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INFORMAL ECONOMY IN
MADINAT AL NAHDA:
RESISTANCE & ACCOMMODATION
AMONG THE URBAN POOR

MANAL MOHAMED EID

1999

2001

Thesis
1999/6

The American University in Cairo

School of Humanities and Social Sciences

INFORMAL ECONOMY IN MADINAT AL NAHDA:

RESISTANCE AND ACCOMMODATION

AMONG THE URBAN POOR

A Thesis Submitted to

The Department of Sociology, Anthropology, Psychology and Egyptology

in partial fulfillment of the requirements for

the degree of Master of Arts
in Sociology- Anthropology

by

Manal Mohamed Eid

B.A. in Mass Communication, AUC, 1985

January 1999

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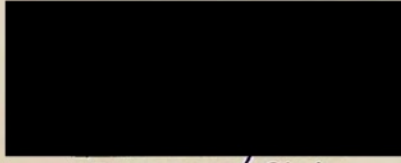
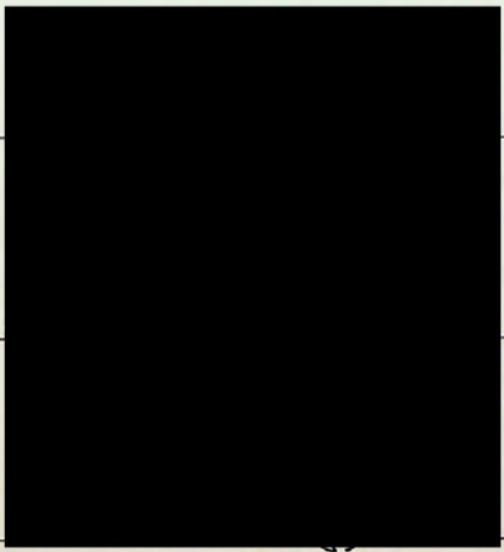
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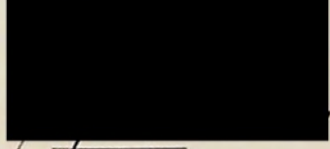
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ABSTRACT

This study is about the poor's informal economy during Economic Reform and Structural Adjustment Program (ERSAP), and how structure and agency come together in an attempt to understand the absence of collective action in the face of obvious material grievances. The main goal of this research, is thus, to uncover the experiences and characteristics of the survival strategies of the urban poor of a new neighborhood, that of Madinat Al Nahda, and the dynamics of their collective inaction. These survival strategies take them to informal economy as their main tactic. The study shows how informal economy is an important safety net during ERSAP which featured a highly increasing unemployment rate, thus explaining the absence of collective action.

While this research investigates Cairo's poor quiescence and the reasons behind the lack of protest, it nevertheless acknowledges and highlights the potential of low profile techniques of the urban poor and their silent stubborn struggle to avoid claims on their surplus and to assert their rights to the means of production, through their engagement in informal economy.

This study concludes that availability of mobilization for overt struggle is weak among poor people, because economic recession, structural adjustment policies and repressive measures have combined to undermine preexisting cooperative structures and reduced the room for maneuver, making the securing of livelihoods increasingly difficult and often obliging the poor to adopt more individualistic strategies.

Yet in the final analysis, this research of Al Nahda urban poor recognizes the plurality of 'languages' of protest as well as forms of action. In this study, the poor's informal economy is examined and found to be not a reactionary behavior, but part of an ambiguous struggle that is a mixture of accommodation and resistance.

CHAPTER ONE

INTRODUCTION

1. Introduction

Despite the contributions to the sociological literature of the last 10 years, and despite general flourishing of 'city' and 'poverty' studies, little is known or said on the mechanisms and strategies allowing Cairo's poor people to survive under conditions of extreme deprivation. Even less is known on the adaptations, resistance and perceptions of those poor who have been forced out of the formal sector by dramatic falls in production and employment during Economic Reform and Structural Adjustment Program(ERSAP), which started in 1991. We need to know a great deal more about the dynamics of the hegemonic relation, and especially the part played by subordinate actors during times of economic reform. Viewing power as a hegemonic relationship permits us to capture the human struggle that underlies the practices of informal economy; the everyday resistances and sometimes the extraordinary protests of subordinate actors can be brought into view, as can the more problematic behavior of acceptance, complicity, consent and accommodation.

The poor have always adopted multiple coping strategies to survive under harsh economic, social and cultural pressures. The various coping strategies adopted are largely determined by their ability to pull together monetary and non-monetary resources to sustain their livelihoods. As demonstrated by a series of in-depth anthropological studies

conducted in Cairo, the household is the most appropriate unit of analysis to study these coping strategies (Singerman and Hoodfar, eds., 1997 and Wikan 1996). These qualitative studies, which are based in urban areas, address issues such as health, education and gendered poverty. However, neither of these studies have elaborated on the informal economy, as an ambiguous struggle characterized by resistance and accommodation, and which is increasingly gaining weight as a main survival strategy in Cairo.

In these previous studies, members in poor households are shown to employ and rely on internal and external relations of solidarity and social connectivity to sustain their livelihood. For example, such relations are deployed to support the marriage of an offspring, being one of the major expenditures of a poor household. To meet this burden, the poor of Cairo make use of kinship relations and neighborhood ties to obtain financial and moral support. Similar networks of support were noted by the above researchers for other key events, such as births, circumcisions and deaths. These events are supported by community networks in which each member contributes according to his/her capacity. These social networks are also integral to household strategies aimed at gaining access to scarce resources, such as subsidized food commodities, scarce job opportunities and credit (Singerman 1995).

It is my contention here that we should not imply that the poor can or do always rely on social solidarity to deal with crisis and hardship during recent economic reforms and adjustment. These sources of support often fail to materialize, forcing poor families to take actions that are deleterious to their long-term well-being, such as selling valuable assets or putting their children to work, or engaging themselves in illegal activities.

The purpose of this study is to examine the poor's increasing engagement in informal economy during ERSAP in a new neighborhood, that of Al Nahda, and the social relations that impel vendors there to adopt ambiguous accommodating and resisting strategies.

2. Approach of the Research:

The approach that is chosen here, the seeking of the regularities of social life through a study of the concrete and the specific, is a response to the growing concern among social scientists that there is a 'crisis of relevance' in much of the research that is produced today (Bonine, 1997:4). Abstractly theoretical interpretations of social data are important to advance academic knowledge, but knowledge about regularities in daily life has more immediate relevance in assuring that responsible schemes of social development are carried out. Regularities, thus, are important for giving the measure of predictability needed by planners who are seeking ways to improve social conditions. An account of the variability in behavior is also important, serving to remind us that few generalizations are ever completely true.

I will be using a phenomenological approach in this study, that is I listen to the people I am studying, to their experience, to their values, to their understanding of the situation. There are several reasons for using this approach. The first reason has to do with how social science can and ought to be conducted. We should not infer the nature of class relations in any Third World country directly from a few features, such as the dominant mode of production, the mode and timing of insertion into the world economy, or the mode of surplus appropriation. This procedure entails a highly reductionist leap straight from one or a few economic facts to the class situation that is presumed to follow

from these facts. There are no human actors here, only mechanisms and puppets. Of course, economic facts are crucial; they define much, but not all of the situation that human actors face. Only by capturing the human experience, will we be able to say anything meaningful about how a given economic system influences those who constitute it. To omit the experience of human agents from the analysis of class relations is to have a theory swallow its own tail. Neither peasants nor proletarians deduce their identities directly or solely from the mode of production, and the sooner we attend to the concrete experience of the poor as it is lived, the sooner we will appreciate both the obstacles to, and the possibilities for collective action. Discussion of non-revolt thus dictates the necessary unity of structural factors and human agency. I have chosen the poor's informal economy during ERSAP as a critical starting point for an analysis of how structure and agency come together in an attempt to understand the absence of collective action by the poor in the face of obvious material grievances.

When the experience is widely shared, the symbols that embody class relation can come to have an extraordinary evocative power. One can imagine, in this context, how individual grievances become collective grievances and how collective grievances may take on the character of a class-based myth tied to local experience (Klandermans, 1997:6). Thus a particular person may regard a certain employer as oppressive. He may grumble, he may even have fantasies about telling him what he thinks of him. If this is an isolated, personal grievance, the affair is likely to stop there. If, however, many employees find themselves in the same position, there arises the basis for a collective grievance, collective fantasy, and even collective acts. But the point to remember here, is that the enemy in reality is not really that particular employer, *it is the system at large*, and therefore it is not

easy to pinpoint a certain exploiter. Thus, it is important to study meaning and experience as well as behavior. One need only cite the famous example of a rapid closing and opening of a single eyelid, used by Gilbert Ryle and elaborated by Clifford Geertz, to illustrate the problem. Is it a twitch or a wink? Mere observation of the physical act gives no clue. If it is a wink, what kind of a wink? Is it one of conspiracy, of ridicule, or of seduction? Only a knowledge of culture, the shared understandings of the actor can begin to tell us (Geertz, 1973:193). It is one thing to know that officials have raised electricity rates for example; it is another to know what this behavior means for those affected. Perhaps the people regard this raise as reasonable and long overdue (maybe due to the government publicity through media channels). Perhaps they regard the raise as oppressive, and perhaps opinion is divided. Only an inquiry into the experience of the marginalized poor, the meaning they attach to the event, can offer us the possibility of an answer. On the other hand, it may be in the interest of the poor to misrepresent their opinion, and thus interpretation may be tricky. It remains to be said that there cannot be a complete account of experienced reality, no "full verbal transcript of the conscious experience" (Scott,1985:38).

2.1 Study Group:

In choosing a certain group for my study, I was hesitant between public enterprise employees (the new poor) and the lower socio-economic group of urban poor. Both groups were of great interest, but after reviewing the literature on the urban poor and different definitions of poverty, I decided to touch on the latter group for my field of study. This lower socio-economic class always puzzled me, since I always wondered how did the poor manage to survive with soaring prices, deteriorating health treatment

(increasing medicine prices and inefficient doctors in poor neighborhoods) and the legendary so called 'free education'.

Fieldwork for this study was conducted in Al Nahda neighborhood, a poor urban satellite city on the Belbeis-Zaqaziq road, for a period of two months, in which a sample of 24 persons were extensively interviewed. My interviewees consisted of street vendors and peddlers who were scattered in Al Nahda neighborhood. A random sample of street vendors consisting of 10 men and 14 women were chosen. Out of these 24, only 3 were literate (of low educational background). My interviewees are those defined as the generally unlicensed street merchants wholly occupying public, rather than private space and having impermanent facilities for the storage of their merchandise or provision of their services. It must be stressed that the concern here is only with this one portion of the overall informal economy, (i.e., vendors who are selling vegetables, peanuts, second-hand clothes, slippers and chicken) which is much greater in overall size. Those occupied in domestic service, illegal activities, construction labor, household production, and transport were not considered in this survey. In the present research, the random sample of lower class urban families, has been selected and examined with the intent of describing the physical environment of this poor neighborhood, understanding the economic imperatives and analyzing the individual/collective strategies that people employ to cope with conditions of economic reform. Concrete descriptions and excerpts from individual case histories enable us to see not only the variety in human behavior but also the regularities in response that come from facing common problems. As Geertz has so aptly put it:

We hope to find in the little what eludes us in the large, to stumble upon general truths while sorting through special cases (Geertz 1968:4)

Before proceeding to the main body of this work, it is necessary to discuss briefly the relevant contexts of this study and the previous studies about informal economy.

