

## **The fight against neo-colonialism "resist restructuring and the struggle for re - Public ownership in the Egyptian experience**

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The public sector grew up in Egypt during the sixties and Khmsinat through the last century. I nationalization of enterprises and private companies owned by foreigners or Egyptians in particular in 1961 with custom resolutions shift to socialism. The second is public investment contributed by the state in establishing new projects that are wholly or partially, or monitored by the state to make expansions and replacement and renovation projects in public or nationalized originally established with public funds. If it is permissible to consider the public sector in the early sixties that sector believed in the Egyptian economy, based on the value of assets that have been nationalized constituted the largest proportion of the total value of the assets of the public sector, we believe that the situation had become reversed in the current situation. Has led investments by the state in the public sector to the huge additions in the value of its assets, making it part of the syndrome through public investments constitute the largest proportion of the total value of the assets of the public sector. The Iqdrd. Dr. Saad Eddin Ibrahim. Ibrahim Al relative share of new investments of the total value of funds invested in the public sector in industrial 1985 / 1986 by 90 percent and an estimated capital value of industrial companies which have been subjected to nationalize about 576 million pounds, with an estimated book value of assets owned by the public sector b (140 billion), The market value of about 365 billion pounds.

It has played the public sector in Egypt has an important and leading role in the development plans in the sixties, but its pivotal role seems obvious after the military defeat before the Israeli aggression on June 5, 1967 and the occupation of the Sinai peninsula. This sector has contributed to withstand economic providing many of the needs of civilian and military fronts, including through directly through productive activity, and indirect ways, through its contribution to finance the general budget of the state and maintaining economic stability, and to avoid the evils of hyper-inflation boom in Most States The economy on the private sector primarily in conditions of war. This is apparent in:

The first thing: the contribution of public sector companies in the liberation struggle after the defeat in 1967, then in the battle of reconstruction after victory in October 1973. During the war of attrition by public sector companies working in the field of construction, iron and steel industry, cement and other building hangars for aircraft Egyptian so that there will be accessible to the Israeli air force. These companies have also built and missile bases along the front, as well as in depth during the brief period during which hundreds of fallen martyrs of workers in these companies, where construction is under constant shelling and air raids Israeli warplanes continued along the battlefield. The public sector also contributed in building a ferry crossing equipped with powerful pumps for water used by the Egyptian Army in crossing to the east bank of the Suez Canal, the removal of the wall-Turabi, known as Bar-Lev's handwriting, and finally the public sector companies for huge contributions in the reconstruction of the Suez Canal cities ravaged by war and enable its inhabitants With the resumption of life after victory in October 1973.

The second thing: the great contribution of the public sector in financing public spending in the years of

war and its aftermath, and this is contributing to several elements, including a profit only transferred to the State's general budget and allocations for depreciation using the self-financing for investments in the public sector (These two elements together form a surplus sector General), and taxes on the profits of public enterprise sector, and calculate the value of these three items, with the assumption that the public sector contributes 65 per cent tax on profits of the business whole, we found that they formed approximately 24 percent of the general resources of the State in 1966 / 1967. This proportion rose to 27% in 1970 / 1971, and then to 38 percent in 1974, to 41 percent in 1978, this proportion had fallen to the level of 37 percent in 1984 / 1985. There is no doubt that these percentages indicate that the public sector has not been a burden on the state, but it is still a major contributor to raising public revenue and financing of public expenditure of the state.

This III: The existence of the public sector has helped Egypt to overcome difficult circumstances after the defeat in 1967 and the accompanying huge pressure on resources, with having to guide the major proportion of the resources available to serve the war effort, without exposing them to very high rates of inflation, as happens in Years of war in the country's free economy, which depends primarily on the private sector. Dislike of the data available from official sources on the rates of price increase, the annual rate of increase in the cost of living was within 3 R. 4 percent in the first half of the sixties and about 3 percent in the second half, including an average of 6 to 3 percent annually during that decade, the rate has risen to about 6 Percent annually from 1969 / 1970 until in 1974, these rates seem low compared with the rates rise in annual expense of living in the remaining period of the seventies, as well as during the greater part of the eighties (1980 1987) after unleashing the private sector and market forces, Under a policy of economic openness 3 to 12 percent on average and, of course, we do not claim that the public sector was the sole reason for the stabilization has participated in other factors, but the public sector was a major factor in our events that stability.

The problems of the public sector:

Was not different contributions of the public sector to withstand economic and wars of liberation and reconstruction tasks without a price. Has led targeting of economic stability, through the imposition of low prices, but without cost in many cases to sell products the public sector, to shift a number of public companies to losing companies, while the ability of most public companies to achieve a reasonable surplus. In general, denied the public sector to use the largest proportion of the surpluses achieved by the renewal of its assets and expand production capacity and develop production methods and management as a result of directing most of these surpluses to finance various aspects of public spending, including in military spending, has led to a marked deterioration in the capacity Productivity of this sector and on the other hand have been carrying public sector employment redundant as a result of social policies aimed at full employment for graduates and the absorption of demobilized from military service in the public sector units, had this goal of social serious repercussions on working conditions, management and productivity in the sector.

