of different parties, in closed meetings. Instead, public meetings are held and representatives of the people are elected to discuss budget priorities. Direct meetings are then held with residents of different neighborhoods in the city as well as members of unions and civil society organizations. Attendees of these meetings discuss priorities in projects and infrastructure and the condition of public services such as education and health care. The outcomes of these meetings are then reported at a city-wide public rally to organize priorities and determine budget items and technical experts are usually invited at this stage for consultation. After the budget is drafted, it is

submitted to the mayor who either approves it or returns it for modification. When the budget is approved by the mayor, it is submitted to the city council for the approval.

One of the most important advantages of this model is that the participation of city residents in drafting the budget enhances democracy on the ground so that it is no longer a political procedure that can be revoked later on even if a right wing party comes to power. This model also sheds a different light on the budget as a matter in which people need to be involved and not imposed on them by the political elite or technical experts. It also eliminates the possibility of corruption, which is always rampant in municipal entities, because the budget is prepared transparently and democratically and that plays a major role in building trust between state institutions on one hand and workers and members of marginalized classes on the other hand.

Participatory planning might seem complicated and difficult to implement, but it did succeed in a city whose population exceeds 1.5 million and whose budget amounts to USD 200 million through the participation of around 50,000 residents in different areas of planning. This initiatives garnered support for the Workers' Party, which ruled from 2003 till 2016. Hundreds of regions and cities in different parts of the worked embarked on adopting this model.

### **Second: Rudolf Meidner's model for gradual nationalization in Sweden:**

In the 1970s, socialist economist Rudolf Meidner, one of the prominent founders of the welfare state in Sweden, proposed

that major capitalist companies do not pay their taxes in cash, but rather through issuing new stock bonds to a workers' fund run by workers' unions and civil society organizations.

Through this taxation system, workers will gradually own the companies in which they work. It is noteworthy that those taxes are not deducted from the actual profit the company makes but are only paid through re-assigning the shares, which means that this money which was previously paid in cash will be saved and used in the development of the company or distributed amongst the owners including workers that own more shares every year.

This means that if a company's capital is USD 100 million, all privately owned, and its annual income is estimated at 10% and the tax based on Meidner's model is 40% of the net profit, the workers will get 4% of company shares which in turn will be deducted from the shares of the owner. Workers will be able to control the company after their shares exceed 50%, which will happen after 13 years. According to the original model, this taxation system will apply to every company whose workers exceed 50 and the tax will be 20% of the net profit.<sup>220</sup>

The Swedish Workers Union officially adopted this project in 1976, but the Swedish Social Democratic Party was not keen on it. The project was then shyly ratified in the late 1980s, but the coming to power of the Swedish Conservative Party put an end to the project in 1992. Even though the project was

---

<sup>220</sup> According to the original conception of Rudolf Meidner the tax system that would apply to every company increases the number of workers 50 and the tax rate will be 20% of the net profit.

implemented for a short time, it did manage to increase the ownership of workers to around 7% of the Swedish stock market.

**Conclusion:**

The participatory budget planning in Brazil and the Rudolf Meidner's model in Sweden do not constitute a radical transformation and do not offer an alternative to capitalism. In both cases, private ownership of modes of production was maintained, the market remained the main determinant of the distribution of resources, and waged labor was not abolished. However, those two attempts still offer examples of initiatives that not only impact the economy, but promote democratic practices in different fields. They also attempt to strike a balance in societies where vital economic sectors have for decades been controlled by the ruling elites in a gradual manner that does not involve a radical action. The two cases prove that policy-making is not monopolized by the capitalist class that only aims at serving its interests. This does not mean that the exact same projects should be replicated in other parts of the world, but they can definitely be utilized when attempting to create alternatives that can achieve social justice.





## **Women's market in the Kabylie region in Algeria: Between an alternative economy and agender-based approach**

**Nourredine Bessadi**

The women's products market is held every season at the Djurdjura mountain range in the Kabylie region in Algeria, particularly in the village of Ait Ouabane. In this market, women sell their local products including fruits, vegetables, and traditional handicrafts.

The market is organized by members of the Assourif Association for Rural and Environmental Development, which aims at empowering women economically, promoting organic agriculture, encouraging self-administration, and achieving sustainable development. According to organizers, a large number of women got interested in the project and started gaining awareness on the existence of an alternative economic system that distinguishes itself from the conventional one. They were particularly interested in the way the market empowered women economically through having a stable income and regular customers and socially through asserting the role women can play in the community and encouraging stay-at-home women to venture into the public space.

In fact, the gender-based approach of the market is of extreme significance and offered an important model for the Middle East and North Africa. This is because social disparities are not only

determined by geographical differences or class distinctions, but are also gender-based. The project made sure that this aspect of social disparities is tackled through making it a women's only market selling women's products.

A number of social and cultural factors led to lack of emphasis on the gender issue especially as far as economic alternatives are concerned, possibly owing to the absence of women in a considerable portion of conventional economy. It is about time such social and cultural factors are bypassed in order to introduce a gender-based approach to alternative economic systems and which will not only benefit women, but society as a whole.