3. Background

By the end of the 1980s and despite considerable discussion of adjustment with a human face and a more explicit concern with poverty alleviation, relatively few examples of effective mitigation of the social costs of adjustment by combined government and agency action could be identified. The main policy measures recommended by the International Monetary Fund (IMF) for Egypt may be classified into three groups of policy: fiscal, monetary and external policies. Specific emphasis was given to cutting expenditure on subsidies through the reduction of food subsidies by LE 100 million annually. So the price of a loaf of bread was doubled (from one piaster to two piasters in 1985, now it is for five piasters and with a smaller size), still heavily subsidized though, while the prices of several commodities produced by public enterprise (such as oil, soap and sugar) have been raised. In 1982/83, budget allocations for all kinds of subsidies and transfers amounted to more than 13% of GDP. By 1993/94, the total budget for all kinds of explicit and transfers amounted only to about 4% of GDP (Al Mahdi, 1997:152). Moreover, prices of energy (fuel and electricity) have increased largely in the last few years by a total of 92% of their starting level.

Besides pointing to the detrimental impact of adjustment and its victimizing effect on the urban poor, this study highlights the contributions that these poor can offer to make an effective adjustment. This is seen in the poor's perseverance, collaboration and cooperation with others--to reduce the pressures and to increase the 'room for maneuver' in the face of austerity. Wikan's account of a poor family in Cairo teaches the need to go

beyond descriptions of poverty and misery and look for the human potentials and cultural competencies that enable people to survive and even, in some cases, to thrive (Wikan 1996). "Every Egyptian I know has a social network, a security net, that picks up those who fall by the wayside. Even though it is not always successful, there is comfort in such companionship." She adds that "Their lives can be read as exercises in resistance against the state. It is a resistance that seems to follow a hidden agenda to manage and endure" (Wikan, 1996: 6).

These maneuvers, this study shows, take them to the informal economy, as one survival strategy. To see the poor only as the 'victims' of the adjustment programs is to ignore the dynamics of their struggle. This study also aims to analyze why, in many instances, the poor's resistance has not taken the more visible and overt form of collective collaboration or protest, whether in the workplace or in the community. However, we need first to define the poor that this study is talking about and to describe the different categories of the urban poor.

3.1 Urban Poverty

Poverty in urban Egypt is largely disguised and difficult to assess on a factual basis. There are, for example, an increasing number of unemployed graduates who are ultra poor in income but relatively rich in capabilities. Moreover, a large number of white collar employees in government offices have the appearance and lifestyle of well-to-do but they belong effectively to those groups suffering from income poverty. By contrast, there are many people in urban areas with earnings higher than absolute or relative poverty line, although their appearance and life style express poverty. Such people are common among craftsmen, retailers and workers in non-specific occupations, where capability

poverty is widespread. This makes concrete and comprehensive poverty assessment a very complex process. Starting from these premises, my study of poverty incidence among various poverty groups concentrates on those groups with no or little diversity of income sources. In other words, I am studying those poverty-locked groups who can be identified as those suffering from a gap between committed expenditure and total earnings. (Committed expenditure is to be understood with reference to basic needs; such as food, housing, adequate health and education) Costs of basic food requirement of a household with average size of 4.7 individuals is LE 214-400 per month in 1994 (AL Mahdi,1997:156). The poverty line estimated in my study is LE268-300 per month for an average household, so my group of study is mainly the hard-core poverty group who has no access except to informal income earning opportunities. For purpose of further identifying my study group, it must be made clear that the informal sector typically consists of two basic segments. According to Egypt Human Development Report of 1996, these segments are: dead-end survival activities (the lower end) with low returns, and small -scale activities with a potential for growth and technical upgrading (the upper end of the spectrum). The former segment will be the main focus of this study.

Before starting this study, I always wondered why were the poor so quiescent if not passive, why don't they rebel, why don't they collectively do something about improving their living conditions? It occurred to me then that my focus on the poor's rebellion was misplaced. Instead, it seemed far more important to understand what we might call everyday strategies for survival--the prosaic but constant struggle between the urban poor and the state in an effort to work the system to their minimum disadvantage, and the constraints on their actions.

Thus, the object of this study, its concerns and methods, originated in a growing realization that very little attention has been given to the everyday ordinary methods of the urban poor of Cairo and their increasing engagement in the informal economy to confront these austerity measures mentioned above. Before elaborating further on the focus of study, it is worth noting that informal economy is not necessarily a euphemism for poverty. It is a specific form of relationships of production and exchange, while poverty is an attribute linked to the process of distribution. The informal economy is thus not an individual condition, but a process of income-generation characterized by one central feature; it is unregulated by the state institutions, in a legal and social environment in which similar activities are regulated. It is, however, socially regulated. From this perspective, the informal economy is not a marginal phenomenon, but a fundamental politicoeconomic process, a form of resistance by a highly individuated urban poor in which individuals increasingly confront the market as members of households and refuse the state its share of taxes. It functions as a survival mechanism by articulating the economic needs of the poor and low income merchants and consumers. Their occupation of public streets is an individuated solution to a problem. Participants in the informal sector follow highly patterned internal organization and regulation; it is not a spontaneous or unstructured activity, despite terminology suggesting the opposite. From an historical perspective, the formal economy and not the informal economy is both the more recent and the more atypical. However, the informal sector cannot be understood without reference to the formal since the characteristics of the informal economy are not inherent in economic activities themselves. Rather they reflect the relationship of the economic activities to the state. Moreover, as the state has evolved, so has the distinction between

informal and formal economic activities. What is informal today may have been formal a decade ago. Analysis of the informal sector must therefore delineate the historical development of the relationship between the formal and informal sectors, concretely situate both sectors in a particular locale and time, and examine the process of the economic activities and their relationship to the state.

3.2 Literature Review:

Informal economy was usually thought of as a problem: clandestine, unregistered, illegal practices that pay no taxes and that compete unfairly with companies and industries that obey the law and pay their taxes promptly. Black-marketeers are brigands who deprive the state of funds it might use to remedy social problems and strengthen the very structure of society (De Soto:1989).

Hernando de Soto reversed this thinking in the 'Other Path' and maintained that the problem is not the black market but the state itself. He further maintained that the informal economy is the people's spontaneous and creative response to the state's incapacity to satisfy the basic needs of the impoverished masses (De Soto, 1989:71).

The tragic and absurd reality revealed by De Soto applies to Egypt as well where the legal system seems designed to favor those already favored and to punish the rest by making them permanent outlaws, and it is absurd because a system of this kind condemns itself to underdevelopment. The system invents laws to frustrate the legitimate desires of the people to hold jobs and black-marketeering is the masses' response to the system. They turn their disadvantage into advantage, their ignorance into wisdom, and they act in a purely pragmatic way.; where there are no jobs, they invent jobs.

De Soto feels that we should convey thanks to them because our throngs of thieves and unemployed are not longer than they are. 'Thanks to them, there are not more hungry people wandering our streets. Our social problems are enormous, but without the black-marketeers our situation would be infinitely worse' (De Soto, 1989:17). Even though De Soto does not embellish or overvalue the informal economy, he allows us a glimpse of the black-marketeers' spirit and imagination. It shows us what might be hoped for if all that productive energy could be put into practice legally in an authentic market economy in a government which, instead of harassing the black-marketeers would protect and stimulate them. However, De Soto has been criticized for his romanticizing and glorification of the informal sector participant as the bearer of free capitalism. This neoliberal approach does not emphasize the origin of this phenomenon in the exclusion from the formal sector. Instead, it sees that excessive regulation by the state is the culprit. In other words, the structure of the economy is not the problem, rather it is the limitations put on it by counter productive state regulation. Implicit in this position is the notion that an unhampered, laissez faire economy will provide adequately and justly for all. This approach, although not influential in academic and intellectual circles as the political economy school (often referred to as neo-Marxist) is of extreme importance because of the supporters that it has recruited. Based on a simplistic definition, an optimistic interpretation, and ideological underpinnings in style, this position is supported by many of the national and international agents of change in third world countries.

For the neo-Marxists, the informal sector is neither autonomous nor complementary to the formal sector; rather it is subordinate and exploited by the latter. It is according to such theorists as Moser (1978) and Portes and Walton (1981)--

manipulated and dominated by capitalist formal sector to reduce production costs through the reduction in remuneration. The informal sector, according to this approach, is part of the continuum of the dependent capitalist system, not separate from it; it exhibits certain characteristics similar to the economic relations between the metropole and satellite countries, as dependency theorists claim. Thus neo-Marxists view the informal sector as a vehicle which perpetuates poverty.

A third approach is that of the Structural Surplus Labor Force (SSLF) which began in the early 1970s with the publications of Keith Hart (1970,1973) and the International Labor Office's analysis of particular urban economic activities in Kenya (1972). This theoretical approach sees the informal sector as composed of a surplus labor force which is created by structural limitations placed on its incorporation into the formal sector. The SSLF approach claims that the origin of the informal sector is to be found in the modernization and industrialization schemes applied to dependent capitalist economies, especially in Africa and Latin America. According to adherents of this approach, these schemes have produced high urban growth while at the same time relying heavily on capital, rather than labor intensive industry which is unable to absorb significant number of workers from the growing urban population. So the recent migrants and displaced workers find it impossible to secure employment in the private or public sectors and therefore generate their own employment opportunities.

The debate in literature will probably go on since the existing theoretical statements have explained some activities and not others. For example, the works of Portes and Walton (1981) give an insight of the national and international programs of subcontracted manufacture but confuse our understanding of mobile retail vendors. We

thus, must describe and explain all economic activities within their specific historical, social, cultural, political and economic contexts.

Nicholas Hopkins in his edition of Cairo Papers about the informal sector refers to Abdel Fadil (1983) who says that the state has a political interest in incorporating people in the 'formal' sector, because (and beyond the revenue produced) it is also a form of state control over them. It is a way of involving in a system directed from a single point. "From this point of view, the continued vitality of the 'informal sector' is an embarrassment for the State. It also expresses a certain form of resistance to State control". Hopkins explains that the informal sector includes people who have successfully resisted integration into the hierarchical control of work characteristic of the formal sector, and there is thus an element of personal liberation and fulfillment, although at some monetary cost (Hopkins, 1991:108).

Other studies on informal economy in Egypt carried out by Helmy Ragheb Tadros and Mohamed Feteiha in 1984 estimate the mean net daily income of squatters was LE2.7 and calculated that this compared quite favorably with wages in the public sector. The researchers found that 84% of their respondents felt that this was sufficient to meet their household needs.

Another study by Sarah Loza in 1985 on informal economy in Al Minya estimated the annual gross income generated from these enterprises to be not less than LE1.7 million for the city. This estimate is very conservative, Loza asserts, considering the fact that it is not included in the estimates of the gross annual product of the city or the nation as a whole. The study concluded that interventions are needed to increase effectiveness and efficiency of the sector. These findings, which were discussed in a workshop in Al Minya

city, encouraged the idea of setting up a private voluntary organization to solicit membership of street vendors to be a catalyst in organizing collective support to them.

4. Historical development of Informal Sectors in Egypt

State intervention in the economy in Egypt expanded dramatically after the 1952 revolution and the nationalization of major financial, commercial and manufacturing institutions. In the following years, new public institutions and state companies sprung up in every sector. The state exerted a growing influence in virtually every area of social life. The state furthermore emphasized industrial investment at the expense of agriculture, launched a universal primary education campaign and expanded health and water services. Hiring in government agencies increased as did government expenditure. Nearly everybody in Egypt welcomed the new paternalistic state made more and more so by enthusiastic nationalist songs. In the face of external pressures (such as the decline in terms of trade), the economy simply could not sustain this kind of government expansion. Low producer prices led to an increase in parallel markets and many peasants left agriculture to work in small-scale enterprises. As the crisis deepened, commodity shortages became more pervasive, price hiking and sales of scarce commodities took place in parallel markets. Official pricing and government rationing of food, evolved to deal with the shortages, had the opposite result and pushed even more commodities into the parallel market. When Sadat became President and before he implemented the *infitah* policy, the severe commodity shortage had already led to a growth of informal activities to meet people's basic needs. "*Dalalat*" (the name given to women selling scarce commodities at

a higher price) made high profits at this period of time and were denounced by the government officials. In the mid seventies, however, the state was forced to pull back the boundaries of its control in the face of near economic collapse. The state plans had gone awry because, coupled with the fact that the government had over-extended itself and was simply unable to enforce many of its key policies, many factors had interfered, including the impact of the world economy, and the implementation of SAP to overcome the structural crisis of the 1970s (Asaad: 1991).

