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ISLAM AND LABOR LAW: SOME PRECEPTS AND EXAMPLES

Karen Pfeifer*

INTRODUCTION

Labor law officially defines relationships between employers and employees and the formal constraints under which each group operates, such as how much leeway managers have in hiring and firing employees, and how much freedom workers have to organize collectively. These relations are at the core of the productive processes that sustain society. Further, through the presence or absence of specific codes regulating the employment of women and children, labor legislation provides clues to the economic underpinnings of gender and family relations within a country. In reality, the codes may not be fully enforced, or may be enforced selectively by sector or firm size. By the same token, certain unmodified "laws" may operate in practice. However, the formal legislation serves as an indication of the image a government seeks to project to its own citizens and to the international community.

This paper explores the range of ways in which Islamists define the capital-labor relationship, how those interpretations have influenced the prevailing labor legislation in countries ruled by explicitly “Islamic” regimes, and what influence Islamist movements might have on labor law in predominantly Muslim countries where secular governments now rule.

ISLAMIC PRECEPTS ABOUT LABOR RELATIONS

Most writing on Islamic doctrine pertaining to labor relations has been generated by adherents of "Islamic economics," in the belief that Islam constitutes a "third path" between capitalism and socialism (Pfeifer 1997; Behdad 1992: 77). By organizing society according to Islamic precepts of fairness and justice, they argue, Islamic economics will avoid the degradation and exploitation of workers, and the vast gaps in wealth, that they associate with capitalism, as well as the denial of individual talent and creativity that they ascribe to the communist countries (Mannan 1986:80-88).

Beyond this general premise, there are considerable differences among "Islamic economists" in their policy prescriptions. In part, this stems from the fact that the texts used to derive their

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interpretations date from the seventh century and cannot directly address the complex labor issues that arise from contemporary productive processes. In interpreting these texts for the present day, moreover, Islamic economists evidence the same broad range of political points of view, from right to left, and theoretical disagreements, from neoclassical to historical materialist, familiar to western economics regarding property rights, market-based relations, and the capital/labor relationship (Behdad 1994). They contend among themselves over what constitutes an Islamic view of work, how it confers rights and imposes obligations on employers and employees, and on the role of the state in managing these relationships.

Islamic Views of Work

Anticipating "the Protestant work ethic," Muslims can trace the association between labor and godliness to their own scriptures from several centuries before the Protestant Reformation. In these texts, the sanctity of labor is derived from the belief that all of the earth is God's property, entrusted to mankind to be used for the prosperity and enjoyment of human society (Said 1972:61). God endowed humanity with creativity in order to extract the fruits of the earth, and, although labor is not one of the five pillars of Islam, work is a duty of all able-bodied citizens and an expression of obedience to God (Abd al-Salam 1992/93: 25-26; Al-Faruqi 1980: 79-80). Sloth is frowned upon, and, while Muslims are enjoined to give charity to the poor, Islam discourages begging by those who are able to work (Cummings *et al.* 1980: 42, 229; Said 1972: 64). Furthermore, those capable of working are instructed to seek employment at a distance if none is available locally (Said 1972: 101).

In contrast to the Protestant work ethic, however, which regards work as a religious duty and promotes laborers who "work with the interest of over-satisfying their daily needs for moral, material, and social reasons," Islam encourages moderation in working because it is a mundane concern rather than a spiritual enterprise. It may even be that the Islamic texts meant to ascribe holiness to "*amal*" as good deeds, not "*amal*" as literal work (Bayat 1991: 6, 18-22).

Islam expects employers and employees to treat each other with respect. While capitalism denigrates workers as lacking in intellect and/or initiative, Islam holds that mistreatment of employees will be judged harshly by God, as reflected in the saying of the Prophet (*hadith*), "The owners who mete out evil treatment toward their servants shall find the gateway to Paradise shut in their faces" (Moore and Delener, 1986: 75; Shabon, 1981: 274). By the same token, employers are not viewed as less productive than, or morally inferior to, workers. Marxism portrays employers as owners of capital who exploit labor while performing no productive work of their own, but Islamist thinkers see employers as managers who contribute special organizational and intellectual skills (Al-Faruqi 1980: 79-81; Yusuf 1988: 74-5; Moore and Delener 1986: 75).

Employers' and Employees' Rights and Responsibilities

Once hired, workers are expected to perform their jobs faithfully and honestly, without stealing from their employers or damaging their property, because *tatfif*, or shirking, as well as theft are moral transgressions. Furthermore, faithful performance will benefit not only their employers, but also society as a whole (Said 1972: 58-61, Mannan 1986:88-91; Afzal-ur-Rahman, 1990:150-1, 168).

In exchange for workers' diligent labor, Islam imposes obligations on their employers. It prohibits them from forcing their employees to undertake labor against their will, or punishing the workers for equipment damages that are not their fault. Employers may not overtax their employees by extending the working day or requiring labor that exhausts the worker. Workers are entitled to periods of rest during the day, on the weekly Sabbath, and on vacation. Working conditions should be safe from accidents and should not damage the employee's health (Abd al-Salam 1992/93: 32; Mannan 1986: 89; Chapra 1979: 17; Moore and Delener 1986:75-6; Afzal-ur-Rahman 1990:151; Aziz 1992:54; Said 1972: 100-102). Some scholars go further, finding in the Shari'a an obligation for employers to provide their workers with housing, medical facilities, transportation, education, and meals (Said 1972, 85), or to sell them the products of their labor at subsidized prices (M. A. Khan, 1983:108). Some consider vocational education to be an employer's obligation, because it enhances the individual's productivity and society's productive capacity overall, and because it connotes a form of respect to the laborer from the employer (Chapra 1992: 253; Aziz 1992: 48-49).

The Islamic texts prohibit the economic exploitation of workers, as Muhammad said that the employer who fails to pay workers their due shall meet the displeasure of God (Chapra 1979: 17; Abd al-Salam, 1992/93: 33). However, most Islamic economists reject, implicitly or explicitly, the notion that exploitation is inherent in capitalist labor relations. If the employers pay workers a "just" or "fair" wage, set by mutual agreement through written or oral contract before the work is undertaken, there is no exploitation. It is ambiguous, however, whether a fair wage is equivalent to the average product of labor (Choudhury 1989: 8) or the equilibrium wage that results when demand equals supply, that is the value of the marginal product of labor (Aziz 1992: 51-52; Abd al-Salam 1992/93: 33), or a legally specified price floor.

Yusuf argues that it is the private ownership of natural resources by some which compels others to undersell their labor. Given that the earth's resources belong only to God, all agricultural land, pasture, standing timber, and mineral deposits should be public property, and all individuals would earn a "just wage" if they were able to live from their own labor. A person would agree to be employed by someone else only if the wage offered were greater than what he could earn from his own labor using free resources. The state would not have to impose a minimum wage so long as it ensures equal access to productive resources, and employers would not have to be concerned about the subsistence or comfort of their employees (Yusuf 1988: 74-79).

There is a clear basis in Islam for the promotion of profit sharing. Its roots lie in the ancient system of *mudaraba*, in which one individual supplies the financing for a venture, while the other performs the work, dividing the profits according to prior agreement. Muhammad himself is said to have participated in such arrangements. Islamic economists disagree, however, on how widespread these profit sharing systems should be and on the method of dividing profits. At a minimum, any division of proceeds between owners and workers, even if unequal, would qualify as *mudaraba* (Afzal-ur-Rahman 1990: 230-33). Or perhaps profits should be divided equally between owners and employees (Said 1972:68). At a maximum, every firm would be required to share profits, distributing part to workers as a cash supplement to wages, and part to finance workers' necessities such as housing, daycare, and medical expenses (Chapra 1992: 254-55). . Indeed, the modern day equivalent of *mudaraba* might be the cash distribution of profits or

employee stock ownership plans, perhaps combined with worker representation in management decision making (Choudhury 1989: 321-24; Aziz 1992: 52-53).