The public sector problems have emerged first appeared in the weakness of its production despite owned assets and huge potential productivity. One study estimated that the rate of growth in the

production of public sector (often excluding oil, the Suez Canal) during the period 1975-1985 fixed prices did not exceed 3 percent and return on invested capital has dropped from 5 to 7 percent in 1975 to 8 to 4 percent annually in 1985, and energies deactivated in this sector has reached about 25 percent of the total energy available in early or mid-eighties. These energies and deactivated in the manufacturing sector prominently. They were due in part to a lack of attention to maintenance of assets with prescription or non-availability of spare parts and production requirements for the shortage of foreign exchange, or to frequent power outages or absent workers and lack of discipline at work, or to a lack of demand for products or services at home and abroad (The low level of quality or lack of competitiveness or low level of marketing abilities or collusion withheld from the market to allow greater opportunity for companies opening products). And the consequent lack of demand for products rather than lower energy used for energy available, but may also result in the accumulation of commodity stocks of companies producing or to distribution channels, which mean that part of the project capital. The problems associated with absent workers and lack of discipline at work by low levels of remuneration, and their work in difficult conditions are not met the requirements of health and industrial safety requirements. Of course, the problem of wages is part of a broader problem is to determine wages at the national level. But the direct result of low wages are engaging in more work and give less effort for the post of a minimum wage. They often post in the public sector to compensate for the greater effort invested in higher-paying job in the private sector companies or traditional openness.

Not limited capacities of deactivated physical energies. But also to withdraw the labour force. This is linked to employment policy regardless of the work needed for social purposes exclusively, has continued this policy for many years, although it has begun to stop their application, the public sector is no longer room to absorb the employment available in the market, and was replaced by the appointment of a new re-employment training for redundancy. New jobs needed by industrial companies, of course, lead to redundancies rise in the cost of production for inflation under salaries, and study the evolution of the various elements of costs for the years 1983 / 1984 and 1984/1985, the proportion of wage increase was higher than the percentage increase in any another element costs.

On the other hand, public sector companies suffered from a high fiscal imbalance, where the proportion of loans to capital, and suffer low liquidity ratio, low turnover rate of capital, these problems are in part by shortening the state in public sector companies. Funding needed for renovations and expansions, particularly in the seventies, which forced many of them to use bank borrowing short term and usually charged for this purpose, has reflected the increasing debts of the banking system later, and that these problems connected with the problem of accumulation of commodity stocks and the inability to discharge production mentioned above, has noted a decline in the ratio of capital to total self-invested funds in the public sector as a whole amounted to 28 percent, and total indebtedness amounted to about 250 percent on the level of the public sector, in early or mid-eighties.

The problems associated with lack of liquidity and reliance on borrowing to finance investments, as well as the problems of lack of returns on capital invested problem of weak disposable surplus for distribution, which is linked to pricing policy, wages and employment on public sector companies on one hand, the rules governing the distribution of the surplus which does not leave sufficient funds for

incentives to increase Production and reinvest the other hand (at a time when countries do not provide adequate provisions for financing long-term investment).

Mazad and the problems that the public sector that some of his companies have contributed to the joint projects under the umbrella of the law of openness (ie law 43 of 1974), although their financial positions were not permit, which was forced to cover their obligations by borrowing, but that some The public sector units and public bodies have contributed to the joint projects, at a time when it faced severe embarrassment positions regarding the debts of commercial banks, as some companies that were funded aside from fixed investments through short-term loans to contribute to the joint companies, which increased Problems of indebtedness and cash to them. On the other hand, proceeded to enter into joint ventures industrial companies generally suffer the existence of assets IDLE have. The better use of funds contributed by the Alparwkat involved in the revitalization of assets has stalled, is also strange that some public sector companies have contributed to the establishment of joint projects operate in a similar activity to their core activities, which resulted in few of the damage is among Other rising commodity stocks of unsold or slow movement. If the return on capital invested in public sector companies estimated at about 5 percent in 1985 as mentioned earlier, the return on contributions sector companies in joint projects did not exceed 5 t 2 percent in the same year, according to assess CAA any that even from a purely financial return, I find it was channelling funds to improve and increase production capacities in the public sector, rather than contributing to the joint projects unsuccessful, but this provision is supposed non-existent, which should give priority to public interest for private interests to those responsible for making decisions and the beneficiaries participating in one form or another of its .

Causes of the crisis and their relevance to the general crisis of development.