The research results showed that the struggles of these subordinate groups tend to be directed towards very concrete and often immediate objectives. The study also showed that households adapted to the crisis in various ways including an increase in the number of jobs held by family members and, even more characteristically, a variety of cost-cutting measures from reduced expenditure on food (the main adaptation mechanism) and other necessities to multiple occupancy of housing. My research results also suggest that as a result of these coping strategies i.e. engagement in informal economy, significant differences between fixed incomes and increasing prices may have produced greater relative impoverishment in the white-collar, wage-dependent middle class than among the more resilient urban poor-who nevertheless, bear greater absolute income losses. This indication of downward mobility (which is beyond the scope of this research) needs further study to assess the number of those who were pauperized by the progressive erosion of their purchasing power.

Informal economy was found to be the prevailing strategy in Al Nahda for all those who found themselves on the margin of society, their resistance (in the sense of resorting to informal economy as a way of withholding due taxes) to oppressing

conditions and adaptation (through reducing expenditure on food and other necessities) showed perseverance against very limited choice and lack of financial means. The poor under study developed ways of streamlining their relationships and broadening the scope of their economic behavior. Yet in doing so, they are constantly struggling for a living to the extent that they do not have the luxury of thinking of organized collective action. Their struggle, it was found, is never raised from the level of economic necessity to the level of conscious aim and organization as it is the case in other countries. Limitations on their ability to adopt novel solutions help perpetuate cycles of poverty from one generation to the next, except for those who are able to acquire new skills in the urban environment and raise their standard of living.

Because the poor families engaged in informal economy, have as a single unit, the objective of ensuring their survival, these informals showed their persistence in staying on the streets regardless of the government regulation of public thoroughfare. This study has further shown that the vendors' persistence has finally led to the informal economy in AL Nahda operating under the tolerance of the government, unlike other urban areas in Cairo, where the street vendors are sometimes almost shot down.

Most important of all, this research showed that while the informal economy may have improved the standard of living of the urban poor under study (given the income it generates, estimated at an average of LE5-7 per day), it has also withheld significant financial resources from state coffers, consequently affecting its efficiency. So that if money circulates in unregulated, untaxed and unrecorded associations, the government cannot directly or indirectly exploit those resources and finance its programs and objectives. Further study needs to be undertaken to register how much money exactly is

circulated in the field of informal economy which is beyond the reach of the state. This research concludes that the emphasis on the individual nature of these acts of non-compliance underestimates the collective impact that these efforts have in bringing about change. So that as powerful as the state is in Egypt, informal economy in urban Egypt has unintentionally affected its administrative capacity.

5. Overview of the Thesis

This first chapter is an introduction to the research being undertaken, briefly giving a background to the research ideas and how they originated, introducing the studied group and their neighborhood and identifying the approach used in the research. This chapter has also reviewed different schools of thought that are used to define informal economy in general, since that issue is a main focus of the study.

The second chapter reviews the ERSAP in Egypt and discusses its effect on the urban poor in general whether that be direct or indirect on the poor of Al Nahda in particular. Special attention is given to the effect on declining social services such as education and the ensuing result of low employment opportunities.

The third chapter gives a background to the specific area of the research, highlighting the importance of everyday forms of resistance that the urban poor use to overcome hardships and austerity policies. In this chapter, I review some of the literature dealing with the same subject in different countries, while giving a theoretical framework for the research project.

The fourth chapter describes the neighborhood under research and the social and economic characteristics of its population, and their main survival strategy under study, that is their informal economy.

The fifth chapter deals with the peoples' reactions towards increased prices, and reveals the poor's perception towards government policies, towards their situation in the new neighborhood. Their survival strategies are often attributed with the potential for reducing welfare losses during periods of decline. This chapter therefore reviews the interview results in an attempt to ascertain the extent to which these grass-roots adjustments effectively buffer the poor and the vulnerable during crisis periods, and to what extent are these strategies working as a resistance tool and as accommodation. Moreover, it assesses the role of coercion-of *baltaga*-or what might be called 'everyday forms of repression'-in producing such disguised forms of struggle. Finally, it discusses the reasons why many of the actions and meanings behind actions considered might justifiably be termed resistance.

The sixth chapter considers why open collective protest is rare or nonexistent in Al Nahda. This chapter emphasizes the impact of the broader political system in structuring opportunities and constraints and the weak mobilizing structures through which groups seek to organize. It analyses the results and concludes that the people of Al Nahda lack the social construction, the perception that acting collectively can redress their problems so that they prefer to resort to individual remedies.

The Final chapter gives an overview of the research results, and how the informal vendors still have the last word regarding their engagement in street vending and how this is a mixture of accommodation and protest.

It is therefore that an emphasis on growth is far from sufficient to ensure the protection of the vulnerable in the long run. This emphasis suggests that in the short run, it is possible to protect the vulnerable without economic growth by careful policy interventions targeted towards the poor and needy. To ensure that low-income and vulnerable groups do not suffer permanent damage, to ensure that they do not resort to illegal activities (black economy of drug trafficking), protection of their basic living standards has to become an explicit objective of adjustment, and programs must be devised and monitored on this account. This chapter attests (except for a small group) against the social marginality propositions which assumes that personal frustrations of unemployment, lack of access to power and effective schooling and proper health care for their children, and failure to achieve many of their goals are transformed into antisocial behavior. And whereas the idyllic warmth and cohesion of the previously inhabited neighborhoods of Sayyeda Zainab, Misr Al Qadima and Boulaq (as noted by Singerman, Wikan and Hoofmar) is not really existing anymore, still there is some residue of personal and cooperative relations and positive bonds and mutual reliability.

CHAPTER TWO

STRUCTURAL ADJUSTMENT AND THE POOR OF CAIRO

This chapter gives a background to the economic and social conditions in Egypt during Economic Reform and Structural Adjustment (ERSAP) and the social consequences on the poor. ERSAP had its direct negative effect on average real wage per employee in the public sector which explains the increasing informal economic activities nowadays in Egypt and in particular in Al Nahda neighborhood under study.

1. What is ERSAP?

Economic Reform and Structural Adjustment Programs (ERSAP) launched in 1991, entails a strong shift from a centrally planned economy with a relatively small private sector to decentralized, market based and outward oriented economy in which private sector plays a leading role.(Al Laithy,1996). ERSAP are corrective policies that were introduced by the IMF as a response to a deteriorating economic performance illustrated in the growing balance-of-payments problems experienced by an increasing number of countries. These balance of payment problems in Egypt are said to have been mainly caused by the state policy of protectionism, which in its turn generated inefficient industries that were uncompetitive and caused private capital to flow abroad in search of more profitable and less regulated economic environments (Richards, 1991). As a US report puts it, "for many years, Egyptian economic policies relying on state ownership,

bureaucratic controls, and protection from competition, stifled productivity, efficiency and economic growth." (US Embassy Report for the Arab Republic of Egypt, 1992:1) The report goes on to note that "state commitment to provide free public services, guaranteed employment, and subsidized goods for a rapidly growing population ... led to chronic fiscal and monetary indiscipline, generating excess demand, serious inflation, balance of payment deficits, growing international indebtedness and foreign exchange shortages." (US Embassy Report for the Arab Republic of Egypt, 1992:2).

Richards emphasizes a similar set of factors, noting how government deficit was financed through the banking system, leading to inflation, and was associated with negative real interest rates increasing overvaluation of the exchange rate (Richards, 1991:1724). Thus the IMF in collaboration with the World Bank saw the need to intervene more systematically in the fiscal policy of Egypt to address precisely this complex of problems, and as a key to debt management, to reduce the balance of payments and balance of trade deficits in many Third World countries. ERSAP thus aims at reducing budget deficit by increasing government revenues and decreasing government expenditure. The latter implied reduction in government expenditure on education and health as well as raising prices for providing these services. Such 'cost recovery' has a very important impact on poor people (El Laithy :1996:156). Using the results of Family Budget Surveys of 1974/75 and 1981/82 as well as Income and Expenditure Survey of 1990/91, poverty changes in Egypt over the period 1974/1991 have been assessed. Based on both relative and absolute poverty lines, urban poverty measures have been evaluated. Results showed that whatever the poverty measurement used, poverty declined between

1974/75 and 1981/82, while it has increased during the period 1981/82-1990/91 to reach 39.01% as opposed to 33.53% (El Laithy:164).

With IMF approval, the Egyptian government formulated a reform package for the years 1987/88 to 1991/92. It constituted a fairly traditional package of adjustment policies. Handoussa summarizes it as being focused on five areas of reform. The first was, fiscal restraint "aiming at reducing aggregate expenditure and controlling inflation; second was reform of the exchange rate to reduce the balance of payments deficit and effect efficient resource allocation of investment, and attract a larger inflow of workers' remittances from abroad; third; reform of the pricing structure through elimination of subsidies and price control in order to reduce waste and misallocation of resources; and finally liberalization of the operation of public sector companies so that they can liquidate inefficient units, set their own pay rates and, most important of all, set their own selling prices" (Handoussa,1991:10-15). However, Richards argues that this program fell well short of being a full SAP. In other words, it fell short of proposing the reforms that were actually needed to solve Egypt's problems. And in the end Egypt failed to meet the targets set by the IMF. One might ask why Egypt failed to observe its targets even after having obtained comparatively favorable conditions. This is mainly because when the government made an early IMF-inspired attempt at partial liberalization of the economy in January 1977, the results were far from successful. Riots sprang up in Cairo and Alexandria and the government had to cancel the economic measures that prompted the disturbances. Thus it might be argued that the government fears that liberalization measures affecting the cost of living may cause more riots and violence. Such fears are well grounded, if we note the existence of the social forces that are already opposed to the

regime and which could utilize the discontent roused by austerity measures to create unrest. Most notable among these groups are radical Islamists some of whom wish to establish a sharia-based state- if necessary by violent means. As Richards points out," the government of Egypt fears that popular anger will be channeled and exploited by the Muslim opposition especially by the radical wing of the jamaat." (Richards,1991:1727) Notwithstanding this difficulty and the interruption of 1987 agreement, the IMF and Egypt concluded another agreement in May 1991. This was more comprehensive than the first program.

The standard policy package components of ERSAPs include devaluation of the national currency, privatization of public enterprises and services, liberalization of trade, removal of subsidies from the basic goods and services, a reduction in the government expenditure including expenditure on social services (example education and health services), elimination of subsidies on consumer commodities, freezing or control of wages, and an increase in taxes(imposing general Sales Taxes and indirect taxes on goods and services) and reduction in tariffs.