There is no explicit prohibition on the employment of females. On the one hand, Aziz argues, the Quran specifically enjoins employers to hire the person best suited for the job, eschewing discrimination based on gender, race, religion, or national origin. On the other hand, he suggests, women should dress modestly and men should lower their gaze when approaching women (Aziz 1992:50-51). Furthermore, a woman should obtain permission from her husband or other male guardian to work, and, Abd al-Salam maintains, Islam proscribes the intermingling of male and female employees and prohibits women from working at night (Abd al-Salam, 1992/93: 41).

The Role of the State

In Islamic economic theory, the government is charged at minimum with enforcing the rights and responsibilities of employees and employers, however defined. There is debate, though, around whether the state has additional obligations to workers and whether government should regulate collective action by employees.

For example, some scholars suggest that workers may be unable on their own to negotiate a "fair" wage. Employers might voluntarily raise wages in accordance with workers' experience, the cost of living, and the company's profits, through contractual negotiations based on religious precepts (Abd al-Salam 1992/93:35). Acknowledging that labor market forces might depress wages below subsistence level, both Mannan and Abd al-Salam support government intervention to elevate them, and Chapra and Said explicitly endorse minimum wage laws (Abd al-Salam 1992/93: 31, 42-43; Chapra 1979:17; Said 1972:98,109).

According to Khan, the first four caliphs believed it to be incumbent upon the state to provide a minimum standard of living, including food, clothing, and shelter, for all citizens. By the same principle, a contemporary government must provide medical care and education as well, in essence, the modern welfare state (M. A. Khan 1983:108). Likewise, Abd al-Salam holds that "the Islamic society is responsible for filling the gaps between workers' wages and the [costs of the] necessities of life" (Abd al-Salam, 1992/93:35) and this was also the position of the Muslim Brotherhood in pre-1952 Egypt (Beinin and Lockman 1987:377).

The proponents of minimum wage laws generally call for additional forms of government intervention as well. If an individual's duty is to be productive, then it is up to the state to find employment for those unable to do so on their own, or provide them with unemployment benefits and/or vocational training (Abd al-Salam, 1992/93: 23-27; Chapra, 1979:1,12, 18; Said, 1972:75, 103; Aziz, 1992:49-52 52). Al-Faruqi argues further that Islam's emphasis on production obligates the state to ensure that all necessary work be done. This entails planning, including assigning people in their adolescence to different career tracks, and training them properly for the functions they will ultimately fulfill. As individuals have different talents, an Islamic society should seek to channel individuals into the careers for which they are best suited. Ideally, the faithful would do this willingly, but "the state is empowered to coerce its citizens to undertake the jobs which are necessary for its welfare, just as it is entitled to conscript them into the military for its defense" (Al-Faruqi 1980: 83).

The Shari'a seems to specify that employment be undertaken by contract, with a wage agreed upon in advance, assuming a situation where an individual worker negotiates with a lone employer, typical of the master/servant relations of ancient times. The rub is in translating such precepts into the modern day, where hundreds, sometimes thousands, of workers can perform similar jobs in the same establishment. Perhaps the logical extension of such precepts is to endorse labor unions and collective bargaining. Although some countries claiming to apply the Shari'a, such as Saudi Arabia, outlawed trade unions, the works reviewed here present no textual basis for this prohibition. Muhammad Akram Khan implicitly assumes unions' existence, and both Mannan and Abd al-Salam specify that there is no Islamic injunction against them. Said concurs that Islam does not explicitly prohibit either strikes or lockouts, but argues that, whether initiated by employers or workers, work stoppages impede production and thereby harm society (M. A. Khan 1983:passim; Mannan 1986:92-94; Abd al-Salam 1992/93:32; Said 1972:106-9).

More generally, clashes between workers and employers are viewed as injurious to the fabric of society, so both parties are expected to strive for amicable relationships and, in upholding Islamic principles, to minimize industrial conflict. This belief led the Muslim Brotherhood in pre-1952 Egypt to actively discourage labor militancy (Beinin and Lockman 1987:383-384). Where disputes do arise, adherents of this position expect the state to resolve them fairly (Shabon 1981: 275-276). Thus, Mannan maintains that in an Islamic world workers would have no need of or desire for unions (Mannan 1986: 94).

This review of Islamic precepts indicates that there is no uniquely "Islamic" system of labor/state and labor/business relations. Islam clearly promotes the idea that workers be treated "fairly," but the concepts of fairness and justice are so vague, and the modern work environment so different from what was prevalent in Muhammad's time, that there is room for a wide range of diverse and sometimes contradictory interpretations of how the basic texts of Islamic jurisprudence apply to contemporary society. The range is so wide that either a minimalist state or one that intervenes extensively in labor markets can be construed equally well as "Islamic."

ISLAMIC REGIMES AND LABOR LAW

Saudi Arabia, Pakistan, and the Islamic Republic of Iran provide three examples of predominantly Muslim states that claim to be organized on Islamic legal principles. They share a worldview that conceives of society as one giant enterprise in which the state, business and labor cooperate harmoniously to produce the national product, to reproduce the citizenry, and to maintain and enhance social well-being. As in other contemporary "welfare states" at the turn of the twenty-first century, the arrangement often entails programs such as public education that benefit labor and other parts of the citizenry and comprise a kind of "social contract" or "moral economy."

While labor is usually a junior partner, not privy to decision making by the powerful, the state provides these functions not simply to serve capital in an instrumental way (capital using the state to promote its own narrow interests), but rather to promote and protect the system as an integrated structure. In contrast to a developed capitalist economy in which capital can usually control labor through production technologies and labor market mechanisms in order to achieve

this, the government in a developing state may have to perform two seemingly contradictory tasks. On the one hand, the state presumes to regulate labor on capital's behalf with a labor code it can enforce through its judicial and policing functions. On the other hand, the state claims to provide protections for workers from the worst vagaries of the labor market, protections like unemployment compensation and social security insurance. These institutions serve to promote social and political quiescence in the short run and to ensure the reproduction of the workforce, and thereby the economy and society, over the long run.

Islamism does not present any specific or consistent agenda for labor policy. Saudi Arabia, Pakistan and Iran illustrate that an Islamic state can use labor law to tightly restrict the rights of workers to organize their own unions and to exercise forms of protest like the strike. However, Islamism is not synonymous with either etatist economic policies or authoritarian controls on societal groups. There have been periods when Islamism has been associated with more democratic or labor-friendly policies, namely Saudi Arabia in the decade after King Faisal came to power, Pakistan in the years immediately following independence and the first few years under Zulfikar Ali Bhutto, and Iran during and immediately after the 1979 revolution. These periods provided broader scope for workers to openly and successfully exercise their organizing and bargaining rights. In general, workers cannot predict whether Islamism will deliver them from their prior oppressors or impose a different oppression.

Similarly, in other countries of the Persian Gulf and Arabian Peninsula, labor organizations and strikes were generally illegal in the late twentieth century. Even where unions were technically legal, namely Kuwait and Yemen (before and after unification), the unions were closely controlled and often suppressed by the government, and strike activity was tightly regulated or even prohibited (Shabon 1981). This did not prevent workers from organizing and even striking illegally, often over political as well as economic issues, but such activity usually called down a harsh and repressive governmental response. In the early twenty-first century, however, as we will see below, pressures for change, and perhaps some actual changes, seemed to be underway.

The Case of Saudi Arabia

In Saudi Arabia, the Hanbali interpretation of the Shari'a is the law of the land, supplemented in the twentieth century by a growing body of legally binding royal decrees to handle those areas of modern life not covered by the Shari'a. The Hanbali school of Islamic thought is relatively laissez-faire in economic policy, allowing wide latitude to private business. However, in Saudi Arabia it was tempered with a paternalistic expectation regarding the government's responsibility toward its citizens' welfare, *maslaha* (Nomani and Rahnema 1994: 150). It assumes that an Islamic economic system is "based on a one-class society rejecting any kind of class struggle or class distinction," where the government is charged with responsibility for warding off class conflict (Shabon 1981: 273-76; Moore and Delener 1986: 76).