The crisis undergone by the public sector in Egypt is not separate from the crisis undergone by the Egyptian economy, the crisis marked. The general circumstances surrounding the Egyptian economy and the nature of public policies that have governed the conduct of this economy, particularly since the early seventies, had left a clear imprint on public sector performance and progress, it is natural not expect positive effects in the activity of public sector efficiency and performance when it prevails policy That the State abandoned its many functions in the former control the economy and directing his movement, and when it is believed that in the possible development of serious incidents on the Egyptian economy, the efforts of local capital and foreign direct investment and foreign aid any more production in the world capitalist economy and subservience to him. This policy made the country is in crisis development. Which is also caused suffering in the public sector and the increasing problems of Jeddah these problems over time. Even the amount of the crisis. Given that the public sector represents a large bloc of blocs that make up the Egyptian economy, what happens when speed is reflected, in one way or another, on the overall performance of the economy as a whole, and thus enter the public sector and national economy in a series of reciprocal influences that form a vicious circle . Weak public sector performance quickly reflected in the form of losses borne by the public budget, which is already burdened large deficit also reflected the weak performance in a few surpluses transferred from the public sector to the public budget, on the other hand inaction reflected in the growth rates of public sector production to the rest of the sectors that Rely on the public sector to obtain its needs of

production requirements, or of final goods and the import, which begins rates on the rise, and exports which take rates and declining rates of price increase, the rates of absorption of employment.

Of course, the public sector performance depends not only on considerations relating to economic policy, apart from the impact of these policies, exercising political conditions and other important social impacts. Shrinkage of the area of popular participation and democratic practice have reverse function on the nature of public policies that shape the public sector, and opportunities for workers to participate actively in public sector management and control work, and the method of choosing leaders in the public sector units, as well as the siege of corruption and methods of accounting delinquents in the public sector And beyond.

The conditions of opening up the doors overlapped work abroad with the conditions of opening up the Egyptian economy, which gave additional burdens on the public sector, has been manifested, among other manifestations of the drain of skilled labour and technical and managerial expertise from both the public sector to work in Arab countries or oil companies to work in The private sector and non-open open.

However, in addition to the general conditions which affected the performance of public sector since opening up, there were errors in economic and social policies related to public sector, prior to the opening and continued beyond, is the most important of these policies-price policy and policy units operating in the public sector, which dropped the burden of achieving social goals The task of the public sector, while it is possible to achieve the same ends through social policies and tools to implement the alternative.

The statement of reasons Toser public sector due to public policies as follows:

A. Distinction between public and private sector for the benefit of the latter, so Lavishing privileges and exemptions to the private sector and the legacy of escape from many of the general obligations, including payment of taxes due, as well as failure to comply with labour laws and wages, employment and participation in management and profits, as in the public sector. At a time when the liberalized markets of many commodities that face the private sector has governed the public sector pricing policy does not take into account the change in costs has been discrimination in the interest of the private sector (or against the public sector) is one aspect of economic open door policy pursued by the State in the early seventies.

B. Wilful neglect of the public sector throughout most of the period elapsed since the announcement of the policy of openness. Neglected to renew the requirements of production capacities and expand or even maintain, preserve, and a failure to provide the necessary public sector investments which led to the problems of lack of liquidity and reliance on short-term loans to finance investment and the

accumulation of debts and other previously hurt him, although attention has revamping Received the bulk of the recent five-year investment plan.

C. Poor planning and coordination, monitoring and control of the public sector, following the dismantling of central bodies which were assume these functions (public institutions) and the Bretton meagre invaluable It seems that they are not able to undertake these tasks, as well as the decline of the influence of planning in general Since the dedaration of openness and the tendency to allow the broadest possible for the work forces of supply and demand.

D. Confusion between the concept of public enterprise sector and the concept of the social services sector has consistently Assembly Government to consider the public sector as an institution to provide social services for citizens and a means of providing covert support manner at the production stage, and here were charged public sector units and additional costs (redundancy for example) or deprived of Possible income (Social pricing for example) as well as the devolution of most of surplus to the public treasury or to other bodies (such as Nasser Social Bank, which is no longer confined to his charity work as planned at its inception), and so on mixed economic considerations of social considerations in public sector management They became social considerations easiest way to cover up the low efficiency in public projects.

E. Integration of many public sector companies to engage in projects subject to the law of Arab and foreign capital, although opposed to areas of work of these projects with areas of the original companies, in the pretext of promoting foreign investment and culture as part of the year under the policy of encouraging openness.

And. Lack of proportionality between the rights of workers and rights management, the latter have the upper hand, at a time when the trusteeship imposed by the government on trade unions, denies workers the right to strike and collective bargaining on wages, hours and working conditions with the administration, and turned the participation of workers in the sector boards of directors of companies General to the partidation of formality.

G, loss of the public sector for the best elements of administrative experience and productive employment as a result stabilize or decrease the level of wages in the public sector while allowing private sector in launching the traditional openness, while allowing out-migration states without restrictions, but at the time it appeared clear that immigration Had caused the lack of significant events in the supply of certain types of employment

H. The absence of democracy and popular participation and control of corruption and the general atmosphere which works in which the public sector, which led to the depletion of this sector and the accumulation of problems with the veil, and she underestimated, and transforming it into an instrument of profit by some workers, some of which are connected by the private sector.