But after the riots of January 1977, the government's attitude towards the subsidy changed significantly, as reflected by its commitment to lower the rate of growth of the subsidy and not to reduce its absolute amount, as it was targeted in 1976. In response to the Fund's demand of increasing government revenue, total current revenues increased from LE 12.4 million in 1988 to 48.9 million in 1994 (Al Mahdi,1997:24). The increase could be accredited to the rise in taxes, especially indirect taxes on domestic goods and services. Moreover, government employment declined to reach 4% per year during 1984-1992 as opposed to 8.4% during 1981-1984 (Al Mahdi,1997:26). Although this declining

percentage increased disguised unemployment, public sector employment could not be totally stopped in fear of stirring uproar among the young job-seekers. Obviously the government is concerned that the social hardships involved in the pursuit of any fairly rigorous austerity program may provide fertile ground for violent opposition groups and Islamic terrorism to boost their membership as mentioned above.

Further attempts to decrease expenditures were employed to reduce food subsidies, example reducing the size of *baladi* bread. Food subsidies reached 19.5% of the total government expenditure(TGE) in 1981/82 and declined to 9.2% of TGE in 1989/90. Now available data indicate that food subsidies represent 5.3% of TGE in 1993/1994.(Al Mahdi,1997:29) Increase in prices also included railway ticket prices which increased by 15%, while electricity prices were raised to meet a target of 69% of marginal production costs (Korayem,1993:35).

Despite this panoply of reforms, Richards argues that this still represents what might be termed a lenient version of structural adjustment. He notes that the program 'eschews sweeping privatization in favor of decentralizing decision making in the public sector' (Richards,1991: 1728). Although it is not certain if the ERSAP adopted by the Egyptian government with a slow pace will produce the required results, what is certain, however, is that the mass of people at the base of Egyptian society have been experiencing deteriorating social conditions throughout the last decade. As a result of these measures, unemployment levels reached 11.3%, (Egypt Development Report 1998:IV), consumer's commodities shot up, and income distribution deteriorated at the expense of the urban poor. It goes without saying that the urban poor and middle working class have suffered the greatest burden of debt servicing because they are the main users of deteriorating

social services. It has recently been noted that 'the poor mass of the population is estimated to spend 75% of its income on highly subsidized food' (Korayem, 1991:18). Rationalization of public sector is similarly fraught with dangers, given the high levels of disguised unemployment characterizing the Egyptian government and state-owned companies (5 million state employees were reported by Prime Minister K. El Ganzoury whereas the supposed capacity is 1 million employees only) (Al Ahram of 10.03.98).

In short, it is obvious that the government managed to achieve its fiscal targets and to reduce its budget deficit. Nevertheless, the reduction in government spending affected middle-class state employees whose real wages/income deteriorated, import restrictions hurt small commercial enterprises, sale or closure of state-owned corporations eliminates jobs, and cuts in state subsidies of food and transportation often spell the difference between bare survival and destitution for the urban poor. The effect of these reforms is dehumanizing on both the public enterprise employees (the new poor) and the lower socio-economic group of urban poor (those with no diversity of income, no wage and no stable source of income).

2. ERSAP and the Urban Poor

"Until recently," as Pinstrup-Andersen has observed, "and with a few notable exceptions, short term effects on the poor have usually been ignored or given low priority in the design of adjustment programs unless they were perceived to threaten political stability" (quoted in Walton & Seddon, 1994:58). As Piven and Cloward have observed, "people experience deprivation and oppression within a concrete setting, not as the end product of large and abstract processes, and it is the concrete experience that molds their

discontent into specific grievances against specific targets.” (Cloward&Piven,1979) Even when the forms of resistance develop beyond the individual to the cooperative and even collective, this concern with tangible results and gains remains crucial, although in collective struggles the potential for a more comprehensive vision of the sources of exploitation and oppression, and the feasibility of seeking wider and longer-term objectives, are greater.

Development experts and international agencies in the 1980s recommended the importance of ERSAPs macro-economic policies for the development of many Third World countries. More than that, the implementation of ERSAPs was made a condition for loans from the World Bank and the IMF. Those who are against the IMF recommendations see the Economic reform and structural adjustment as euphemisms for a new form of global domination and neocolonialism. They further believe that Third World plans for industrialization are scrapped in favor of a return to the export of primary products. Economic reform is seen by this group as a return to the growth and trickle down theories that twenty years ago was realized to provide too little with too much social disintegration. This policy is said to increase the income of some people (who were privileged in the first place) and leaves the rest as poor as before (if not poorer with higher percentage of open unemployment) which displaces many cherished values- this development, even if coupled with an increase in per capita on the level of society as a whole, does not expand the range of choices. “To describe it as development is sheer hypocrisy” (G. Amin,1996:4).

Since the late 1970s and early 1980s, over 30 African countries have applied SAPs aimed at ‘getting prices right’ (Gladwin,1985:2). Recently, many studies were conducted

which either defended or rejected the application of ERSAPs in the last decade, with particular emphasis on its impact on the vulnerable groups. ERSAPs advocates argue that the negative effects of ERSAPs are transitory costs that would be cured by the long run benefits. A critical question, however, is how short or, in fact, how long is the short run? The Egyptian experience suggests that the short run has been really a very long run that is already undermining any future progress.

At the positive side of adjustment, Clark and Manuh, who examine the situation of women traders in Ghana during SAPs, argue that women traders in the market place benefited as a group from the adjustment process (Gladwin,1985:2). This is mainly because, during economic crisis, profitable opportunities arise only for individuals and groups who have access to cash crop production and marketing. The study also reviewed the negative effects of SAPs on the vulnerable groups in the Ghanian society, particularly the rural poor in Northern Ghana, where higher costs for social services and price rises were documented.

In Guayaquil, Ecuador, in Latin America, Moser (1989), studied the impact of recession and SAPs at the micro-level and examined the situation of low income women and their households. An important finding was that the costs of SAPs have been most heavily felt by the low income population, particularly women. This is mainly because women, during the adjustment period, are forced to maximize their working hours both within the household by preparing and processing food and the market extra income for the survival of their families. Moser emphasizes that 'the triple role of women' has been adversely affected by SAPs. Women's triple roles include reproductive work

(childrearing and childbearing responsibilities), productive work in income generating activities, and community management work, such as fetching water (Moser, 1989:55).

In Zambia, Muntemba (1989:33) notes that stabilization policies affected vulnerable groups like lower-income urban consumers and female heads of households. She argues that Zambian poor were unable to expand their small business due to lack of credit, transport and supplies. Moreover, the impact of SAPs on the livelihood of poor urban consumers is severe, as the majority of poor families in Zambia have been forced either to reduce consumption of certain food items or to reduce their number of meals per day. However, it must be noted that since the urban poor do not constitute a homogenous group, the effect of SAPs on them would vary from one situation to another. Moreover, while the poor families share, as a single unit, the objective of ensuring their survival, the coping responses to adjustment policies of the individual members of the family need not be the same. The spheres of individual activity, age, gender and work status are likely to determine the nature of the coping response.

The World Bank indicated that there are losers and gainers from the policy reform, which is an inescapable part of the adjustment process in its early stages, since the structure of output and expenditure undergoes substantial change (World Bank 1991). The very critical question is who gains and who loses? By considering the type of goods and services which are affected (who buys what and why), the causal chain through which SAPs hits the urban poor will be clear.

The cut in government expenditure affects current expenditure more than capital expenditure which is often financed with external aid. Education and health services, which are not financially profitable, often receive lower or no allocation of subsidies as a

result of budget cuts. In Egypt, poverty measures show that poverty increased in Urban Egypt. The head count index at the basic-needs poverty line has increased from 20.3% in 1990/91 to 22.5% in 1995/96. The head count measure of mild poverty (the % of people living under the upper poverty line but above the lower poverty line) has also increased from 18.7% to 22.5% during the same period (Egypt Human Development Report 1996:6).

Adjustment measures have a negative impact on the poor population through three channels; income, prices, and the provision of social services. First, the poor as earners of income through their employment status and real wage levels, second, as consumers, thus their standard of living can suffer from changes in the prices of goods and services, third as beneficiaries of government social services. Real government wages rose during the boom period of the 1970s and early 1980s but then dropped precipitously thereafter, as the government attempted to bring its finances under control (Assaad, 1997:92) The drop is reported to be -3.2% compared to -1.4% for all wages during 1990/91- 1992/93 (El Laithy, 1996:151).

As for the rise in food prices, it was greater than the increase in the overall consumer price level during 1981/82-1990/91. By 1993/94, the total budget for all kinds of explicit subsidies amounted only to 4% of GDP as opposed to 13% of GDP in 1982/83 (AL Mahdi, 1996:152). When real income falls, substitution among non-food items is probably more difficult for the poor as compared to food substitution (plant protein for animal protein). This is because they spend the minimum possible on basic non-food items, such as housing, clothing, health, education and transportation (Korayem, 1991:22). In the high income earners, the case is different and substitution among non-food items is

easier when real income falls; for example, they can substitute the low-priced public services in health, education, etc., for the comparable high priced private services. This kind of substitution is not possible for the poor, since they already demand the subsidized and low-priced public services in health, education and transportation. For example, education in Egypt is officially free. In reality, however, this is not the case. Families in both rural and urban areas used to send their children to schools. Nowadays, many households in Cairo are unable to educate their children, not because they believe in the futility of the education as much as it is a matter of financial disability. Any public 'free' school nowadays costs at least LE 60 per month per child. These are now obligatory kind of fees required by the school administration for the so called 'enhancement lessons'. And if we assume the average number of children per family to be 3 or 4, then the amount of approximately LE 180 to LE240 is required per month for education alone. The result is that many families then decide to get their children out of their schools especially that many children do not fare well in schools and fail due to several reasons such as, very low level of education, and high rate of beating.

3. ERSAP and the Poor of Al Nahda:

As shown in the above discussion, ERSAP has a negative impact on employment and prices. Thus, the poor will be hit twice; once from the income side (by losing a job, or having a difficult time in finding one), and a second time by the increase in the cost of living due to the increase in prices called for by ERSAP measures. This type of policy affects the poor through changes in the price of goods and services consumed by the household which causes changes in their cost of living. The main policies of ERSAP

include an increase in indirect taxes such as the introduction of the general sales tax in 1990/91 and broadening its base gradually in 1991/92 and 1992/93 to cover the whole sale trade (Korayem:22). Indirect taxes are by their own nature regressive. Thus levying new indirect taxes on commodities and services (like sales tax), and widening the base of the prevailing ones, and raising their rates, which has been implemented as part of ERSAP, will have relatively larger decreasing impact on the incomes of the poor. This is because the poor, and the low income earners in general have a higher marginal propensity to consume than the rich and thus allocate a larger part of their income on consumption.(AL Mahdi,1997:155) Accordingly, they allocate a larger part of their income to consumption expenditure which represents the base for the indirect taxes.

One of the interviewees used to have a truck, before moving to Al Nahda, which he used to transport merchandise, and which was his main source of income. When the widening base of taxes was effected, he found himself paying an amount of LE 160 for licenses and other taxes. " I had to sell the car because I could not afford to pay all these taxes, and my profit did not cover the expenses required."

The second policy of SAP includes the increase in prices of goods and services which took place in the first half of the 1990s. These have affected the prices of bread, flour, oil tea, soap and other goods. Another interviewee was a woman who had to resort to informal economy when she arrived in Al Nahda. She was a housewife in Bab EL Sha'riya and never worked before.

I have four children who are in different school years. The school requires LE60 per child per month and if we don't pay, the teachers give them a hard time. My husband is a poor employee with a salary of LE150. What does this amount do? Look at the size of bread, how it became smaller in size. The bottle of oil I use

for cooking is quickly consumed in less than a week and it is sold now for LE 2 instead of PT75. Besides, my husband spends LE 50 in transportation alone since he works as a ganitor in Al Azhar University.