In reality, class conflict surfaced quickly in this "classless" society as it was steered by a consortium of international oil firms from a pastoral, agrarian and trading economy toward contemporary capitalism. The first of a long series of oil-worker strikes took place in 1935. Soon after, the government instituted mechanisms for managing industrial and class relations, and the first formal law governing compensation of workers in the technical (oil-related) sector was

decreed in 1937. After many more strikes, the government outlawed both strikes and unions in 1956.

The Saudi Islamic conception of the classless society shapes social relationships between employers and employees and also affects family life directly and indirectly. Religious injunctions about work, the worker's relation to God, and the employer's obligations to the employee are frequently intoned in everyday work life (Moore and Delener 1986: 75-79). Shaw quotes Saudi labor regulations as enjoining "the employer to 'treat his workmen with due respect and refrain from any work or deed that may affect their dignity or religion'" (Shaw 1986: 98). More concretely, in Saudi Arabia it is common for employers to provide non-mandatory benefits to employees, such as payment of bonuses just before the major Islamic holidays, cash loans to workers for a wedding or other special event, and shortened workdays during the month of Ramadan (Shabon 1981: 71).

King Faisal, the oil-cartel-backed "rational reformer," decreed a full-fledged labor code dealing with contemporary capital/labor issues in 1969. The code provided for such modern features as formal labor contracts, paid vacations, regulation of working hours and overtime, safety standards and medical treatment on the job (Shabon 1981: 68; Nomani and Rahnema 1994: 142-43,151). The code made it legal for women to work, and mandated accommodations for pregnant and breastfeeding women, including medical care, maternity leave, shortened hours of work and time off from work to feed the child during the day. However the same code restricted the hours that women could work, segregated them from men on the job, and ruled them out of some occupations entirely (Council of Ministers 1970: 35-37, Shabon 1981: 74).

The legacy of this Islamic regime for women's participation in society is mixed. Saudi women's educational status improved significantly over subsequent years, with an adult literacy rate of 68.2% in 2001 (77.1% for all adults), and an enrollment rate of 57% in the three levels of school combined (58% for the whole of the eligible population). Women's employment also rose to an index of 145 in 2001 from a base of 100 in 1990. However, that absolute 1990 employment base was very small by world standards, so that, even with the seemingly large leap, the female labor force participation rate was just 21.6% in 2001, equivalent to 28% of the male rate, significantly below Pakistan, Iran, and most other predominantly Muslim countries (UNDP 2003).

At the same time that the labor code was promulgated in 1969, the regime expanded the welfare state and created a social insurance system for its citizens. The high volume of oil revenues in the 1970s and early 1980s provided the largesse with which to fund these benefits, among the most generous of such programs in the Arab World. It was expected to play an important part in further averting labor conflict, providing an additional economic inducement for workers to rely on the government rather than on their own organizations for their welfare (Shabon 1981: 74).

The 1969 labor code specified the mechanisms for adjudication of disputes between employers and employees, giving the edge to employers. One procedure was for binding arbitration by a mediator chosen by the disputants and approved by the ministry of labor. Alternatively, a hearing could be conducted by one of three lower ("preliminary") three-person panels appointed by the ministry of labor, in which two out of the three members had a law degree in Shari'a. After closed deliberations, the announced ruling could be appealed to a High Commission at the

national level, made up of appointees of the ministries of labor, commerce and industry, and petroleum and mineral resources. In either procedure, the ministry of labor enforced the ruling. While all these adjudicating bodies were enjoined to make their judgments in accordance with the Shari'a, there was no role for advocates of labor at any point in these proceedings (Lerrick and Mian 1987: 316-29; Shabon 1981: 78-80; Nomani and Rahnema 1994: 151).

The lesser power of labor was also made clear in the code's onerous penalties for union and strike activity. The monetary penalties imposed on *employees* for violations of the labor code ranged from 1000 to 10,000 rials (in the mid 1970s, 3.5 to the U.S. dollar) and possible jail terms ranged from 1 month to 6 years. In contrast, the code did not threaten incarceration for *employers* and specified monetary fines ranging from just 100 to 1000 rials for each violation (Council of Ministers 1970: 39-40).

A similar top-down decision-making process governed the determination of the wage structure. There was no advocate of labor, save a representative appointed by the ministry of labor, on the committee that recommended changes in the minimum wage to the Council of Ministers (Shabon 1981: 70). This may explain why the minimum wage was not systematically enforced and why the labor code did not apply to those sectors where it could have made the biggest difference, that is, for low-wage, often casual, workers, mainly in domestic service and agriculture (Shaw 1986: 101; Nomani and Rahnema 1994: 150-151). These two sectors have a high representation of women and foreign workers.

In 1990, about 60 percent of the labor force in Saudi Arabia was non-Saudi (Abdel Jaber 1993:149). As the 1969 labor code was updated, it did not exclude foreign workers from any of its provisions, except to define what permits and qualifications they needed and to stipulate preference for hiring Saudis whenever possible. The code specified that employees of contractors working under concession (that is foreign-owned companies) be treated in the same way as employees of other firms (Council of Ministers 1970: 12, 30).

The situation of expatriate workers was not otherwise highlighted in the labor code, although code violations by employers against them were routine both before and after the code was promulgated. Some discrimination became tied directly to citizenship, such as prohibiting foreign workers from owning real estate, corporate stock or other commercial property without a Saudi partner, and preventing them from bringing their families to live in Saudi Arabia. Occupational segregation by ethnic group became common, concentrating non-Yemeni Arabs in the professions, Yemenis in the commercial and artisanal trades, and Asians in construction, domestic service, health service work and other less desirable posts. Even controlling for occupation, however, there emerged a discriminatory sliding scale of wage payments based on national origin: in the late 1980s, a Saudi professional or technical worker was paid 1.4 times as much as a non-Saudi Arab for the same work, or 3.6 times as much as an Asian worker. The ease with which Saudi Arabia expelled up to one million Yemenis and Jordanians during the 1990-91 Gulf crisis, often with great financial hardship to the deportees, bespeaks the insecurity experienced by even the Arab foreign workers (Abdel Jaber 1993:150-57; Stevenson 1993:15).

At the turn of the 21st century, international groups such as Human Rights Watch continued to criticize Saudi Arabia for the abuse and inhumane treatment of foreign workers, women in

particular (Sherry 2004a, 2004b). The reported violations included beatings and rape, forced confinement, sexual slavery, severe overwork, denial of rights to seek legal help from the workers' home consulates, and expropriation of passports, visas and return-trip plane tickets. Some workers accused of crimes were tried without access to legal defense and subjected to forced confessions and harsh penalties, including beheading.

After the year 2000, public sentiment in Saudi Arabia began to condemn openly the oppression and abuse of migrant workers, partially on grounds that it is contrary to Islam. As reported by Human Rights Watch, Middle East,

...the kingdom's highest Muslim religious authority, Grand Mufti Sheikh Abdul Aziz Al Sheikh, has already acknowledged that migrants suffer 'exploitation and oppression.' His comments, published in 2002 in the Saudi daily *Al Madinah*, included the observation that 'Islam does not permit oppressing workers, regardless of religion... As we ask them to perform their duty, we must fulfill our duty and comply with the terms of the contract...' [It is] 'illegal and a form of dishonesty' to withhold their salaries or delay payment of wages under threat of deportation. He counseled that Islam prohibits 'blackmailing and threatening [foreign] laborers with deportation if they refuse the employers' terms which breach the contract.' (HRW ME, No. E1605, 7/14/04).