It was the beginning of the crisis the public sector and its problems and then cleared by the trend is

closely linked to political coup witnessed by Egypt from the beginning of 1971, following the death of Gamal Abdel Nasser in the Sept. 28, 1970 and took the deputy Mohamed Anwar Sadat, the state presidency, the new president of a coalition between two currents in The 00 current "new class" which consisted mainly during the revolution on July 23, 1952 technicians and bureaucracy, the military and their relatives and magmatic processes, which benefited from the liquidation of feudal and capitalist classes of new, advanced and occupied positions at the top of social peace and economic Rest wealth range gratis real effort or action , And eventually became a social group interested in dedicating distinct funds and wealth immovable 00 and a second trend reflects the Alliance Capital parasitic of brokers and speculators and agents of homes and senior foreign contractors, wholesalers and workers in import and export, smuggling and Free Zones and senior corrupt officials who are huge commissions, and rural bourgeois owners Agricultural estates large and medium-sized enterprises, and this unusual trend in any direction masturbate for social progress and socialist thought refusal under any name it as a way to communism, and condemned Abdel Nasser and years of wisdom from the standpoint of association and the Socialist Left and the Soviet Union, raising the banner of religious intolerance (OIC) in the face of all currents National and social developed.

In practice led recoilless reality Egyptian capital to the borders of feudal society and the decline in the past, the slogan was initially opened doors for private sector growth and freezing public sector in preparation for liquidated and the withdrawal of state investment and renounced development and provide basic services for citizens, the head of expectancy and encourage Arab and foreign investment In Egypt without restrictions or limits or controls, and the liquidation of all forms of collective land either in marketing or farming, and the conversion of agricultural reform to a mere reduction in the ceiling of the large estates. A 124 legally in one year in 1974 is to achieve this transformation.

The presentation of this current national cause of the loss amid Rabies that affected the frantic rush to liquidate all the obstacles way, focusing its hopes in the U.S. resolve to devote to get rid of the final at all sites progress in Egyptian society, and find an opportunity to reformulate the foundations of society blatant capitalism, but Ijahr ambition to link the West and deal The political and economic normalization with Israel.

Distinguishes this current intellectual shoals, and the low level of culture, and narrow political, social, and therefore hostile to thought and flattened, and fighting progressive national culture, revealing deep Leering of life consumer and sensual pleasures of cheap, and try imitating the feudal classes and large capital of Macedonia.

Pressure abroad:

This shift was not for domestic reasons, but perhaps the causes and external pressures has been the foundation.

We have succeeded global capitalism with the end of the second millennium and the beginning of the third millennium in the structure and shape the world within the pattern of capitalist production, and

tend to further deepen this pattern and root and achieve sovereignty and control globally, economically, politically and culturally 00, which is known as the "globalization" is the translation of common English word GLOBALIZATION.

The world has witnessed in recent decades of this century an unprecedented acceleration in scientific and technological revolution and the increasing use of genetic engineering achievements of the revolution and bring resources and increased reliance on robots and computers (PC) and sophisticated programs and information systems and communications, or custom applications of the technological revolution in the field of IT, It changed the nature of production processes and marketing operations and management, quality of manpower, and the role of national governments, the role of the organizations gallow workers and organizations and other civil work elsewhere.

The retreat of the role of the production sector in the composition of material wealth against the increasing role of capital cash and real estate and financial support to become rents, interest and equity is the direct source of essential part of that entry. In other words declining share of agriculture and industry account for the services sector, rose capitalist slogans global production and consumer market, and the need to "impose" open markets in various markets all over the world to flows of goods and capital.

To achieve this the work of international institutions have developed special financing and trade "IMF World Bank WTO" so that they can impose the rules of trade liberalization and protection of property rights and other technical and policy guidance and peer Ad credit on a global scale and to identify conditions, and there was a necessity from the point Considered the dominant capital to undermine the foundations of market economics nationalism and nationalism and the concepts of sovereignty and national interest expense of global capitalism and multinational corporations homosexual cross-nationalities.

It was a single policy at the global level and at local levels based on "dictatorial" playing the market more freedom economy and the private sector in investment and employment, growth and greater prosperity for all, and raised three basic slogans at the State level are: "State intervention to stop privatization, liberalization "At the corporate level: the rationalization and reduction of wages through miniaturization, transportation to the outside, reorganization and re-engineering.

And completed the "globalization" of capitalism offensive to subjugate the entire world divided socially and nationally, stratified to see an intellectual one and a culture of dependency by exploiting fully the achievements of the revolution in communications and information, through the hundreds of satellites that were "fuelling the dreams and aspirations of people in all continents, and broadcast on all of humanity The same for modernization and globalization "and receive inhabitants of planet Earth across more than one billion television sets and one common dream, a dream shared for more than 6 billion human beings, and controlled a single State is the United States of America for 65% of the global media article.

No different situations in the Arab world and regional arena lot, but perhaps more bleaker picture. We



have finished testing all of the Arab national development to the failure of both experiments led by the national liberation regimes in Egypt, Syria, Iraq and Algeria, regulations or testing oil in the Gulf, testing or traditional systems in Tunisia and Morocco, have been most Arab countries ultimately programmes: stabilization and structural adjustment "Stipulated by both the IMF and World Bank, which are two international financial institutions under the United States, and an essential part of capitalist globalization tools, as 13 Arab countries joined the convention" GATT".