Household expenditure on education increased a great deal during the period from 1981/82 to 1990/91. The increase in expenditure is due mainly to the introduction of small fees, by the Ministry of Education, at all levels of education in an attempt to overcome budgetary problems. In addition to those compulsory fees, there are other fees for private lessons adding further burden on low-income groups (Al Mahdi,1997:162). Another comment was made by a street vendor on the deteriorating level of education and the fact that it is not free as officially stated. The vendor who was selling liquid soap in plastic bags said,

Teachers are also poor, since they receive a very low salary of LE120 or LE200 maximum. If the government spends enough on education, they would have given these teachers a proper salary to live on and maybe then, we will be spared the private tuition fees that we are obliged to pay every month. Now I have only two boys at school, I had to take the two girls out.

A third response to poor education was made by a vendor selling a very limited amount of sweets and chocolate. He said

In our times, the teacher used to spend all day teaching until all the students understood the lessons. Teachers then were conscientious, not like these days where they tell the students to study the lessons at home. My three children dropped out of school in preparatory years because I couldn't afford the private lessons and they kept on failing their exams. Now they have a very hard time finding a job, so they work one day and stay home ten days. These are really hard times. They do not even support me, so I had to go out and sell these sweets.

Thus in short, the increase in the cost of living, which is due to the increase in prices and the reduction (or elimination) of subsidies, has been felt more by the poor because of two reasons. The first is their relatively low incomes as compared to the rest of the population; and the second is that subsidies are allocated mainly to the basic consumer commodities and services (like education as shown above) that are consumed mostly by them.

Another basic service that is supposed to be free is the health service. Government expenditure on health services has declined from LE 3.4 billion in 1980/81 to LE 2.3 in 1989/90 (Al Mahdi, 1996). Since the early 90s, the government introduced charges in the health centers. There are several clinics in Al Nahda that require negligible amounts for visiting the doctor but the required medicine is usually unavailable and therefore you have to buy it from an outside pharmacy. One of the interviewees complained that her two children were suffering from extreme short sight that they dropped out of school and they needed to have an operation which she could not afford. Another man was suffering from rheumatoid and had to take medicine every week in a certain dosage which he could not afford and thus he has to endure the pain because of the inadequacy of health treatment.

One of the important impacts to assess is SAPs effect on employment. According to the Egypt Development Report of 1998, the unemployment rate reached an unprecedented rate of 11.3%. Some international observers estimate unemployment rate to be as high as 17.5% in 1993/94 (US Embassy report, 1995). The real rate of unemployment, which is much greater than the government announces, has been

effectively disguised. The official unemployment figures have been repeatedly redefined downwards. The official rate has thus become a less reliable barometer of the actual state of labor market.

According to the 1990 data, 86.9% of the unemployed are new graduates, and only 13.1% of the unemployed relates to the previously employed workers, should be understood within the prevailing labor laws that make laying-off workers very difficult in public enterprise. It should also be noted that the government sector and the public enterprises are over staffed by workers, because of the graduates employment policy that was in effect until few years ago. Officially, the graduates employment policy is not eliminated yet, but practically, it has not been applied for more than six years now. In its attempt to respond to the growing burden, the government has avoided the outright abolition of the program. Instead, it has established two policies. The first is to curtail the supply of graduates through direct rationing of enrollment by the Ministry of Education. The second is to increase the waiting period for a government appointment in the hope that some graduates will drop out of the queue (Assad,1995). According to Egypt Development Report of 1998, the Social Fund for Development which was initiated in 1991, should be described as 'Emergency Social Fund' due to its modest role and the extremely limited job opportunities it has created

One of the interviewees complained that her husband has been unemployed for more than five years now, and that is why she had to resort to selling merchandise informally. Her brother also, who is a plumber has three children, is similarly unemployed.

I don't know why doesn't the government build some workshops here in AL Nahda in order that our men find some work to do and earn money. Isn't the

government responsible for us, or do they just throw us here in Al Jabal and leave us with no jobs.

Another man selling slippers and shoes responded by saying:

Finding a job here in Al Nahda is next to impossible, so we are creating our own jobs. I stay here all day and my brother takes over in the afternoon. Look around you and see these idle youth going around doing nothing. We know that many of them sell drugs, they carry knives with them all the time and always cause trouble. Why doesn't the government open up workshops here to absorb them?

In sum, the labor process can be characterized as increasingly precarious, informal and flexible. Labor surplus is chronic, and it is much worse than the conventional, official unemployment statistics reveal. In order to identify the politico-economic strategy for the next decade and beyond, it is essential to recognize the extent and form this labor surplus is taking. Given these conditions, what do the poor in general and those of Madinat Al Nahda do? The following chapter discusses the general framework within which the responses of the poor are analyzed.

CHAPTER THREE

OVERT AND COVERT WAYS OF RESISTANCE

A basic focus of this study is to examine the mechanisms and strategies allowing the low income urban households to survive under the adjustment programs in a newly built Cairo neighborhood, that of Al Nahda. Their adaptations, resistance and perceptions are under study in order to understand the problematic behavior of collective inaction.

The first part of this chapter gives a theoretical framework for the research project and the approach used for the analysis of the poor's survival strategies. The second part gives an explanation of the quiescence of Cairo's poor and the reason behind the lack of collective action or overt protest.

The question of what appears as the 'absence of urban poor politics' has a more complex two-fold nature, for it asks us not only to account theoretically for the absence of social movements per se, but, more critically, to provide a political economy of specific covert manifestations of resistance and hidden forms of consciousness among the poor. In other words, in the face of impoverishment and material deprivation only rarely are the poor passive, rather they resist in a variety of hidden and culturally informed ways despite the fact that their voices are not readily heard or interpreted. A theory of social movement must therefore, address not so much **absence** per se, as the forms of '**passive**' protest which the poor so frequently engage in, but first we move to the discussion of overt resistance and why it is not plausible in the contemporary political structure of Egypt.

1. Overt Resistance

Cooperative and community-based struggles, which may be seen only as survival strategies may also provide the basis for more conventionally recognizable forms of collective action. As Ghai and Hewitt de Alcantara remark,

The challenges posed by recession and adjustment lend momentum to other kinds of family and neighborhood cooperation which go beyond simple 'survival strategies' and create centers of dialogue and mutual assistance within an inchoate civil society. Some, like neighborhood soup kitchens in urban areas, draw families together in cooperative efforts to reduce the costs of subsistence; others grow out of broader urban grass-roots organizations in which the neighborhood not only presents collective demands to local authorities but may be further integrated into a hierarchy of federations or confederations with the capacity to make itself heard at the national or international level (quoted in Walton & Seddon, 1994:71).

Many social scientists writing on Latin America, tend to identify community and neighborhood associations and struggles as concerned above all with questions of consumption. They argue that "members are drawn together to protest unacceptable living conditions, the elimination of subsidies, the lack of credit for housing, the sudden rise in food prices or environmental problems. Their demands are not generally framed around issues of employment or remuneration, that is around conditions of production (Oberschall, 1993:15). This analysis is not too different from that of Manuel Castells regarding urban protest movements in general which he suggests develop essentially around demands focused on collective consumption.

The most fundamental difference concerns whether urban protest resulted from objective conditions of hardship, social construction of injustice or a combination of the

two. And an even more fundamental question is when and why do feelings change from the objective state to the subjective state of oppression and injustice.

Many social scientists such as Charles Tilly maintain that conflicts “ occurred not so much where men were hungry as where they had a moral and political right.” (Walton & Seddon,1994:27). How then do we explain the occurrence of collective protests?

1.1 Theoretical Explanation

Four general theories have been proposed to explain the origins, timing and changing forms of riots or protests: rational response, moral economy, community, and state and market.

Bohstedt (1983) uses the term ‘ rational response’ to identify explanations that assume implicitly or explicitly, that protests vary directly with hard times. Harvest failures, industrial depressions, unemployment, and related events that produce either rapid price rises or distributional imbalances predict the occurrence of popular protest (Walton & Seddon,1994:31) Disadvantaged social groups respond rationally and proportionately to hardship or dearth by seizing food from those who have it, or by appealing to those in authority to reduce prices. Rational response theory unfortunately fails to explain the process in which people decide when and how to act. Its empirical shortcomings stem from the frequently documented absence of any direct relation between hardship and protest. As Clark (1976:377) observes, “in general there was no close correlation between the incidence of riots and national indices of dearth and distress- the points of ignition were to be found less in high prices per se than in price discrepancies” between the fair-price notions of producers and consumers (Walton & Seddon,1994:31).

Repeated inquiries have shown that riots do not occur in regions of the greatest suffering, at the depth of economic slumps, or at the highest price levels (e.g. Booth 1977; Bohstedt 1983; Hobsbawm 1964; L. Tilly 1971). Charles Tilly notes that "conflicts over the food supply became more widespread and virulent toward the end, despite the fact that the productivity of agriculture was increasing, the threat of death-dealing famine dwindling" (Seddon, 1994:32). These studies, however, should not be interpreted to mean that hardship is inconsequential as a condition of protest, but only that it is not a sufficient cause. This shows that hardship is not a sufficient cause of protest and action. The role that hardship may play is debated, some claiming that it is one among several factors in a causal combination, and others insisting that it makes no necessary contribution after other confounding factors are specified.

In the second theoretical approach, Edward Thompson's (1971) essay on "The moral economy of the English crowd" develops perhaps the most convincing explanation of the social mediation of economic hardship and protest. He believes that people react to price rises and marketing malpractices not as some reaction to dearth, but out of a sense of injustice. Popular action was based on a

Legitimizing notion... the belief that they were defending traditional rights and customs... supported by the wider consensus of the community... a consistent tradition of social norms and obligations, of the proper economic functions of the several parties within the community, which taken together, can be said to constitute the moral economy of the poor. An outrage to these moral assumptions, quite as much as actual deprivation, was the usual occasion for direct action (Thompson 1971:78-79).

The explanatory contribution of moral economy has been widely acknowledged by J. Scott and L. Tilly.

The third theoretical approach focuses on local communities as the relevant context of popular protest. Community theories typically begin with a review of the moral economy argument and argue that it overemphasizes social classes as the locus and agency of popular action. Calhoun (1982) and William Reddy (1987) argue that political protest in 18th and 19th centuries was led primarily by working class constituencies-as opposed to artisans and small farmers- and that classes themselves were not politically coherent or unified groups. On the contrary political movements drew their vitality from traditional communities in which questions of status honor and the disruption of established ways of life by capitalist industrialization were greater incentives to mobilization than any chimerical class interests. The community theory of food riots is persuasive for its attention to political detail and fine-grained explanation of variation in the location, timing and mobilization of protest support. Equally important, this approach raises strong empirical challenges to the precision of explanations based on moral economy and class conflict. Yet it is also true that a full explanation of riots must look beyond local actions to discover their causes in the economy and state organization which appear in community theories simply as 'external threats' The peculiarities of local politics, in Devon for example, do not explain cycles of protest over time and space. 'Riots are generated at the intersection of local grievances and national and even international forces of economy and politics' (Seddon, 1994:32). A complete explanation must address both community and societal conditions as well as the form of interaction.

The fourth theory which is based on state and market, is the logical complement to community theory. Here the hypothesized causal conditions work at the national level

and affect local settings to the extent that communities reflect broader processes. Louise Tilly (1971:25) summarizes the approach as follows:

The large-scale political and economic changes which I believe were crucial to the increased importance of food riots as a form of political conflict were: 1- a two-directional movement in French political centralization and concentration on the national level of policy decisions concerning economic matters, then toward a modification of the traditional paternalistic economic policy; and 2- the formation of a national market, also under the influence of state action.