Increased recognition of labor rights appeared on the agenda of several Middle Eastern states after the year 2000. Saudi Arabia went so far as to legitimate labor "associations" in 2002, apparently, in part, to improve its relations with the United States. Perhaps Saudi Arabia was also influenced by the example of its close neighbor, Bahrain. In the process of reinventing itself as an international financial and service economy, Bahrain's 2002 labor code fully legalized unions and the right to strike and added protections regarding wages, hours of work, and working conditions. Unlike many other countries in the region, Bahrain had little apparent problem with child labor, and also took active steps to promote the employment of women and reduce discrimination against them. Furthermore, the nongovernmental Bahrain Center for Human Rights had mounted a well-publicized campaign to provide protection to mostly foreign female domestic workers, leading to improved living and working conditions for "the most abused of the work force" (Posusney 2005).

The Case of Pakistan

For much of its post-World War II history, Pakistan's leaders cast its labor policy as "Islamic" and benevolent. Labor organizations had played an important part in the independence movement, and the issue of "Islamic labor policy" was explicitly addressed in the formative years of the Pakistani state from 1947 to 1958. In 1949, the first Pakistani labor conference was opened by Prime Minister Liaquat Ali Khan with a statement proclaiming that the founding Islamic principles of Pakistan impelled the abolition of exploitation and the guarantee of justice to labor. Labor policy in this initial phase officially assured freedom of association for workers and for employers, freedom to "negotiate the terms and conditions of employment," and the right to strike and to lock out, respectively. It also stressed that the main aim of labor policy should be to raise living standards via economic growth and, to that aim, to promote industrial peace (A. H. Khan 1994: 55-65, 74). In a speech to the International Labor Organization Conference in

Geneva in June 1954, the leader of the Pakistani delegation proclaimed that his country was building a society "...where there is [the] widest possible distribution of property and income, where there is no hoarding or usury, and, above all, where duties and responsibilities are taken as a moral trust" (A. H. Khan 1994: 79).

The military-led regimes of Ayub Khan and then Yahya Khan, from 1958 to 1971, however, promoted a more pro-business program, stressing economic growth and industrial peace at the expense of the rights and needs of workers. Labor policy was used to suppress "industrial conflict so much that in 1968 it erupted to shake the very foundation of the socio-economic order" (A. H. Khan 1994: 56). Militant unionism, strike activity and political opposition reached a crescendo in 1968. In response, the regime enunciated a "New Labor Policy" in 1969, granting concessions to labor and promising fewer restrictions.

Martial law was ended in 1971 and the election of Zulfikar Ali Bhutto and his Pakistani People's Party (PPP) to office ushered in a new era ostensibly more favorable to labor. Like his predecessors, Bhutto laid claim to the Islamic tradition as the framework of his "socialistic" policies (A. H. Khan 1994:58). Recognizing that "industrial conflict is inherent in the factory [capitalist] way of production," he posited that the level of conflict could be lowered if the rights of workers to organize and bargain collectively were respected. The emphasis in labor policy shifted back from industrial peace toward "distributive justice," the latter both for its own sake and as a stimulus to productivity growth. Collective bargaining was seen as "a modus operandi of the industrial relations system" and simultaneously "a problem-solving institution" for society (A. H. Khan 1994: 56-58).

The Bhutto government's labor policies expressly claimed the objectives of establishing a just social order and giving workers a role in participatory management. To that end, the regime promoted profit sharing and worker participation programs, and saw to it that workers' bargaining power, wages, benefits, and job security improved. However, Bhutto's regime maintained at best a patronizing, and at worst an authoritarian, relationship to labor. The PPP forcibly took over the leadership of unions, while the state security service repressed those labor leaders who resisted, leaving a confused legacy of "Islamic," "socialistic," and repressive labor policy (Nomani and Rahnema 1994: 122).

Another military regime headed by General Zia-ul-Haq came to power in 1977. Reclaiming the mantle of Islam, this regime promoted economic reforms such as the abolition of interest, the introduction of mandatory zakat and a land tax, and the establishment of profit-and-loss-sharing procedures in banking. The regime also introduced a more "Islamic" educational system, enforced bans on drinking of alcohol and gambling, imposed the classical punishments for theft, robbery and adultery, and promoted fasting during Ramadan, observance of daily prayers, and modest dress for women (Esposito 1980: 152-55).

Leaving the official labor policy of the Bhutto era on the books, the regime downplayed the "Islamic right" of all participants in an economic activity to be treated justly and paid fairly and emphasized the "Islamic obligation" of all parties, employers and employees alike, to promote the objective of economic growth, based on "the right Islamic attitude to work and property" (Kennedy 1990: 63; A. H. Khan 1994: 57-59). During the period of martial law from 1977

to 1985, "Islamism" was then used to justify circumvention of those features of the labor law favorable to labor, especially the ability of unions to be recognized and to bargain collectively. Some employers successfully refused to recognize union agency, and others persuaded the government to restrain or forbid strike activity and even to ban unions altogether, such as in television and radio broadcasting. There were mass firings in some public sector companies such as Pakistan International Airlines (*Far Eastern Economic Review* 1986: 63-64).

By 1990, Pakistan had a relatively well-developed and well-organized workforce by developing world standards. About 2.5 million people, or 20 percent of the labor force, worked in industry, and 40 per cent of industrial workers belonged to unions (United Nations 1994:162). The strongest unions were in the public sector, particularly in textiles. However, this potentially great strength was diluted by the anarchic structure of the union system. Unions were organized by enterprise, not by industry, there was often more than one union per enterprise, and bargaining was conducted locally between a union and its individual enterprise. The individual unions (8,300 of them in 1986) were grouped into a large number of federations. The eight largest federations encompassed about two-thirds of total union membership, but competed fiercely among themselves. The union movement seemed to have no clear political strategy, as evidenced by their member unions' complex alliances with right, left, Islamic, or mixed political formations (*Far Eastern Economic Review* 1986: 63-64).

Observers expected a return to the more pro-labor practices of the earlier years after the lifting of martial law and restoration of elections in the late 1980s, (*Far Eastern Economic Review* 1986: 64). Benazir Bhutto's first electoral success promised an "Islamic welfare state." This promise was repeated by her successor, the business leader Nawaz Sharif, and then again by Benazir Bhutto in her second term, even as their administrations directed resources toward promoting private enterprise rather than a new labor policy or new welfare initiatives (A. H. Khan 1994: 59). Furthermore, the beneficial aspects of the labor-policy legacy from earlier regimes came under attack from the world financial community during the structural adjustment program of the 1990s, similar to the experience of many other countries in Asia, Africa, Latin America and the Middle East in that era (Nomani and Rahnema 1994: 121-34). Measures such as privatization of public enterprises, for example, threatened to abrogate job security provisions in the Pakistani labor law by lifting restrictions on the employer's ability to fire workers.

Pakistan's record on human development and human rights undermines its claim to a moral economy based on Islamic principles. Although the economy of Pakistan had grown at a relatively fast pace until 1990, and its basic structure had shifted toward industrialization, it did so with a slower-than-average improvement in human development, a pattern that may explain the sharp decline in growth after 1990 (Easterly 2003). Pakistan's real income per capita rose by a total of 41% in the decade 1980-1990 but by just 15% from 1990 to 2000, while its score on the human development index (HDI) rose from 0.372 in 1980 to 0.453 in 1990 to 0.499 in 2001, scores consistently below those of India and Sri Lanka, and slightly above those of Bangladesh. In 2002, however, even Bangladesh pulled ahead of Pakistan in HDI scores (0.509 vs. 0.497, respectively), as Bangladesh' school enrollment improved while Pakistan's actually fell from 41% of eligible population in 1995 to 37% in 2002 (UNDP 2004, 2002, 1997, 1992). In 2002, Pakistan remained the only country in South Asia, and one of only a handful of developing countries, where education was not compulsory.