The scientific report was submitted to the Tenth Conference of the International Federation of Arab Trade Unions held in Damascus that the stabilization and structural adjustment programmes based on the concept of cash and not developmentally in addressing the problems and difficulties faced by developing economies, which focuses on the side of the balance of payment deficit and external debt. And are intended to stabilize the financial situation of the State concerned and strengthen its capabilities to meet their obligations through conditioning expenditure items and resources and their economic policies in general and subject to external oversight and supervision. This did not come Albarbamj remedy for development problems experienced by developing countries, but came to solve the problem of the international monetary system and the global capitalist system in general. "

The study reveals by the "ALO" These programs have led to increased poverty and broaden the base of the disadvantaged 00 and 00 to increase the rate of unemployment and rampant corruption in the ruling classes and projects unnecessary or economically feasible and cost more than the global costs significantly. It also contributed to an atmosphere of corruption and lack of economic and social stability in the smuggling and increase the flight of capital abroad, and thus shattered the national wealth and energies of society, and turned loans and aid to reduce imports and have these policies in addition to a variety of external factors which can be summarized in the unequal exchange in the interest of capitalist centres The dominance of developed intercontinental national companies and multinational monopoly, to increase the looting of wealth and history of developing nations.

For Mmsr role of international financial institutions, particularly the International Monetary Fund and the International Bank for Reconstruction and Development, USAID, 00 does not require a manual.

In the letter of intent submitted by the Egyptian government on April 9, 1991 and entitled "Memorandum on the economic policy of the Egyptian government" and falls in 37 pages in English, which was on the basis of the first agreement signed between the Egyptian government and the IMF in May 1991 to implement the Fund's prescription in Egypt, pledged From the government to sell public sector.

During the talks between the government and the International Monetary Fund and World Bank in 1992 during both the Prime Minister Dr. Atef Sedki, and Minister of State for Administrative Development "d. Atef Ebeid," and artistic director of the office of the business sector "Fuad Abdul Wahab" Central Bank Governor "d. Salah Hamed" clear pledges to sell 300 company-owned public enterprise sector until 96 / 1997.

And make sure this pledge in a letter of intent submitted to the Fund in July 1993 and signed on the basis of agreement between the Egyptian government and the IMF in September of that same year.

1. The Government was committed to then submit semi-annual reports to the World Bank include:

Progress in sales.

A copy of the documents of sale and prices and evaluation processes initiated by the homes of Egyptian and foreign expertise. The USAID provided 60 million dollars to finance the work of evaluation and training of public sector holding companies in the methods of privatization and sale and \$ 30 million for the revitalization and development of mechanization and the Stock Exchange and the Egyptian Capital Market to accommodate SHARES public sector companies to be sold and 15 million dollars to change laws and legislation to allow foreigners to own the assets of public sector The Egyptian real estate and land and securities investment, he added.

2. The companies for sale before both those already announced by the Government, which had been pledged or sold to international financial institutions and already begun evaluating include heavy industry companies such as the yard, iron and steel and aluminium complex and so, which represents a new precedent in Egypt, project hypermarket 5 Thousands of acres and includes the vicinity of industrial activity includes a full treatment, recreation and subsistence, 12 schools and institutes. At the heart of the compound largest aluminium factory for the masses in the Middle East hit its profits in 1995, (353) million, and exports 700 million pounds, an assembly self-financing capacity of 900 million pounds for the creation of new units galvanized.

3. The process of evaluation and selling in the absence of transparency and accountability to the homes of foreign expertise of the foundation, such as "adjustment" of America, and after a U.S. know "Arthur Andersen" led to the sale of companies, less than its true value, such as Pepsi-Cola Company and the "commercial boilers and receptacles Pressure" which sold at \$ 17 million dollars to the company" Bacon Andorel koti International "by negotiation" about 51 million pounds, the company owns 31 acres Mine l Shiha area along the Nile directly operated stores and wards only 9 acres and the rest of the land price metre space where about 3 thousand Pounds, which means that the value of land alone more than 400 million pounds, as well as stocks of raw materials and spare parts, production and explicitly presses and equipment, machinery and plants inspections over \$ 100 million pounds.

4. And made a promise to sell major public sector banks, "Egypt's Al-Ahli Alexandria," The publication of the first formal news from this sale in August 1993 of Al-Ahram confirmed that the government and the World Bank to privatize public banks and insurance companies, although officials thus no documents Official confirmed this sale, and that it will be until 1997 the sale of one of the four major banks, at least after the completion of the sale of joint banks, the government pledged in the letter of intent

(September 1993) that banks, insurance companies and insurance and pensions funds will be for sale within the third phase of Stages of privatization.

In a letter from "d. Makram Maurice" God on Sept. 3 clear commitment to the commencement of the sale of one of the four publicsector banks before 1995.

And those who do not know the deposits were in these four banks after excluding the Central Bank of 130 billion pounds in June 1993 represent the most deposits of the banking system (98 banks), and most of these deposits come from the domestic sector, government and the public sector, it is among 59 billion Egyptian currency was Domestic sectors and the government 51 billion pounds, and the family sector deposited 63% of the deposits in foreign currency business, followed by 15% and provided facilities for these banks to various sectors amounted to about 98 billion pounds. The trend for 80% of the activity of these four banks reflects the confidence of citizens in public sector banks. These banks have achieved four in the 94/95 budget surpluses of \$ 239 million pounds and total transaction volume of 122 billion pounds, and will pass this surplus and deposits and this enormous volume of transactions to foreigners who will buy these banks.