# **Which democracy for which civil society? The Role of Social Justice in Activists’ Representations of Democracy. The case of Egypt**

**Gennaro Gervasio**

## **Introduction**

Based on interviews and documentary sources collected between 2009 and 2015, this short article looks at the narratives on democratic change presented by key groups of ‘activists’ and/or members of ‘activist’ Civil Society (CS) in Egypt, especially after the ‘January Revolution’. The Egyptian case provides an excellent example of the way difficulties in defining CS are the direct consequence of the liberal normative assumptions which imbue it in the currently hegemonic approach to democracy and democratization, and as such can contribute to rethinking the analytical – and policy – framework through which democratization is currently viewed.

The findings show that there is a strong relationship between civil and political rights on the one hand and socio-economic rights on the other in activists’ understandings of democracy; and second, the self-conception of ‘civil society’, its role in fostering democratic change, and the ability of standard approaches to democratization to account for both these self-conceptions and their attendant political dynamics. In particular, activists present civil and political rights on the one hand and social and economic rights on the other as

inextricably linked. Clarifying the specific conception of democracy activist groups hold is important both to trace the likely terrains of future contestation between regime and opposition, and because it helps clarify the likelihood of success of Western governments' 'democracy assistance' policies.

### **Civil Society and Democratization**

There are two broad approaches to the relationship between CS and democracy in general and between CS and the 'Arab Uprisings or Revolutions' in particular: the first argues CS was instrumental to the Uprisings and thus to the at least potential transition towards democracy of the MENA region, while the latter holds that its growth over the preceding decade or so has little to do with the Arab Spring or the Egyptian uprising. The orthodox liberal perspective on democratization from Political Science argues that there are either formal or substantive qualities of 'civil society' that favour the emergence and/or consolidation of democracy, while critics of such a standpoint from Middle East Studies – and mostly from progressive political positions – have argued that such civil society as liberals imagine is an ineffective child of neoliberal 'democracy promotion', if not entirely a fiction. The experience of Egyptian pro-democracy activist organisations shows that both positions rely on overly simplistic characterisations of civil society in fact. Civil Society in Egypt presents models of democratization with something of a paradox. Orthodox approaches view CS as politically neutral space of civic virtue outside the private sector (for-profit organizations), the formal political arena (parties), and the state, which counterbalances the authoritarian impulses of the state. This model falls short

both empirically and analytically, in ways that the Egyptian case brings into focus.

At an empirical level, the Egyptian case highlights the limits of orthodox conceptions in the way actually existing civil society challenges formal taxonomical criteria. First, many registered NGOs which do satisfy standard definitions are either directly or indirectly linked to the regime (Abdelrahman, 2004), and while they do not necessarily engage in political *activity* themselves, they fulfil a clearly political *function*, reinforcing the regime by draining funding from independent CSOs and by legitimising the regime's pretensions to democratic transition. This makes them structurally unable to fulfil the anti-authoritarian counterbalancing role conventional models attribute CSOs. Conversely, pro-democracy CSOs have taken on some at least of the classical functions of parties, e.g. interest aggregation and representation – far exceeding the role as mere agents of 'civic virtue'. Secondly, regime pressure on both independent human rights organisations and on opposition political activity in the formal arena coupled with Egypt's notorious NGO legislation have forced both categories of activists to abandon the legal form of non-profit NGOs. Both human rights organisations and trade unions have taken on the *de jure* form of legal services companies, while remaining *de facto* trade unions, worker's rights activists, or rights monitoring groups. Exemplary in this sense are the *Centre for Trade Union Workers' Services (Dar al-Khadamat)* and the *Egyptian Centre for Economic and Social Rights*, which like most of Egypt's core 'civil society' groups are not legally NGOs but public limited companies. This places such groups outside

strict definitions of civil society, even though the functions they absolve fit squarely within those expected of CSOs.

Analytically, despite many established criticisms of 'transitology' literature, taking aim at the simplistic conception of civil society and of its relation to democratic transitions (e.g.: Bellin, 1994; Carothers, 2002), accounts attempting to ground democratic properties of CS in either its formal or its substantive properties and which rely on CS as only indirect cause of democratization still commonly underpin most of the democracy promotion policies towards the Middle East (e.g. Ottaway and Carothers, 2000). But the problem posed by the normative dimension of standard approaches is greater than a straightforward ideological bias – like Gramsci's criticism that civil society is not separate from but integral to oiling the machinery of hegemony, to the power exercised through the state, standing "between the economic structure and the state with its legislation and coercion" (Gramsci 1971: 209) – it can be argued to reach into the roots of the taxonomy itself. Michel Camau (2002) shows that it is the analytical category 'civil society' itself that affects political dynamics. His work traces a complex interplay between extra-regional actors (states, IOs, NGOs) using the concept to transpose outside values and procedures, and local actors who have appropriated and re-elaborated the concept in the context of local political struggles. In particular, MENA opposition groups used liberal CS normative characteristics and its popularity amongst Western donors attempting to carve out a space outside ruling regimes' reach (Camau, 2002: 214), while those regimes in turn

attempted to neutralise the idea both conceptually and politically, e.g. by ‘colonising’ and controlling that sphere.