The legacy of “Islamic” regime policy toward women was mixed. Women’s educational status was still low in 2001, with female adult literacy at just 28.8% (as compared to 44% for all adults) and 27% of females (36% overall) enrolled in school, all levels combined. However, women’s labor force participation rate was 35.8%, with an index of female employment at 125 in that year (up from the base of 100 in 1990), equivalent to 43% of the male rate (UNDP 2003). These literacy and education figures are much below those of Saudi Arabia, Iran, and the other countries discussed in the last section of this paper, but the labor force participation figures are significantly above those of Saudi Arabia and Iran, and about equivalent to those of Egypt.

This seemingly anomalous pattern – a rise in women’s employment combined with a fall in society-wide educational attainment – may be explained by the partial liberalization of the economy in the 1990s during structural adjustment. With liberalization, the key textile industry shifted from import-substitution to export-promotion, and unorganized low-paid female workers replaced the organized male workforce previously covered by the labor code. One of the consequences appears to have been exacerbation of the apparently severe and widespread employment of un- and undereducated children.

Pakistan was criticized by human rights organizations in the 1990s for its continued oppression of workers and its widespread use of child labor, a problem that certainly exists elsewhere (see Iran below), but that seems to be more acute, enduring, and politically intractable in Pakistan. Children are often sold into bondage by their impoverished parents, and work for low pay in occupations as dangerous as welding, scrubbing the inside of oil tank trucks, and sewing leather products like footballs. A “strike against privatization, for a minimum wage, and for the abolition of contract and child labor” in early 1995 was followed a few months later by the murders, in rapid succession, of the president of the union federation that organized the strike, a 12-year-old leading children’s rights activist, and a union organizer in the Muslim Commercial Bank Ltd. (Jabeen 1995; Bokhari 1996).

Despite laws regulating child labor (1991) and outlawing bonded labor (1992), plus pressure from western purchasers of Pakistani products and government investigations of these murders, child labor remained widespread in 2002, especially in the brick-making and carpet-weaving industries. One hopeful response was a transition program undertaken by the government with foreign aid to take children out of work for five to six hours per day to attend nearby informal schools (Garrels 2002). If successful and universal, such programs would serve to promote both human and labor rights, although they still would not end child labor.

The case of Pakistan illustrates the flexibility of Islam in serving as the framework for various, and sometimes contradictory, socio-economic or labor policies. Whereas Zulfikar Ali Bhutto was a modern secular social democratic politician until he came to power in 1971, when he began to advocate the “Islamisation of the country” in order to promote his “socialistic” economic and political agenda. While Bhutto was criticized for using and abusing Islam to these ends (Esposito 1980: 160), so too was General Zia-ul-Haq criticized for using and abusing Islam to promote a pro-business social and economic agenda unfavorable to many other groups in Pakistan.

At the turn of the 21st century, Pakistan had failed to furnish an example of an Islamic system

that consistently provides for "the abolition of exploitation and the guarantee of justice to labor" as promised at the first labor conference of independent Pakistan in 1949. It continued to struggle to provide a clear sense of what constitutes a contemporary "Islamic" state (A.H. Khan, 1994: 70-79). As Esposito summed it up for an earlier period, so it still was in 2002 that "beneath Pakistan's Islamic and nationalist rhetoric and terminology is a vacuum, an unresolved identity crisis which promises to be a source of continued unrest" (Esposito 1980: 160).

The Case of Iran

Prior to 1979, Iran was ruled by an authoritarian monarchy, which, as in Saudi Arabia, exercised close control over labor and industrial relations. However, the Pahlavi monarchs, first Reza Shah and then his son Mohammed Reza Shah, were more secular in orientation than the monarchs in Saudi Arabia and used the state more actively to lead industrial development. After the restoration of the Shah to power in the 1953 coup d'état following a two-year period of nationalist rule, his regime promoted rapid industrial development with the participation of direct foreign investment (Bayat 1987: 22-24). The majority of manufacturing firms remained very small, but by 1979 state-run enterprises were responsible for more than 70 percent of employment in large industrial firms (those having 10 or more workers) and 79 percent of industrial output (Rahnema 1992: 74).

The working class, though fragmented by ethnic and other fissures, grew in tandem with industry, so that by 1978 more than half of the economically active population had become wage workers and one-third of the total labor force were working in industry (Bayat 1987: 25-26; Rahnema 1992: 75-81). Workers and their organizations seem to have played a major role in all the political transformations of Iran in the twentieth century and were just as frequently curbed or outlawed. As early as 1921, for example, workers organized a trade union federation that was soon suppressed. A similar and larger federation emerged in the 1940s, was suppressed, and then resurged under the nationalist government, only to be banned again when the Shah was reinstated. With the promulgation of a new labor code in 1959, unions were made legal again, but kept tightly under the regime's control (Rahnema 1992: 71).

The Shah's regime sought simultaneously to win workers over with a paternalistic provision of benefits and to intimidate workers who might challenge its authority. In the 1960s and early 1970s, the Shah offered grand promises of much higher wages for everyone, universal employer-provided housing, profit sharing, and employee-stock-ownership schemes (Ladjevardi 1985: 237-246). While secular, the regime's conception of the relationship between workers and employers was reminiscent of Saudi Arabia's. It held up "the idea of a community founded upon the cooperation of all its members (workers, bosses, state agents)," with the addition, when ideology did not suffice, of manipulation of union leadership and the threat of dismissal (or worse) to keep workers cooperating with management (Bayat 1987: 60). This labor policy was consistently similar to its Saudi counterpart in strictly prohibiting both political and strike activity (Bayat 1987: 59-60).

Despite an oppressive legal apparatus, Iranian workers engaged in both political and strike activity against the Shah's regime, and mounted a successful general strike in 1978 (Moghadam 1996: 81-84). During the emergence of the revolutionary movement in the late 1970s, and

especially in the fall of 1978, local strike committees evolved into a new form of labor organization, the *showra* or workers' council. The councils became an important vehicle at the production site for mounting economic resistance and fomenting the political struggle for the overthrow of the Shah (Bayat 1987: 77-81; S. Rahnama 1992: 71-72).

In the period immediately following the revolution of February 1979, the councils restored production in those firms where the owners or managers had fled and pressed their demands for improved conditions and worker control in those firms where management remained (Bayat 1987: 100-107). Even though the economy contracted between 1979 and 1980 and production fell, wages continued to rise. Leftist organizations and intellectuals played an important role in this process, and May Day of 1979 represented the pinnacle of their influence, a grand celebration of the breadth and strength of the council movement and the unity of the workers in their contribution to the revolution (Moghadam 1996: 82-87).

However, as the Islamic regime consolidated its control of the new republican state, the secular and left-wing leaders of the councils were removed, at first by political means and later by more violent methods, and the councils became Islamicized, i.e., taken over by Islamic Republican Party (IRP) operatives (Moghadam 1996: 86-87). With the purging of the left-wing and liberal secular allies of the IRP from the national political structures in the summer of 1981, independent workers' organizations were crushed and the workers' councils were replaced by "Islamic Associations" composed of management, selected workers' representatives and appointees of the government (Ladjevardi 1985: 246-254). This represented effectively an "Islamic" reincarnation of the authoritarian approach to managing labor prevalent under the erstwhile Shah's regime. Once again, labor policy was to be enforced by a combination of Islamic ideology, paternalistic promises of benefits, and suppression of dissent (Bayat 1987: 183-190; Bayat 1991: 72-88).

In the national political sphere, especially in the new parliament of the Islamic Republic, the first few years evidenced a tendency for the alleged "Third Way" of an Islamic economy to dissolve into the left-right debates common to virtually all contemporary societies regarding capital-labor relations and the role of the government in the economy (Behdad 1994; Valibeigi 1993; Zubaida 1989). In the context of the war with Iraq, 1980-1988, with its great loss of life and social wealth, this debate resulted in a stalemate that crippled the economy. Economic stagnation and the weakening of labor's bargaining power were exacerbated by the regime's shifting of resources out of modern industry. The 1986 census indicated that the industrial labor force had declined as a proportion of the total labor force, while unemployment, self-employment, the share of the informal economy, and income inequality all rose (Moghadam 1996: 88-92).