5. It also announced the sale of the assets of the movie industry (studios and theaters). It is one of the major industries in Egypt, which took second position after the textile industry before the industrial revolution in the revolution on July 23, and former Prime Minister Dr. Atef Sedki, has denied in an official statement he made on April 2, 1994 no intention of selling the assets assumed Egyptian, and said, "The state is keen to be of Egyptian cinema stronger both internally and externally, and the state will not sell the assets of cinema." But the will of the international financial institutions and the United States is the top.

The sale of the assets of the Egyptian cinema is not just the sale of productive assets task, but the sale of conscience and mind and spirit of the Egyptian people and Arab peoples, O (and television) rights of the most dangerous tools, and not a coincidence that France and Europe insisted on talks before the GATT and WTO exception Cinema and Television of freedom Trade and rejected all American pressures, it has significant limitations, the Egyptian cinema has no competitor market up to 200 million Arab viewers, and the same or more potential market in Islamic countries, and the movie industry and writers in Egypt, according to the GATT agreements of the few industries are allowed to support the Government as the Rate in world trade is less than 2%.

Yet the government does not hesitate to surrender for foreigners to give them a golden opportunity to redraft the heart and spirit of the people according to the values and interests of these companies, such as Zionism and December, Universal America, which seek for more than twenty years to capture the movie industry.

6. We come to real catastrophe which the government was keen to hide, and I mean the undertaking by the Government since April 1993 talks with the World Bank, and then in agreement with the Fund in the same year, the study of a plan to gradually enter the private sector to purchase the service of economic

bodies such as railways (state-owned Since its inception under British occupation), mail and public transport companies and road transport, public utilities such as electricity, water and sanitation services, transport and air freight (EgyptAir) and the Suez Canal Authority.

Although the government denied the catastrophe to come if the existing policies under the name of economic reform policy.

There are clear indications of that comes Mptadh which has announced Fouad Abdel Wahab Head of the technical office for business in May 1993 that "the delay in presenting the strategic projects for sale, and from the Suez Canal and EgyptAir result of the lack of accountability of law 203 private sector business."

He said. Hisham Ahmed Jabr Economic Adviser to the Prime Minister in November last year (1995) that the government has already prepared studies for the sale of public service and economic sectors, namely the huge sectors of oil and Suez Canal Authority, insurance companies, EgyptAir, in addition to the giant strategic sectors, namely electricity and the bodies of railways and Transportation Authority Telecommunications and the four national banks, but not before the end of this century.

This echoed the same words again Fuad Abdul Wahab in a seminar on "Privatization and Capital Market" organized by the Capital Market Authority and the Friedrich Naumann Foundation, has launched the Government d. Kamal Ganzouri busy launching the privatization of electricity companies.

The privatization policy and exposed the sale and liquidation of the public sector to resistance from political parties and forces and some trade unions that the presence of the left, particularly from the Progressive Party National Assembly who stood firmly against the sale, and defended the public sector and presented a programme of reform and addressing the mistakes and shortcomings, and some major companies trade with industrial presence Left Socialist Party strongly on the boards of management of Egypt's iron and steel and textile Egypt's Helwan and the victory of the cars, and a number of economists seriousness, even from other members of the left.

This resistance has succeeded in preventing major industrial companies selling iron and steel, aluminium and so complex, as well as major economic institutions, which the government pledged in April 1993 sold, and confirmed in November 1995, such as railway facility, the Suez Canal, EgyptAir and the telecommunications and insurance companies.

It also succeeded in postponing the sale of public sector banks, despite the Government's pledge in September 3, 1995 to sell them before 1995.

But the sale and privatization have continued despite the government had to slow down before the internal opposition and non-Iqbal domestic capital to buy the companies offered for sale due to the weakness and lack of capital needed to buy them, and the hesitation of Arab capital and foreign companies to buy public sector to take the privatization process of political opposition, labour and political instability The economist in Egypt.

Commas government bias of the private sector, according to the data bank Egyptian private sector obtained 76% of the domestic credit happened while the public sector and public enterprise sector to sector and 12% to 12% Aleli in 2003 and rose liabilities of the private sector from 9 R. 87 billion pounds in 1997 to 6 R. 178 billion pounds in 2001 and then rose again to 3 R. 214 billion pounds in 2003, and increased the importance of the liabilities of the private sector to the rest of the sectors from 63% in 1997 to 75% in 2001, granting banking system credit facilities fully covered in 2000 amounted to 1 t 13 billion T 2 pounds, including 3 billion pounds of private sector represents 4 t 24% of documentary credits covered, while the public sector got 3 R. 1 billion pounds, which represents 9 R. only 9% of appropriations. The volume of bad debts amounted to 9 R. 23 billion pounds in 1999 and uncollected interest amounted to 20 billion pounds, about 77% of which is due to the private sector, not the main source for financing private sector investments are, but bank credit, and the private sector obtained 53% of its loans without collateral Eyes, and got a number of clients (private sector) to the larger proportion of loans obtained 00 to 20 investor 2 R. 14 billion pounds, an average of 712 million pounds each customer, and got eight customers at 4 t 12 billion pounds, an average of 5 t 1 billion pounds each customer.