The political shift from paternalistic to laissez-faire policies, seen as central by Tilly and others including Thompson, involved 'the repeal of laws regulating the grain market and the abdication of public responsibility for ensuring an adequate food supply at fair prices.' Riots were a direct response to state reforms that eliminated interventionary protections for consumers and promoted free markets. Older paternalistic models operating at the local level and assuring a 'plentiful supply of necessities at a low price' (C.Tilly 1975:428) were undermined by new national policies aimed at greater efficiency and market regulation. Price riots were simply one expression of popular grievances stemming from this broader changes and the transition from paternalism to laissez-faire (Seddon, 1996:34).

Criticisms of state and market theories maintain that market expansion and state formation say little about when and where rioting occur in so far as particular localities experience more numerous or intense external pressures. "Most of the riots were not reactions to new market pressures.. So far from promoting food riots, the growth of the national market was beginning to make them obsolete by 1800" (Seddon, 1994:35). A

second and more general criticism of state and market theory is its preoccupation with structural factors to the neglect of the meanings and processes that animate protest action. The various theories of food riots are complementary rather than opposed. "They operate at different level of organization and explore different correlates with models that rarely allow assignment of causal priority to one factor, such as the vigor of local tradition, over another such as the exactions of the state formation" (Walton & Seddon,1996:35) Community theories, for example recognize the changing environment of economic policy while state and market theories acknowledge moral economy as the normative base on which new practices are imposed. One important theoretical challenge would be to develop these linkages in explanations that move across levels and dimensions.

On behalf of community theory, Bohstedt (1983:223) suggests two related reasons for the decline of riots: expanding markets led to reduced prices and fewer shortages while the efficacy of community politics was eroded by new 'vertical' relations. "Riots were the mode of conflict in the framework and patronage politics. In this period patronage politics was beginning to break down and class politics was forming" (Seddon,1994:36). Reasoning from the standpoint of state market theory, Charles Tilly (1975) also notes improvements in food production and distribution and, even more decisively, the maturation of capitalist state. The change involved winners and losers:

State-markets and merchants succeeded in dissolving most of the framework of peasant life throughout the continent, in encouraging the emergence of cash-crop producers oriented to national markets, and thus in destroying the bases on which the peasantry resisted and had the capacity to resist... The dissolution of the peasant community removed the chief defenders of those rights. The food riot vanished as the peasants lost their struggle against the penetration of capitalism into the countryside (C. Tilly 1975:389-90).

In summary, the classical food riot disappeared for three closely related reasons. Improvements in production and distribution simultaneously lowered prices and reduced the likelihood of famine. Industrialization, coupled with state centralization, realigned politics by shifting its axis to national class struggles over wages and working conditions. And state expansion shifted the politics away from the local village and paternalistic arrangements as it simultaneously introduced more effective forms of repression (Seddon, 1994:36)

L. Tilly (1983) summarizes the change in riots by noting that most protests about food in the late 19th and 20th centuries take new forms: they are sponsored by formal organizations; they operate through planned meetings and demonstrations; and they are often indirect relating to issues about wages and standard of living rather than about food per se.

2. Coping Strategies or Covert Resistance?

Pryer and Elson see many of the activities of urban -poor as 'struggles for survival rather than solutions to the problem of deprivation and malnutrition'. The same point is made, even more forcefully, by Selby, Murphy and Lorenzen who argue that what are referred to as 'survival strategies' are simply ways of 'organizing for self-defense' and point out that survival is by no means guaranteed by such activities-in many cases, 'people are not surviving' (Selby, Murphy and Lorenzen 1990:70). We recognize that, in many instance, economic recession, structural adjustment, and austerity measures adopted by governments have combined to undermine preexisting cooperative structures and

reduce the room for maneuver, making the securing of livelihoods increasingly difficult and often obliging the urban poor to adopt more individualistic strategies.

Thus Jiggins (1989:969) argues, for Sub-Saharan Africa, that 'women's attempts to ensure and maintain an adequate livelihood for themselves and those in their care have been undermined during the 1980s. Deteriorating economic conditions, high levels of open unemployment, and the increasingly urgent need for cash to buy basic necessities impact on women's efforts to earn a livelihood.' Beneria also argues that the need to reduce expenditure on, for example, travel and transport, meant that households in Mexico City were less able to maintain their networks of relatives and friends outside the local community and emphasizes the effective 'privatization of survival strategies' (Beneria forthcoming:24). How and why certain individuals or groups recognize each other and become part of a 'we' is one question that this research hopes to answer.

While this point of view is quite true in many instances, it still remains relative depending on the mechanisms of survival used in particular contexts. So the farmers in Egypt, by having many children as one way to support them and their families (despite the government's desperate appeal for birth control) may force the government to change the productive conditions of farmers and decide to give them more privileges.

So that the emphasis in literature on these survival strategies as merely attempts to preserve the status quo in the face of external pressures is to see these strategies as defensive measures with a risk-averse character. The point here in this research is that while the choice of strategy for resistance may derive from a subsistence ethic or risk aversion, non-compliance is not simply a defense mechanism or an attempt to preserve the status quo in the face of pressures. It can, in point of fact, be an important impetus and

pressure point for policy change as my study will show with respect to urban survival strategies in Al Nahda. The informal economy in particular could be a catalyst for economic and social change forcing a redefinition of the boundaries of state control. Seddon (1994:65) points out that

we would urge a recognition of the fundamental point that even 'defensive' struggles have the potential, under the right circumstances, to develop into more extensive forms of struggle with a greater capacity for expanding the room for maneuver and changing the conditions within which struggle takes place.

2.1 The logic of covert resistance:

The objective of this study, its concerns and its methods, originated in a growing realization that very little attention has been given to the everyday ordinary methods of the urban poor of Cairo to confront these austerity measures mentioned above. Before starting this study, the poor or marginalized groups appeared so submissive and passive. Questions like Why don't they rebel? why don't they collectively do something about improving their situation? were without an answer. Always looking at the level of rebellions and revolution along the Western ones, I never thought that revolts are usually crushed unceremoniously. Of course, even an unsuccessful revolt may achieve something: some concessions from the state. But then again such gains are uncertain, while the demoralization of defeat are all too certain and real. It is also possible that even if the revolt succeeds in taking power, it almost always creates a more coercive and hegemonic state apparatus, so that the poor find themselves in the ironic position of having helped to power a ruling group whose plans for industrialization, taxation are very much at odds with the goals for which the poor had imagined they were fighting.

On another level, Lukacs argues that 'the superior strength of true practical consciousness lies in the ability to look beyond the divisive symptoms of the economic process to the unity of the total system underlying it' (quoted in Taher 1997:10). This level of consciousness is different from psychological class consciousness. The class struggle must be raised from the level of economic necessity to the level of conscious aim and effective class consciousness. One should not dismiss the possibility that under certain conditions the poor or proletariat could fail to acquire the consciousness that would develop into a force that changes history. 'Its consciousness,' Lukacs states, 'could become a completely passive observer moving in obedience to law it can never control' (quoted in Taher, 1997:11).

Michael Watts in his study of the non-occurrence of protest and rebellions among the peasantry in Northern Nigeria, considers the theoretical perspectives of Scott and Popkin (moral economy and political economy) as well as the British social historian P. Thompson in the light of the Nigerian data, before rejecting all three explanations as inadequate. He believes that peasant politics and absence of large scale insurrection in Northern Nigeria resides in the contradictory pattern of relative autonomy and partial control of the peasant labor process under Nigerian mercantile capitalism. His conclusions parallel that of Michael Adas: the gradual manner in which N. Nigeria was incorporated into the world economy and the British Empire led to the forging of a class collaboration between local and colonial administration. As a result, agrarian protest was limited to indirect forms (Burke, 1987:7).

Another obstacle to open resistance makes sense only against a background of expected repression. This obstacle is simply the day-to-day imperative of earning a living-

of household survival- which Marx appropriately termed 'the dull compulsion of economic relations' (Scott, 1985). Lacking any realistic possibility, for the time being, of directly and collectively redressing their situation, the urban poor have little choice but to adjust, as best as they can, to circumstances they confront daily. Tenants may bitterly resent the rent they have to pay, but they must pay it or lose their flats (as the case is in Al Nahda nowadays), the jobless may deplore the loss of wage work, but they must scramble for the few opportunities available, they may have deep animosities towards the clique that dominates the city politics, but they must act in circumspection if they wish to benefit from any of the small scraps of advantages that the ruling elite can offer. It should be emphasized here that this situation or pragmatic choice does not rule out certain forms of resistance, yet it sets limit that only the fools would transgress. The fact that it is a pragmatic choice does not imply normative consent to those realities. To understand this is to grasp the situation for most of the subordinate classes. That is they struggle under conditions that are largely not of their own making, and their 'pressing material needs' necessitate something of daily accommodation to those conditions. Dissident intellectuals from the middle or upper classes may occasionally have the luxury of focusing exclusively on the prospects of long term structural change, but the working urban poor are granted no holiday from the mundane pressures of making a living and making ends meet. So if we observe, a good deal of 'conforming' behavior in daily social life in Cairo, it does not mean that it derives from some symbolic hegemony or normative consensus engineered by the elites of the state. Durkheim has long ago recognized that the daily constraints on the industrial working class 'force them to behave in certain directions regardless of their

preferences and inclinations' (Mann, 1973) and this could be applied with even greater emphasis to the urban poor.

This tension in social relations is due, in part, to the fact that the working classes are not really satisfied with the conditions under which they live, but very often accept them as constrained and forced, since they have not the means to change them. (Mann, 1973).

The lack of social activism in Cairo is similarly attributed to 'the casual, unstructured and nonpolitical social networks' (Bayat, 1997:2). Why are the poor of Cairo not as mobilized as their counterparts, for example in Mexico city or Tehran? was a question addressed by Asef Bayat, where he attributes this to the absence of structures that permit collective activities. He relates this lack of community activism to the "weakness of civic or non-kinship cooperation at the community level which reinforces traditional hierarchical, paternalistic relations with people depending more on local elders and problem solvers than on broad-based social activism." Absence of structures that permit collective action in Egypt is exemplified in Sadat's 'Emergency laws', which among several reasons restrict contentious collective activities, and is still applied in Mubarak's time and will always be to prevent any groups coming together even in a peaceful protest. Bayat analyses this dearth of collective action and concludes that the poor use a method of quiet encroachment, which is a method quite different from defensive measures. It is a strategy without clear leadership, ideology or structured organization (Bayat, 1997:2).

It is the contention of this study that the urban poor in Al Nahda utilize false compliance, feigned ignorance, dissimulation and so on which are most significant and most effective over the long run. In the Third World, under repressive conditions, it is

not common for groups to risk an outright confrontation with the authorities over taxes, development policies or new laws; instead they are likely to nibble away at such policies by noncompliance, foot dragging and deception: to use James Scott's 'ordinary weapons of powerless groups' (Scott,1985). Such low-profile techniques are suited to the social structure of the urban poor- a class scattered across the city, lacking formal organization, and best equipped for defensive measures. These individual acts may in the end make an utter shambles of government policies. Thus Marc Bloch, the historian of feudalism, has noted that the great millennial movements were 'flashes in the pan' compared to the 'patient, silent struggles stubbornly carried on by rural communities' to avoid claims on their surplus and to assert their rights to the means of production.

The infrequency of riot in countries accustomed to severe economic hardships and fiscal austerity was always puzzling as mentioned above. Eric Hobsbawm wrote that 'it is remarkable how few riots-even food riots- there have been in the great Latin American cities during a period in which the masses of their impoverished and economically marginal inhabitants multiplied, and inflation as often as not was uncontrolled' (Hobsbawm,1967:56). Hobsbawm attributed the anomalous quiescence of Latin American cities to rapid urban migration and the apolitical mobility aspirations of heterogeneous former peasants. The new urbanites, moreover, were allegedly susceptible to co-optation by populist regimes such as those of Vargas in Brazil or Peron in Argentina. "The experience of populism reflects the relative passivity and lack of initiative of the urban masses, much more readily mobilized by an existing and sympathetic power from above (Hobsbawm,1967:63).