The debate over a new labor law, first proposed in 1982, did not escape the class conflict implicit in the larger debate over the direction of the economy. The core argument focused on whether Islam allows only a one-to-one contractual relationship between an employer and an employee, in which no government intervention is needed because the former is simply renting something from the latter, or whether Islam enjoins the government to intervene in this relationship to set the minimum conditions for the contract and to protect the employee (Bayat 1987: 185, 192).

The proposed labor code included the standard interventionist clauses on working age, working hours, social insurance and paid leave, and included some improvements, like a limited

unemployment compensation provision and a modest social security system. But this code placed new restraints on female employees, and prohibited labor's right to form independent unions or to strike. Under this code, all non-Islamic labor organizations from the pre- and post-revolutionary era were to be dissolved and "state-run Islamic labour councils and Islamic societies [associations] constitute the only legal labor organizations" (Nomani and Rahnama 1994: 174-75).

The new labor code was finally enacted in 1990. It conformed in important ways to ILO recommendations regarding employment contracts, working conditions, occupational safety and health, wages and benefits, and mechanisms for settling disputes. It also recognized workers' right to organize, but only in the form of "Islamic associations" and "Islamic labor councils" supervised by the Ministers of Interior and of Labor and Social Affairs (Moghadam 1996: 88; Islamic Republic of Iran 1990).

Some students of contemporary Iran have argued that not only had the "Third Way" of the Islamic economy disintegrated into the same old two-way, capital/labor class struggle, but also that the predominant power for the foreseeable future had shifted to capital, that in this case Islamism did not end class exploitation but came to legitimize it (J.M. Moore 1992; Parvin 1993; Vakili-Zad 1992). In the context of global pressures for economic liberalization in the 1990s, which even Iran could not escape, the *laissez-faire* policy advocates appeared to gain traction (Nomani and Rahnama 1994: 169-72, 182-84).

The legacy of the Islamic Republic's policy toward women was mixed. In the early 1990s, Iran passed legislation entitling women to wages for labor in the home and requiring husbands to pay them prior to a divorce. Though derived from the Islamic texts and consistent with the Islamic Republic's civil and constitutional codes, the law was controversial within the religious community (Kar 1996:37). Women's educational status improved under the Islamic regime, with female adult literacy at 70.2% in 2001 (compared to an overall adult literacy rate of 77.1%) and 63% of females (64% overall) enrolled in school, all levels combined. Women's employment index rose to 137 in 2001 (from a base of 100 in 1990), but the female labor force participation rate was just 29.5%, equivalent to somewhat more than one third of the male rate (UNDP 2003).

As in Pakistan, Iranian and international human rights organizations continued to struggle with issues of child labor into the twenty-first century. The 1990 labor code raised the minimum age for employment to 15 years (up from the 12 years decreed in the 1958 code), and restricted access to the more dangerous and unhealthful jobs for 15 to 18 year-old workers. However, like earlier codes, it exempted children who work in their own ("first class") family workshops or in other domestic labor, and had no enforcement mechanism to curb routine abuse by informal employers of bonded child laborers. As of 2002, these children were working in activities as diverse as shoemaking, tailoring, garment sewing, glassware manufacturing, food packaging and construction (Andisheh Jameah 1999: 4).

Working children were typically from "refugee" families who recently migrated to Tehran from the rural areas and provincial towns, and who were taken out of school in order to supplement the family's income. In running away from impoverished families and abusive employers, these children often took to living in the city streets. Because of their own desperation, or because of

what they were “taught” in their workplaces (where narcotics were commonly used to keep them awake at their jobs during the night), they would become criminals and drug addicts too socially disabled to return to school even if they were caught and placed in rehabilitation centers. As the (female) psychiatrist at one of these centers put it, “it seems that leaving school is one of the main factors that encourages children to work... (and) it seems that there is [a] relation between nature of profession and crime in children” (Andisheye Jameah 1999: 5).

Some non-governmental organizations attempting to help the street children estimated that there were 35,000 in Tehran alone in 2005. A director (also female) of one such organization, The House of Children, argued that if the NGOs did not do this work, the government’s efforts would be totally unsuccessful. Government officials claimed that they were supporting the work of these NGOs, but agreed that the Islamic Republic needed to do much more to solve this deep social problem (Unger 2005).

ISLAMIC MOVEMENTS AND LABOR LAW CHANGES

Saudi Arabia, Pakistan, and Iran illustrate that what might be labeled as “Islamic” labor law can vary widely from country to country and from era to era, subject to the particular constellation of Islamic and other forces in, or contesting for, power. The cases below involve countries in which Islamist movements had a powerful political presence by the turn of the twenty-first century, having developed significant, if not lasting, alliances with their respective labor movements in the process. While none of them had come to power as of 2005, they too provide evidence that there is little consistency in the relationship between political Islamism and the promotion or protection of the interests of labor. Egypt will be described in some detail because of the explicit and high profile political alliance between the Islamist movement and the socialist labor party there.

The Case of Egypt

As of the year 2000, Egypt’s labor law, Law 137 of 1981, was predicated on the notion of a benign, interventionist, welfare state like that established by the regime of Gamal Abdel Nasser in the 1950s and 1960s. It was supplemented by special codes that privileged workers in the public sector, where the laws were more consistently enforced than in the private sector. Taken together, these laws constrained employers’ ability to fire individual full-time, permanent workers, and prohibited mass workforce reductions without the express permission of the government. Public sector workers enjoyed other privileges as well, most notably access to public housing in the large industrial centers, and women found better opportunities and conditions in the public sector than in the private sector.

The status of women had improved significantly in Egypt in the 1980s and 1990s, albeit from a very low base. Female literacy in 2001 was just 45% (as compared to 56% for all adults), but female gross school enrollment was 72% in that year (76% overall), ahead of Saudi Arabia, Pakistan, Iran and Morocco, but still behind Tunisia and Jordan (UNDP 2003). Women workers had fared relatively well in the public sector, where there was no formal discrimination and no wage disparity by gender, until structural adjustment led to the shrinking of government employment. While more than a third of women were in the labor force in 2001 (45% of the male

rate), and their employment level had increased by 17% in the previous decade (UNDP 2003), the female unemployment rate was four times that of men by 2004 (Posusney 2005).

Organized labor, with its core strength in the public sector, successfully staved off several efforts by the regimes of Anwar Sadat and Hosni Mubarak to liberalize the economy and privatize the public sector in the 1970s and 1980s. Egypt's trade unions finally agreed to support the privatization legislation designed by the regime in 1991 (law 203) with the proviso that all firms sold under the auspices of this law continue to abide by the existing labor legislation, and subsequent sales agreements contained clauses guaranteeing that the firms' workforces would not be reduced (Posusney 1992, 1995a).

However, economists and the multilateral lenders promoting Egypt's structural reform, mainly the International Monetary Fund and the World Bank, objected that these restrictions undermined the privatization program, in particular, by making public enterprises less desirable for purchase, and were a general obstacle to private sector development (Posusney 1995b). Within a few months, the government responded to these pressures by commissioning another body to secretly renegotiate the labor law. The participants included representatives of the Egyptian Trade Union Federation (ETUF), business organizations, the Ministry of Labor, the legal community, and the International Labour Organization (ILO), which provided funding for the endeavor (Freeman 1992; al-Hilali 1994: 10-11).