D attacked. Mahmoud Mohieddin and Minister of public sector investment, saying that Egypt is the only country which has its (the strange wonders of the world: public ownership of production tools and pyramids)!! .

The experts explain the reasons for accelerated privatization in the current period, due to three reasons are:

Convince international financial institutions and USAID seriousness in implementing the privatization program after it suffered the Egyptian government for severe criticism from the U.S. administration and those institutions which accused slowdown in implementation during the previous years.

Convince the U.S. administration to start negotiations establishment of a free trade zone between Egypt and Latin American side asked for the administration of President Mubarak, a series of measures and legislation for "the liberation of the Egyptian economy," primarily the sale of public sector companies, institutions and economic bodies.

The use of sales revenue in providing resources for the state treasury and reduce the public budget deficit to between 5 t 6% and 7% of GDP.

As noted previously been the policy of privatization and government rush to sell everything in order to privatize the banking sector and Malika for foreigners and trying to privatize health insurance, to strong criticism from professors economy and impartial experts to the private sector and capital market.

Dr. Hazem El-Beblawi, economy professor and chairman of the Export Development Bank of Egypt, former!! I am a supporter of a market economy, I was not Remove one of the strongest proponents of this economic sector since 00 nearly three decades and I invite to a market economy in 00 different

platforms, "then add" Les Sahsa always Special Administrative always better than public administration and there are examples Many of that. England, for example, have moved to privatize railways, and the result was the retreat efficient service, while this is still the railway run by French public sector and management in France is characterized not only by higher performance, but it is considered a model of economic efficiency level and to the European 0 By the foregoing, it is agreed that when it comes to public goods and services still play the major role of the State. In the view of some States that there are areas of strategic and sensitive Sometimes called the ruling COMMANDING HEIGHTS elevations that are difficult to alienate and left entirely to the private sector, or abandon them for non-citizens. "

The German experience in privatization after German unification after the fall of the East German lessons very important "because it has permeated the privatization sale of most public sector enterprises at low prices based on the buyer's commitment to update and maintain the majority of places where work, but most new owners have not honoured their commitments for several reasons Including weak feasibility and gaps intervening sales contracts and circumvent the laws and regulations and 00 were results of the conversion of some two million workers and employees in the eastern German states to the unemployed, the unemployment rate there has become more acute after fifteen years since the unification in 1990, reaching the Some areas to 20% and that a large proportion of young people abandoned eastern states in search of a livelihood in the U.S. West and across the world. And so went the promise of "Helmut Kohl" for the East Germans prosperous country within ten years in vain. "

Despite all these lessons and realities dominated government in Egypt and the Gaza adventurer and parasite businessmen and some economics professors and journalists associated with the privatization authority and ministers and businessmen control the situation could be called "Bobby privatization" and now 00 now and not tomorrow.

D said. Mahmoud Mohieddin correspondent for the Middle East News Agency in Washington during the visit of the minister of the United States in 2005 "There are 170 public sector company staying put them in the current fiscal year July 2005 June 2006 47 companies in addition to about 45 companies with capital of the share sale will be shared 00 where public money as well as a stake in pharmaceutical company to manufacture aluminium company and the third for housing in Cairo. "

The companies offered for sale, ranging from land, hotels, cement factories and companies run consumer and textile companies and domestic trade companies, timber, rubber and television, leading to banks, insurance companies and transport, railways, EgyptAir, and the Suez Canal, which was nationalizations in 1956 in the cause of the tripartite aggression of the French-British-Israeli Egypt.

The decision to sell banks and insurance companies most serious of these decisions, as the "financial capital" as called Alaguetstadeun, through privatization in 2005 were worth 80% of the banks shared between the public sector and the public sector and turned into a fully private banks, was privatized in 2006 through The remainings shares of public money in banks, Egypt and Iran Delta, banks and the sale of Port Said, Egypt, Misr International Bank of America, Romania and the Suez Canal.

In October 2006 the government embarked on the sale of the first bank from the four public sector banks major "Ahli of Egypt Cairo-Alexandria", a Bank of Alexandria have been sold 0 Bank of loss and cheaply, and the sale of negative effects on the Egyptian economy. The Government spent about 12 billion pounds on restructuring the bank during the three years preceding the sale, were represented in the government to pay 9 R. 6 billion pounds debt of public enterprisesector companies to the bank, the bank would spend about 4 billion of revenues and annual profits to support the allocations, spending about one billion pounds On early retirement of workers, and the rest of the presentation, marketing, training and rehabilitation of existing employment Bank, did not exceed the proceeds from the sale of the bank for 80% of its capital to a strategic investor and a single bank is "Sao Paulo" Italian t\$ 6 to \$ 1 billion equivalent of about 2 t 9 billion pounds only, is among the Italian bank will thus be reduced, what the buyer paid about 3 billion pounds spent on the three years prior to the bank's money taxpayers and depositors "other than assets owned by the bank's assets are real estate and land tracts in the most expensive residential areas in Cairo and Alexandria and other governorates." The deposits at the Bank of Alexandria sale of \$ 30 billion.