3. Approach of the research

A different approach -more appropriate in my opinion to the analysis of the poor's resistance and coping mechanisms- would emphasize the normality of the coexistence of different forms of consciousness and action, and stresses those structures of oppression and subordination which permeate the poor's lives and generally permit only limited room for maneuver or space for the more overt, conventional forms of collective struggle, resistance and protest. Such an approach would emphasize the fact that the poor make history but not under conditions of their own choosing; it would thus recognize both the potential for challenging structures of exploitation and the real constraints on direct action. It would also recognize the plurality of 'languages' of protest as well as forms of action.

Using this approach, analysis with the focus on the poor's rebellion would be misleading. Instead, it seemed far more important to understand what we might call everyday strategies-(to use J. Scott term), the prosaic but constant struggle between the urban poor and the state in an effort to work the system to their minimum disadvantage. Where institutionalized politics is formal, overt, everyday tactics are informal, often covert and concerned largely with immediate de facto gains. The goal, after all, of the great bulk of the poor's resistance is not directly to overthrow or transform a system but rather to survive -today, this week, this season- within it. Another point worth mentioning is that these tactics are not necessarily directed at the immediate source of appropriation. Inasmuch as the objective of the marginalized is typically to meet such pressing needs as physical safety, food, land or income, and to do so in relative safety. When hundreds of people go out to join the informal economy, they are defying government rules of public

thoroughfare, they are evading the regular raids by government officials, they are withholding due taxes to the government, and they insist on their right to survival with or without the government approval. Multiplied many thousandfold, such minor acts of the urban poor may in the end make an utter shambles of state policies. Thousands and thousands of individual acts of insubordination and evasion create an economic barrier likened to a reef. There is rarely any dramatic confrontation, but whenever the ship of the state tries to move, it is hindered by such a reef. Attention is typically directed to the shipwreck itself and not to the vast aggregation of petty act that made it possible. Their safety lies in their anonymity. While the form or style of these unusual struggles may differ from more conventional notions of political opposition, they nevertheless should not be disregarded as trivial. Michel de Certeau groups these small protests together in his discussion of what he calls the "oppositional practices of everyday life". He argues that the small tactics that individuals bargain over encroachments of modern forms of power form, in the end, a significant resistance, and perhaps the only viable kind of protest for some subordinate groups, given the growth of modern, individous forms of power (Certeau,1984).

It is therefore that I suggest in this research that availability of mobilization for overt struggle is weak among marginalized groups, while those who become participants in a movement generally have a more solid collective identity and closer network of social affiliations. It is my assumption that, in many instances, economic recession, structural adjustment, and repressive measures adopted by governments have combined to undermine preexisting cooperative structures and reduce the room for maneuver, making

the securing of livelihoods increasingly difficult and often obliging the poor to adopt more individualistic strategies.

Thus far the everyday survival strategies were discussed as if they were not more than a collection of individual acts or behaviors. However, we should not confine the analysis to behavior alone because this reduces the explanation of human action. But if we want to understand the action of urban poor, we must not ignore their consciousness- the meaning they give to their acts. The symbols, the norms, the ideological forms they create constitute the indispensable background to their behavior. No matter how partial or imperfect the poor's understanding of SAP recommendations, measures and aims, they are gifted with intentions, values and purposefulness that condition their acts. I seek then, not only to discover the patterns of everyday tactics as a distinctive behavior with far-reaching implications, but to ground that description in an analysis of the conflicts of meaning and value in which these patterns arise.

The relationship between thought and action is a complicated issue. The acts of resistance and thoughts (or the meaning of) resistance are in constant communication-in constant dialogue. Moreover, intentions and consciousness are not linked in quite the same way to the material world as behavior is. For example, it is possible for human actors to conceive of a certain action, that is at the moment, either impractical or impossible. The realm of consciousness gives us a kind of privileged access to lines of action that may become plausible or possible at a future date. How can we understand everyday forms of resistance without reference to the intentions, ideas and language of these urban poor who practice it? So it is important to understand intentions, ideas and language of those urban poor if we are to understand these everyday strategies.

The study of the social consciousness of subordinate classes is important for clarifying a major debate in both the Marxist and non-Marxist literature. This debate centers on the extent to which elites are able to impose their own image of a just social order, not simply on the behavior of the marginalized, but on their consciousness as well.

The fact can be illustrated simply if we assume that a given group is exploited and that this exploitation takes place in a context in which the coercive force of the state makes any open expression of discontent virtually impossible. Assuming for the sake of the argument that the only behavior observable is apparently acquiescent, at least two interpretations of this situation are possible. One explanation may claim that the exploited group, because of a hegemonic religious or social ideology, actually accepts its situation as normal, even justifiable part of that social order- a situation that Marxists might call "false-consciousness". It typically rests on the assumption that elites dominate not only the physical means of production but the symbolic means of production as well.- and that this hegemony allows them to control the very standards by which their rule is evaluated. As Gramsci argued, elites control the 'ideological sectors' of society-culture, religion, education and media-and can thereby engineer consent for their rule (Joseph,1975:29-48). By creating and disseminating a universe of discourse and the concepts to go with it, by defining the standards of what is true, beautiful, moral, fair and legitimate, they build a symbolic climate that prevents the urban poor from thinking their own free way. In fact, for Gramsci, the proletariat is more enslaved at the level of ideas than at the level of behavior. Such interpretations have been put forward to account for lower-class quiescence, particularly in rural societies such as India, where a system of rigid caste stratification is reinforced by religious sanctions. Lower castes are said to accept their fate

in the Hindu hierarchy in the hope of being rewarded in the next life. By reference to the culture that the poor fashion from their experience- their 'offstage comments and conversation, their loaded proverbs, jokes, language and religion-it would be possible to determine to what degree and in what ways, the urban poor actually accept the social order propagated by the government officials. Certainly, other studies suggest that the role of subordinate groups is more ambiguous and more active than the narrowed model of hegemonic relations suggests. For example P. Willis, in his book *Learning to Labor* (1977), on the perpetuation of class relations in England, argues that working-class boys actually do not believe in the promises of social mobility which the school and society teach. In fact, it is precisely because they do not believe that they do not strive to better their situation. Consent of a sort is achieved, furthering upper class interests, yet this is not a consent deriving from belief in the system, but rather a very different kind of consent emerging from a lack of belief in alternatives. Thus, the difference in lower-class perspective, while ending in the same practical result, is crucial for understanding the actual hegemonic interaction which has taken place.

An alternative interpretation of such quiescence might be that it is to be explained by relationships of force and repression and not by the poor's values and beliefs (which is clearly the case for the Egyptian poor). The argument for false-consciousness, after all, depends on the symbolic alignment of elite and subordinate class values- that is on the assumption that the proletariat actually accepts most of the elite vision of the social order. to the extent that an exploited group's outlook is in substantial symbolic alignment with elite values, the case for mystification is strengthened; to the extent that it holds contradictory values and views, the case is weakened. A close study of the subculture of a

subordinate group and its relation to the dominant elite values should give us part of the answer we seek. The evidence, however, will contain a number of diverse and even contradictory views as any group's social outlook will contain. So it is not the mere existence of deviant subcultural themes that is notable, but rather the forms they may take, the values they embody, and the emotional attachment they inspire.

CHAPTER FOUR

MADINAT AL NAHDA

1. Physical Layout:

Madinat Al Nahda is a neighborhood on the fringes of Cairo. It is one of the new satellite cities built by the government. It is located on the Belbeis -Zaqaziq road. Originally this neighborhood, which consists of look alike blocks, was built for the newly weds who could not afford fancy flats. The 6-story buildings are now mostly occupied by urban poor from different parts of Cairo, such as Sayyeda Zeinab, Misr Al Qadima, Bab Al Sha'riyya, Abbasiyya , Boulaq and others. It consists of nearly 150,000 inhabitants most of whom came after their houses had fallen down or had been evacuated as a result of the earthquake in 1993. Most of the interviewees expressed their satisfaction towards the flats they are inhabiting. They consider these flats to be better than the ones they used to live in (especially that most of them spent several months in tents in deplorable conditions). Flats consist of one room and a big hall which most of the people used to make a second separate room.

Madinat Al Nahda is of urban style with wide streets and not very close buildings. The spatial arrangement reflects to a large degree the spatial human relations. Although it is not unusual to find two or three women talking to each other from windows, it is not feasible any more to talk to each other from one building to another.

The neighborhood has five big modern schools (two primary, two preparatory and one commercial) two huge mosques, several health clinics and one beautiful but closed

garden at the entrance. Most of the inhabitants have turned the first floor flat or even the balcony of the flat into a shop where they sell different merchandise. The neighborhood falls in Abu Lughod's category of traditional urban community.

Abu-Lughod speaking of this group in Egypt says:

The traditional urbanite constitutes the missing link in Cairo's puzzling ecology. Even today it accounts for more than half of the city's population. Failure to conceptualize adequately this third type-- not as some intermediate point along an urban-rural continuum but as a separate dimension--accounts for the frequency with which irrelevant questions and meaningless hypothesis are framed about Middle Eastern City (quoted in A.Rugh, 1975:15).

Being built by the state, Madinat Al Nahda is not suffering from lack of services such as water, electricity and sewage. It stands in contrast with older neighborhoods, such as Boulaq, in that respect, where tap water was not always available, women gathered around community taps. This daily practice got women together through regular conversations, through sharing experiences and grievances, thus strengthening community networks and relations (Rugh, 1975:37). In modern neighborhoods such as Al Nahda, it is rare that people get together on a daily basis, it is rare that relations develop to assume stronger bonds since the people maintain an attitude of keeping a distance as much as possible to avoid trouble with unknown and strange people. The well planned wide paved streets, which are always busy but not congested or overcrowded, are designed along modern lines as if to testify to spatial relationships that should prevail. Relatively speaking, Al Nahda is an unusually quiet neighborhood, unlike the noisy clamorous hustle that is typical of poor *Sha'abi* (popular) areas in old Cairo.

During my several visits to Al Nahda, I saw street garbage collectors and yet garbage is beginning to show in many empty pieces of land. Still the area is considered clean compared to other traditional urban areas in Cairo. There are few individual attempts to plant some trees and flowers in front of some houses, which gives some hope for a greener area in the future.

Al Nahda, as a residential area, is self sufficient in terms of everyday needs. The only deficiency is the absence of a bakery. Residents have to wait everyday for bread to be especially transported by the Central Security cars from the nearest bakery. Other than that, there are stores of all kinds which allow people to do all their shopping. They can find all their needs available such as food, clothing, house utensils and furniture. Those engaged in the informal economy by selling vegetables and fruits buy their merchandise from El Obour Market at a wholesale price, while those selling other merchandise such as slippers, clothes, socks buy their products from nearby area called Alexandria or from El Mousky.

Upon entering Madinat Al Nahda, one is struck by the amount of street vendors scattered on the main street, so that it makes you wonder who is at home then if all these people are on the streets? Moreover, it is a common sight in Al Nahda to find the man and his wife sitting together selling their merchandise. Where women are engaged alone in selling, their elder daughters usually do the housework, the cooking and cleaning.

Street life in AL Nahda is very active and busy like other neighborhoods. It is a common sight to find first floor balconies turned into mini shops. The whole area was built with no configuration of shops what so ever, as if it is something of secondary importance.