Proposed Changes to Labor Law

The proposed new law was typical of the “flexibilization” of labor markets being promoted throughout the Middle East and North Africa (MENA region), especially in countries undergoing structural adjustment programs supervised by the IMF and World Bank (Posusney 1995b). It proposed to give employers far greater leeway in hiring and firing, changing job assignments, using “temporary” labor, and downsizing the workforce according to “economic conditions.” It gave managers greater leeway to set lower wages and cut benefits for new hires, and undermined the annual cost of living adjustment to the national minimum wage.

The 1981 legislation had required that employers consult a tripartite committee representing management, unions, and the Ministry of Labor before firing a worker and allowed dismissed employees to appeal its rulings and still be paid. The new legislation changed the composition of the committee to include judges who were more likely to side with employers and eliminated ongoing salary payments (Al-Muhami, 1994:20). Finally, in an explicit quid pro quo for the “right to fire,” the draft law recognized labor’s right to strike for the first time since 1952, but only under restrictive and tightly controlled conditions.

The Alliance between the Islamists and the Socialists

The changes proposed to labor law in the 1990s engendered widespread and sustained public criticism of the Mubarak regime, including from the Islamist movement. This marked the first time since the 1940s that Islamist forces had played a significant and public role in the dialogue about labor law. Some Muslim Brothers had been involved in the labor controversies that developed during the initial year of Free Officers rule in 1952/3, but, after their widespread arrest and imprisonment in the 1950s, they laid themselves low for several decades, and, in fact,

appeared to ignore workers as an organizational category (Posusney 1997: chaps 1, 2).

In the 1980s and 1990s, the Islamists concentrated their organizing efforts among the well-educated urban professional middle class. The base of the mainstream "Islamist trend" became the doctors, dentists, engineers, lawyers, pharmacists and university students, among others of the "young professional underclass," or "lumpenelite," who were disenchanting by the forced contraction of the welfare state, disappointed by the decline of employment opportunities, and alienated by the corruption and authoritarianism of the Mubarak government (Wickham 1997: 122-23). To this base, the Islamist trend offered alternative institutions for the essentials of contemporary middle-class life: housing, healthcare, life insurance, libraries, business training, kindergartens, and after-school programs. The Islamists presented "a new sense of civic obligation and a new perspective on their own capacity to effect social change" (Wickham 1997: 124). Without confronting the state directly, the Islamists offered a more egalitarian and democratic model of leadership, raised the call for "civil liberties" and the "rule of law," and worked to build a constituency for evolutionary political change, but all under the umbrella of an Islam that harked back to the ideal society of the "four rightly guided caliphs" (Wickham 1997: 130-32).

The election of Islamists to leadership positions in the professional syndicates allowed them to function like a political party in the 1980s, but they did not yet serve as proactive organizers of labor unions or advocates for labor vis-à-vis employers and the state. However, in 1987 the Muslim Brotherhood (*al-ikhwan al-muslimin*), or at least its left-leaning wing, broadened its strategic objectives to reach out to organized labor and the working class in general. The Islamists entered into an alliance (*tahaluf*) with the Socialist Labor Party (SLP-- *hizb al-amal al-ishtiraki*, hereafter SLP), and contested both parliamentary and trade union elections. By April of 1994, the party's newspaper (*al-Sha'b*) and its other propaganda came to reflect the views of these "mainstream" Islamist forces.

The SLP publications criticized the authoritarianism of the state and its failures to meet the needs of the Egyptian people. The alliance did not have a full and clear alternative program for economic reform, but it was effective in challenging the program required of the government as part of its structural adjustment compact with the international financial institutions in the 1990s. When the alliance learned of the existence of the clandestine labor law commission, the SLP exposed details of the secret negotiations, formed "committees for the defense of workers' rights" in industrial areas, convened a labor conference to denounce the draft law, and then published a thorough critique, entitled *la li-qanun al-amal al-muwahhid* ("No to the Unified Labor Law") (Al-Sakhawa 1994).

The alliance's critique was similar in logic to that of the more left-leaning Islamist thinkers discussed in the first section of this paper, supporting an interventionist state that takes primary responsibility for preserving social peace, regulating the private sector in the interests of society, and providing protection for labor against unemployment, illness, and industrial injuries. The alliance opposed those features of the draft law that would cause unemployment, treat labor as a commodity, favor employers' interests over those of employees in hiring and retention of workers, and give a "free hand to exploitative capitalists." Contrary to the notion that trade union activity is "un-Islamic," the alliance objected to provisions in the labor law restricting the right to

strike, and denounced the president of the trade union federation for his corruption and malfeasance for his role in the clandestine labor law meetings (Al-Sakhawa 1994).

Beyond opposing the flexibilizing provisions in the proposed law, the alliance argued for extending protections for workers in the existing law, such as those that made firing more difficult for employers. Arguing that an Islamic society must ensure that workers' take home pay be sufficient to support their families, the alliance not only opposed provisions that allowed employers to lower workers' wages because of "economic circumstances," and that let the real value of wages, including the minimum wage, shrink due to inflation, but also called for the application of international standards for overtime pay (Al-Sakhawa 1994).

Despite this common rhetoric, significant differences remained between the secular socialists and the Islamists in the alliance. The socialists were angered that Islamist allies elected to union office neither initiated mass struggle around labor issues nor supported labor protest generated by others. In one dramatic example, the Muslim Brotherhood condemned a 1989 occupation by workers at the Helwan Iron and Steel plant that was brutally suppressed by the Egyptian government. Their magazine, *The Banner of Islam (luwa' al-islam)* warned of the social dangers of labor militancy and praised the role of the police in suppressing the protest. This was a main reason why numerous Islamists who had captured union office in 1987 lost their seats in the 1991 elections (Al-Shafi'i 1994: 203, 206-209). Furthermore, while the two movements seemed to share a belief in an interventionist welfare state, the Islamists did not share the socialists' fundamental hostility to capitalism. Whereas the socialists were opposed in principle to the privatization of public enterprises, the Islamists argued only for the imposition of certain conditions on the sales (Posusney 1995a; 1995b).

The alliance between the secular left and the Islamists served both parties' strategic goals in the 1990s. On one side, the socialists were defending the status quo ante that had been molded by Gamal Abdel Nasser into a moral economy, especially for workers in the public sector. The attraction of the alliance for the SLP was that Nasser's emphasis on reciprocal rights and responsibilities between workers and the state seemed to have underpinnings in Islamic notions of fairness and justice, which had lent his heritage legitimacy and broad popular appeal. On the other side, it was not politically feasible for the Islamists to gain credibility among Egyptian workers by going with the flow of liberalization and challenging the established Nasserist understanding while the latter were enduring the pain of structural adjustment. Rather, their recasting of Islamic precepts about labor relations to conform to the Nasserist moral economy lent them legitimacy, in turn, as a coherent opposition force.

However, the alliance withered as both the Muslim Brothers and the SLP suffered the full blast of the government's power in the late 1990s. Dozens of Muslim Brothers were arrested in those years, while the SLP was subjected to a blistering government-initiated media campaign. In the year 2000, the government's Political Parties Committee "froze" all of the SLP's activities, including the publication of its newspaper (Brownlee 2005; Stacher 2001). The new "flexibilized" labor law, encompassing most of the provisions the alliance had contested, was then passed in 2003 without much opposition. Neither the Islamists nor the socialists achieved their strategic goals in the 1990s, as their opposition was outmaneuvered by the ruling party and overwhelmed by the institutional power of the authoritarian state under Hosni Mubarak. Their

alliance had been one of strategic opportunity, not of common principle.

Other Cases from the Arab World

In other countries, as in Egypt, it was the increasing pressure for flexibilization in the labor market by authoritarian governments pushing “economic reform” that occasioned the strategic drawing together of the Islamist movement and organized labor. In no case did the Islamists actively mobilize to help protect organized labor from flexibilization or to defend the right to bargain collectively. As in other cases examined above, the outcomes of these alliances and struggles were due largely to the political dynamics internal to each country (Alexander 2000), not to Islamist leadership or to pressures from “globalizing” processes such as free-trade agreements or signing on to the conventions of the International Labor Organization. In fact, in all the countries that have undergone flexibilization so far, including Egypt, Jordan, Tunisia, and Morocco, violations of these conventions, and even of the countries’ own constitutions regarding civil, human and labor rights, remain routine (Posusney 2005). Islamic morality and politics seem irrelevant to these practices.