### **The Role of Social and Economic Rights (‘Social Justice’).**

The idea of ‘social justice’, *al-‘adala al-ijtima’iyya*, is much more of the slogan heard and chanted by the people across Egypt and the Arab World. It is an *essential* part of CS activists’ concept of democracy, well before the Arab Revolutions. Indeed, with respect to economic policy, the target of protest was – and remains – an economic system that disenfranchises vast swathes of society. Beyond the frequently cited figure of 40% of the population living beneath the \$2/day poverty line, which actually underestimates poverty levels (Bush, 2004), the ‘liberalising’ reforms of the past decade and a half, and especially since Ahmad Nazif’s government from 2004 to the 2011 uprising, have had a dire impact on ordinary people’s lives.

In this context, it is not surprising to find that one of activists’ central concerns is poverty. For most activists, socio-economic issues, however, are not simply questions of poverty, moral condemnation, or aid, but are inevitably political. They believe that without minimum socio-economic standards being achieved for all, political rights remain truncated. Moreover, these socio-economic demands go to the heart of the economic system which both the regime, the Muslim Brotherhood, and Western governments were keen to support. The framing of socio-economic issues as matters of *rights* as well as of macroeconomic and development policies effectively (re)politicises these areas through a language which invokes not just a moral or economic necessity for intervention in the

way aid or development rhetoric do, but a language that also places an *obligation* on the government, violating which entails a political cost.

Leaders from different organisations agreed in their diagnosis of a convergence of economic interests between these three groups. This ‘liberalisation’ was closely connected to international trade and involved systematic attempts to dismantle welfare net and undermine unionisation.

But most importantly, CSO leaders argued that the connection between the economic and the political – and therefore with the question of democratization – is in itself inextricable. As one labour leader put it:

“When US pressure for democratisation eased, neither the EU nor its Member States maintained it, on the contrary, embassies put very strong pressure on the government, even more than the US, to carry out privatisations. But *while privatisation of gas, water, electricity, etc. are considered ‘services’ in the West, they are human rights here.*” (K. ‘Ali, 2009)

Thus, what emerges from CS activists’ words is a vision of the socio-economic and of the political conditions for democracy as inextricable, in a way that mainstream scholarly and policy literature on democratization does not recognise – and indeed explicitly argues against. In the specific context of the Arab Uprisings, and in Egypt in particular, it is important to note that while economic demands have often been represented in Western and local media as separate – and often higher – priorities than political demands by demonstrators, from



speaking to activists both before and after the Revolution and from documents produced by groups across the left-liberal political spectrum it is clear that these two dimensions are viewed as inseparable.

From this point of view, Western governments' interventions in support of democracy in fact undermine it. The promotion of private sector investment, for example, comes with attempts to dismantle welfare net and undermine unionisation, such as through imported labour in agriculture, shift differentiation in factories, counter-unionisation legislation particularly in the private sector, and other practices. In the eyes of activists, if the policies are counterproductive towards the possibility of democratic transition, this is because Western governments' aims are other than democratization. The EU, for example, it perceived as pursuing interests that "are primarily economic and commercial, so much so that a report of the Commission on Egypt, which was highly critical, was withdrawn as a consequence of the Egyptian government's pressure." (N. Darwish, 2010).

Overall, while the combination of government policies and the policies of Western governments increased workers' mobilisation and the emphasis on socio-economic rights in activists' conceptions of democracy, it did not lead to substantive pressure towards democratization. This was due in part to a mostly supine party political class happy to take advantage of increasing workers' protests, but only for political leverage within the NDP-controlled system of state patronage, effectively stalling democratization, but also because the "[w]orkers' movement [remained] limited in politicisation,

mostly restricted to struggles over terms and conditions of employment.: [t]he political horizons of the workers' movements are to date primarily unionist and not political.” (Saber Barakat, 2010).

After the Uprising and Mubarak's removal, the discussion of social and economic rights has often been forced into the background by the sheer pressure placed on opposition activists, whether from the military or from the Brotherhood in government. At various points, such as in December 2011, opposition groups have been explicitly targeted using nationalist sentiment to attack such organisations for receiving funding from abroad, despite both the MB and the military receiving funding orders of magnitude greater, whether from Gulf sponsors or US government. The government installed under the military's 'protection' in July 2013, did appoint historical trade union leader Kamal Abu 'Eita as Minister of Manpower, and it did sponsor legislation on a minimum wage in the public sector. However, the provisions were extremely weak, and governments whether civilian or military, secular or Islamists have consistently refused to repeal legislation restrictive of independent trade unions and NGOs, nor have they relaxed legislation against the right to protest – quite the opposite (Saad and El Fegiery, 2014).

In sum, from their statements on the relationship between socio-economic and civil-political rights in democracy, it is clear that activists view these as inextricable; that the Egyptian regime (before and after Mubarak), the Muslim Brotherhood, and Western governments are perceived as sharing a privatization-based approach to socio-economic

rights; and that policies supposedly designed to increase economic growth and defend these rights, are widely perceived as undermining them.