On July 9, 2007 Council of Ministers took the decision to sell Banque du Caire (80% to an anchor investor "foreign necessarily" and retain employees in the bank by 5% of the capital, put 15% for public subscription on the Stock Exchange). The failed sale of Banque du Caire and so far the government had to be postponed for an indefinite period. The main reason is the broad-based opposition to the sale and depositors to withdraw deposits in the bank.

The four major insurance companies owned by the public sector is "Misr Insurance Insurance Insurance Middle Egyptian Reinsurance" was scheduled to privatize them in the middle in 2005 but was postponed sale "because the process of restructuring and privatization of public insurance companies need a period ranging between 18 Chara to 24 "according to the Minister for Privatization d. Mahmoud Mohieddin.

He headed the privatization train next to the services sector is extremely vital sector health insurance. Health insurance has begun in Egypt since in 1964 in the profound social changes that began in 1961, currently covers 36 million and 929 thousand beneficiaries by 53% of the total population, owns 41 hospitals and hundreds of clinics. International pressure has begun to privatize treatment and health insurance in Egypt in the eighties, under the pretext of "the need to recover the full cost of treatment of citizens" through the so-called economic treatment, and then the establishment of the so-called treatment in hotel and resort doctors consultants to conduct operations in government hospitals for their clients hesitant to them In private clinics with their wages in the clinic. In in 1997 provided by donors (World Bank, USAID, the European group), together with the Danish aid "Danida" The ADB and the Social Fund for Development projects Aljcumh fails to provide health services to what they termed essential services, then called in 1992 since the halt of health insurance for Providing service therapeutic and privatize it, and they returned together with a multinational company engaged in the brokering company "McKenzie" emphasizes the need for privatization of hospitals, health insurance. The Government responded and took the first step in the March 21, 2007 the establishment of the company "the Egyptian Holding Company for health care" and transfer all assets of hospitals and clinics for the

General Authority for health insurance to the ownership of the holding company and affiliates have, on the Holding Company and its legal personality and one of the persons of private law and it applies All provisions of the Companies Act and contributing recommendation stockbroking firms and companies with limited liability and the Capital Market Law. "The decree on the separation of administration and finance for service as a prelude to privatization of health insurance!.

Did not stand the working class and the political parties and forces the Democratic Progressive silent in the face of the policies of privatization and sale of public sector and governance policies to shift to capitalism and abandon the state from any role in the development and investment and providing basic services.

We have witnessed in 2006 more than 43 labour and 32 Protest strike action and 14 peaceful demonstration, also witnessed the second half in 2005 from more than 93 labour protest crowds and 40 of whom 22 would go on working and 20 sit-and 11 manifestations, and saw the first half of last year, 386 were distributed among the protest Between 100 and 109 sit-strike action and 33 demonstration, 126 crowd.

True that these protests have not lifted all slogans against privatization and sale of the public sector but all dealt with the consequences of these policies, such as low salaries and lack of exchange profits and incentives, temporary employment and demanding the installation, poor and the oppression of employers in the transport procedures and unfair dismissal and denial of promotions, and the distinction between Workers, administrators and medical problems Fletcher, and liquidation of companies or closed, and non-settlement of insurance cases, the write-off workers from the Insurance Authority, the administration refused to set up committees to union workers, and the transfer of factories to places incomplete facilities, and the conversion of permanent employment to temporary etc. 00.

He opposes the privatization policy, the party general assembly Alouhdodi National Progressive Party and the Nasserite Arab Democratic Party and the Communist Egyptian and Egyptian Left in general.

Regarding the sale of banks opposed the Nasserite party, assembly and sale of public sector banks, while the Wafd Party opposed the sale of Banque du Caire to throw a foreign investor asked for public subscription for Egyptians.

As for the privatization of health insurance parties opposed the assembly, Al-Wafd and Nasserite such privatization and formed a broad front stretching from the number of older doctors who believe the letter of humanitarian medical profession, emerged them particularly d. Abdul Munim al-Obeid member of the Health Committee of National Specialized Councils, Dr.. Mohammed Hassan Khalil consultant heart and Chief Heart Hospital Nasr City health insurance, Dr.. Hassan Abdel Fattah, head of the health insurance before. Dr.. Hamza Basioni one of the most prominent doctors Alexandria defenders on health insurance, through the working class had called for suspending the decision of the Prime Minister and offer health insurance bill prepared by the new government to trade unions, at a conference held on 2



and June 3, 2007 the university unions and attended by representatives of trade unions of public factories Military and administrative services, health services, chemicals, communications, news, timber and shipping, road transport, public utilities, banks, agricultural workers and workers trade and quarrying, tourism, hotels, textiles, newspapers waged by parents, the Egyptian delegation and today, the Constitution and the voice of the battle in defense of the nation's health insurance.

The battle is still defending the public sector and stop the privatization will continue until today.