The case of Jordan is similar to Egypt in so far as the Islamist movement focused on penetrating the professional syndicates, not the labor unions, and appealed to the educated middle class as opposed to the working class. The most vocal political work of the Islamist-led syndicates was not to promote an alternative economic agenda, but to criticize the authoritarianism of the state and its acquiescence in the U.S.-supported Israeli military occupation of the Palestinian Territories. In March of 2002, during the Israeli take-over of Jenin on the West Bank, the Islamists organized large and well-publicized demonstrations by the syndicates and university students, surrounded by riot police who used water cannon on the student demonstrators spilling over campus boundaries.

Jordan was also similar to Egypt in having made a peace treaty with neighboring Israel in 1994. It was rewarded with a free trade agreement with the United States that allowed products from Jordan’s special enterprise zones along the border to be exported to the U.S. duty-free as long as they could be labeled with a minimum of “Israeli content.” A flexibilized labor law accompanied the free-trade agreement in 1996, formally entailing a “right to strike, right to fire” trade-off similar to Egypt’s. But the flexibility went to the employers, while labor’s rights to organize remained tightly controlled, along with civil liberties and freedom of expression (Posusney 2005).

Jordan had one of the best records in the Middle East on human development, with an HDI rank of 90 in 2001. Women have a literacy rate of 85.1% (compared to 90.3% of all adults) and a gross school enrolment rate of 78% (77% overall) (UNDP 2003). However, one of the government’s responses to political pressure from the Islamist movement was to adopt Shari’a as the shaping force for the law of the land. This has not been to women’s advantage, as it has been interpreted to mean that women need their husband’s approval to work outside the home. Despite Jordan’s well-educated female population, the female labor force participation rate was just 21.7% in 2001 (about one third that of males), partly due to women being squeezed out of employment in the shrinking public sector. In 2002, female unemployment was 22%, as compared to 14% for the men, and women made up a large majority of those working for sub-

minimum wages, for example in the enterprise zones (Posusney 2005), all too reminiscent of the situation in Morocco.

Labor law was made more flexible in Morocco in 2003, and the outcome of the negotiations around the law's provisions led to better results for organized labor than elsewhere. The new law prohibits anti-union discrimination, and, uniquely among Arab countries, allows competitive unionism. This outcome seems to be related to Morocco's peculiar political history, in which the state never provided the "moral economy" bargain with labor or developed the institutions that tightly governed labor and the workplace under a Nasserist regime such as in Egypt. This left the labor movement more independent and even attracted Islamist tactical penetration and influence in the late 1980s and early 1990s (Alexander 2000: 485).

The new Moroccan law did not, however, improve the situation of female workers. Their labor force participation rate is the highest in the Arab World, at 41.6% (52% of the male rate) (UNDP 2003). However, they are concentrated in industries, especially in production for export, where discrimination is the rule. Women make up 95% of the workforce in the textile industry, where most are paid less than minimum wage, forced to work overtime for no pay, and provided with no maternity leave or social security benefits (Posusney 2005). Women's situation is worsened by Morocco's poor record on human development, among the worst in the Arab World, although not as poor as Pakistan's. Only 37.2% of Moroccan adult females were literate in 2001 (as compared to 49.8% of all adults), and female gross school enrollment was 46% (as compared to 51% overall) (UNDP 2003).

In Tunisia and Algeria, Islamist alliances with organized labor were based on strategic assessments of opportunities for challenging the state's authority in the 1980s and early 1990s (Alexander 2000: 468). Aiming not for fundamental economic transformation, but rather for evolutionary change that would allow them to enter the political power structure as partners with the existing elite, the Islamists had no truck with socialist ideas of classes or class struggle, or with the working class as an actor in the historical transformation of society (Alexander 2000: 468-69). During certain periods, the Islamists allied with the labor movement briefly and superficially, to "use labor as a bargaining tool" in the Islamist strategy to be recognized by the state. For example, it was rare for the Islamists and the labor movement to coordinate their political actions, such as strikes, in order to achieve economic ends. But for their part, workers would vote for Islamists if they were convinced that the Islamists would protect their interests and promote greater distributive justice, that is, if they would promote the material and secular interests of the working class (Alexander 2000: 486-87). This is reminiscent of the relation between the Islamists and organized labor in Iran in the aftermath of the 1979 revolution.

As in Egypt, the alliances between the Islamists and organized labor in Tunisia and Algeria soon faded. Tunisia adopted its flexibilized labor code in 1996, similar to the case of Jordan, with enhanced employer rights to hire and fire at will, but with continued state controls on the right of workers to organize and strike. As of 2002, most of the benefits promised to labor, such as unemployment insurance, had not yet been implemented. Tunisia had long been a leader in human development in the Arab World. In 2001, it ranked 91st on the human development index, just behind Jordan. For women, there was still a long distance to go, as female literacy in 2001 was 62% (compared to 72% for all adults), but female gross school enrolment had reached a par

with that of males at 76%. As women crowded into growing labor-intensive export industries, the female labor force participation rate rose to 37% in 2001 (almost half of the male rate), lower than Morocco's but higher than that of Egypt and Pakistan and other countries in our sample (UNDP 2003).

As of 2004, Algeria was still resisting the tide of "flexibilization" and had made a formal commitment to gender equality in employment. However the female labor force participation rate in 2001, at 30% (40% of the male rate), was much lower than those of Tunisia and Morocco. Its record on human development was weaker than Tunisia but much better than Morocco. Female literacy was 58% (as compared to 68% of all adults), but gross female school enrollment had improved to 69% in 2001 (71% overall) (UNDP 2003). Algeria, like all other countries under pressure to continue liberalization and flexibilization, must soon endure a shrinking of public sector employment, where women workers had fared best, and a loosening of labor protections that these "adjustments" regularly entail. As elsewhere, the government is also under pressure from the Islamist movement to adopt Islamic law. If it does so, probably more in regime self-defense than by religious principle, as in Jordan, this in turn may mean the overriding of its legal commitment to non-discrimination by gender (Posusney 2005).

CONCLUSION

Islamist movements and governments claiming an Islamic mantle have left an inconsistent legacy in regard to labor rights. In the cases examined here, Islamic precepts regarding labor are open to competing interpretations. Some offer workers little or no protection from the vagaries of the capitalist labor market, while others support a high degree of government regulation of business, guaranteeing employment with at least a minimum living wage, protection from overwork and/or arbitrary dismissals, and the provision of basic social services. Yet others offer pro-labor laws on the books but do not enforce them. The rights of female labor, child laborers and foreign workers are the least well-respected in many cases, and the rights of women workers seem to be more threatened, and in new ways, as they get squeezed between "economic reform," on the one hand, and the political influence of certain Islamist movements, on the other hand.

An abstract Islamic framework does not provide clear and consistent rules for constructing labor law or building a successful labor movement. Nor can labor rely on paternalistic politicians, no matter how well intentioned or how imbued with moral or religious precepts, to protect their interests for them. The way for workers to assure that labor law effectively promotes their welfare is to be organized in independent unions, Islamist or not, with an overarching political strategy and economic agenda appropriate to their specific conditions in a particular society at a given time in history. Their struggles against employers and/or the state help to shape the overall political/ideological environment in which Islamist forces operate. When Islamist forces come to power, a labor movement can effectively influence the direction of social change only if it retains its own organizational integrity and only when its alliances with those forces have embodied an explicit mutual commitment to a coherent common agenda. Labor cannot rely on faith alone.

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