The residents in Al Nahda have utilized the available space to the maximum. It is also very common to find street vendors selling different merchandise occupying commercially attractive locations on the main street at the neighborhood entrance. Just off the main street is the market or 'souk', which is crowded all the time and very narrow. It displays the heterogeneity of the outward appearance of the residents and which again contrasts with the old neighborhoods where there is an identifiable homogeneity. This outward homogeneity was a reflection of the process by which individuals settling in Cairo segregate themselves into parts of the city inhabited by others having the same characteristics. But the case of Al Nahda is different since people were transferred from different places and different backgrounds. Newcomers were forced to take housing where they could find it without consideration to all their preferences.

A striking feature in the Nahda streets is the idle youth who are unemployed or school dropouts. These young men walk lazily around the streets either harassing girls or joining gangs. They are a main reason for lots of people frustration and contempt. Drug trafficking and addiction is widely spread. All of my informants recounted the same stories of '*bultaga*' meaning acts of violence. They also described street fights between these youth where it is a normal practice to use knives, often resulting in casualties.

2. Structure of the Population

Al Nahda neighbourhood is relatively heterogeneous compared to other *Sha'abi* areas of Boulaq and Al Sayyeda Zainab. Most of the inhabitants of Al Nahda are originally from different poor areas of Cairo namely, Al Sayyeda Zainab, Misr Al

Qadima, 'Ain Shams, Abbasiyya and Bab Al Sha'riya. The informants were all transferred to this neighborhood after the earthquake. Although they are more or less from the same economic and social background and although they constitute the traditional urban poor, they refer to each others as coming from a bad environment (*bi'ya wihsha*). They have this double standard judgment on neighbors and residents. So at one time they refer to good but distant relationship with neighbors, and at others they complain from them because they are bad people coming from bad and low environment.

To characterize the residents of Al Nahda as 'lower class' runs the risk of potential misunderstanding if by 'class' the reader assumes a particular complex of economic characteristics. It is in fact very difficult to find indicators that give an accurate overall assessment of socio-economic level in Egyptian society. Occupation probably comes the closest at drawing a line between the lower and the middle classes, especially if the occupation concerned implies a high or low level of education. University education is a ticket to a middle class status and it is therefore a key factor in the distinction between the lower and the middle socio-economic groups. In Egypt, a construction worker, mechanic, tailor or a plumber may often earn more than an educated bureaucrat, yet everyone will see the former as lower class and the latter as middle class. Moreover, income level does not necessarily change the style of persons in poor areas. Egyptians themselves generally call the homogeneity of dress and style of life *baladi*. At the same time individuals in a single family may not share the same style of life in every respect. It is quite common to find a range of socio-economic differences within single families, particularly between individuals of different generations. Many already have

incomes that could support a more expensive style of life, yet they remain indistinguishable from their neighbors.

Using the income indicator (specified in the previous chapter to be LE 268-300 per month), the level of education and the kind of economic activity (informal economy), the sample group as a whole is seen to be decidedly lower class. Upward social mobility is not really attainable due to high rates of school drop outs in this low social group. Whereas not very long time ago, the majority of lower class parents gave education low priority because concrete benefits were not immediately visible (girls were kept home to help in housework while boys were trained in specialized skills), now the majority of lower class parents struggle to give their children the longest formal education possible. Unfortunately, the low level of education found in public schools entails that students must have private tutoring, which is in most cases beyond the financial capabilities of poor parents. Thus education can no longer be considered free, on the contrary it is consuming quite a large portion of the income earned by the parents, and is a main reason of quitting school. Another factor in poor children dropping out of schools is their poor performance and failure due to limited mental abilities (which in turn is due to lack of proper diet and nutrition) and limited help from uneducated parents. Thus, we find that a very small number of poor students actually completes their formal education, and hence have a narrower range of choice brought about by a narrow economic base. These factors were concluded from the responses of all of my informants who complained about the private tutoring lessons which they are obliged to pay or else their children would fail their exams. Twenty pounds is the minimum amount paid per student per month in primary school, the amount increases in preparatory years. So one of the interviewees selling slippers and

galabiyas told me he is paying LE 75 per month for his three children. And when he faltered one month, his daughter failed the midterm exams, so he paid the LE 20 and immediately the grades were changed in the report by a corrector. "There is no shame any more" he says.

All of the interviewees cherished the good old days where they lived with their neighbors like one family. One of them said

my neighbor was more than a sister, I used to leave my children with her everyday and go to work, I never worried about them because I trusted her, we shared our food and our doors were open to each other, but now I have my door shut all the time and I don't mingle with anybody.

Another interviewee said that

conflicts between people were always solved by us. We always managed to reconcile the conflicting parties. People rarely resorted to police and formal institutions. This system worked because the people trusted each others' judgment and agreed to the verdict of the majority. But now when there is a fight, we don't interfere because you may never know what will happen to you if you do. You may end up being blamed or taken in by the police. The people here are bad and they carry knives along all the time. Nowadays, we don't feel that people care for each other maybe because they come from different backgrounds.

Depending on local elders to solve problems could well account for the preservation of traditional hierarchical relations and the weakness of civic or non-kinship cooperation.

The residents who still hold a job downtown complain about the large amounts spent on transportation alone (about LE 35 per month) which is quite a sum regarding

their modest incomes. One of my informants went on early pension and is now selling salted peanuts, another four lost their jobs as skilled labor because of the long distance to downtown and because of the transportation expenses. They are selling different merchandise such as liquid soap, slippers and peanuts. Another two were street vendors back in their old area of residence, while three others resorted to informal economy when they came to Al Nahda. Three out of fourteen women headed the households (2 widows and one divorced). Most of the people live in nuclear family. One respondent lived with a son married in the same flat. Another one had his widowed sister and her two children living with his family. For all of the families in the study group, a single room apartment defines who will be included in the household group. Scarcity of living space makes it difficult for children to marry and remain in the home of their parents as they might do in a village setting. Thus households tend to be defined as nuclear units more because of the exigencies of space than by the preference of the individuals themselves.

Twenty out of 24 interviewees had TV sets (which they see as a necessity to keep their children off the streets), while 18 out of 22 had refrigerators. All of my informants had no tenure contracts and are dreading the rent that the government will someday require of them. They hear rumors saying it will be as much as LE 75 per month which outrage them and make them feel completely incapable. One of the interviewees said:

If I am going to pay LE 75, how will I feed my children. The government has to be reasonable, so they don't throw us here in Al Jabal and want us to pay all that money, we are downtrodden people. one of the interviewees said.

3. Economic Activities:

While the concept of family designates the ideological notion, an ideal that includes marriage and the role of men as providers and of women as caretakers of children, the term household refers to the actual manner in which men, women and children come together as part of observable domestic units. Households represent mechanisms for the pooling of time, labor, and other resources in a frequently shared space. The concept of the family appears 'natural' and unchangeable. Households, on the other hand, constantly adjust to the pressures of the surrounding environment. Indeed, households often stand in sharp contrast to widespread ideals regarding the family. Social class accounts largely for the extent to which notions about the family can be upheld or not. The conditions necessary for the maintenance of long-term stable unions in which men act as main providers and women as principal caretakers of children have been readily available among the middle and the upper classes but woefully absent among the poor these days. Thus, the poor often live in highly flexible households in which meager resources and vital services constantly flow but in which adherence to the norms of the patriarchal family are not usually possible.

The evidence from this research points in two different directions concerning this matter. In the case of residents of Al Nahda, there is high incidence of female-headed households and households in which the earnings of women are indispensable for maintaining standards of modest subsistence. Underemployment partly accounts for the inability of men to serve as main providers. The second direction relates to the fact that women's engagement in informal economy was originally a strategy for coping with an unfamiliar environment (Al Nahda was a desolate place when they first arrived) and the need

to restore the income lost by the male head of the family due to lack of job opportunities and their transfer to the new neighborhood.

It must be noted that the neighborhood under research is completely different from previous *sha'abi* neighborhoods studied (like those of Singerman (1993) and Wikan (1996), in that it is more urban-like, bigger in size and more heterogeneous. Thus the term *sha'abi* does not really apply to this urban neighborhood although in appearance it could well be. Moreover, strong friendship and kinship networks portrayed as vivid and everlasting in these popular neighborhoods by Singerman and Wikan are almost nonexistent in Al Nahda area, where caring often ends with the family's boundary, and where commitment to the family does not entail cooperation and compassion on a broader scale. Whereas it is true that 'perseverance and hope triumph in the face of bitter realities' as Wikan so aptly describes, it is also true that Al Nahda's urban poor are frustrated, having impersonal relations and failing to achieve any organized cooperation.

Many of the residents, finding themselves with no income, resorted to informal economy as one survival strategy. One woman selling sweets and other stuff told me "if you look around you will find most of the women these days are out selling something or another to earn a living or increase household income to face the increase in prices. This was not common not very long ago. Women used to stay home and take care of their kids, but now they are in the streets after a living. They are '*shayaneen*' (suffering). I didn't use to work when I was in Bab El Sha'riya, but now I have to, our electricity bill ranges from LE 15 to LE20 per month, imagine!"

Another vendor said 'a decade ago the wages of an average worker would not only support a family but could even provide for additional relatives. At that time few women

were self-employed like today. Today, everyone knows that no one is simply living off official wages.'

Engagement in the informal economy in Al Nahda is growing as a part of a whole series of survival strategies residents adopt to weather the crisis and their lack of income. The fact that there is no active NGO in the area has aggravated the problem. The Red Crescent, though, is trying to fill this gap by providing some social services. This organization under the auspices of the First Lady, Suzan Mubarak, is trying to identify the ultra poor and provide them with a monthly grant (ranges from LE20 till LE60) according to their specific cases. However, they consider the residents who are engaged in informal economy as ineligible for their monthly grants.

CHAPTER FIVE
INFORMAL ECONOMY IN AL NAHDA
RESISTANCE AND ACCOMMODATION

In times of crisis the poor in the cities of the developing world, as elsewhere, tend to use their imaginative capacities to create ways to challenge existing inequalities and negotiate a new and a better future. While such struggles occasionally emerge into overt violence we watch on television, more often the process consists of more mundane resistances. Indeed, as Foucault suggests, 'a focus on these microlevel interactions, often undertaken in the discursive and symbolic realms, may be more useful than seeking out the global interactions that constrain but do not determine people's consciousness and actions' (Foucault, 1972).

This chapter analyzes the informal economy in Al Nahda by reviewing what people see in these activities; whether it effectively buffers the poor during crisis periods?, to what extent is it a resistance tool or mere accommodation? And how has it affected the government policy? While this chapter reveals the role of coercion-of *baltaga*- of what might be called 'everyday form of repression'- in producing such disguised forms of struggle, it also shows how the exercise of such non compliance via the informal economy is quietly and effectively changing the predicates of policies from within society without openly confronting the state. Discussion then goes to elaborate why many of the actions and meaning behind actions considered here might be justifiably be termed resistance,

whereas others are mere accommodation to the existing social and political structure of Egypt.

1. The Growing Informal Economy:

The analysis of the genesis of the process of informalization requires in-depth research in its particular context. Our case here in Al Nahda testifies the fact that the expansion of the informal economy is part of the process of economic restructuring (previously explained as cuts in food subsidies, social services and privatization) aimed at overcoming the structural crisis of the 1970s. It is a strategy utilized by the poor who found themselves without a job, without an income. It also flourished in the past years due to declining real incomes. Thousands of people have been subjected to harsh living conditions that have made them accept whatever ways out of their misery they could find. However, the expansion of informal sector in Al Nahda is also due to the fact that many residents of this neighborhood found themselves unemployed due to the long commuting distance between downtown Cairo (where they used to work) and their new residence. A woman selling lettuce and green onion commented that she only had to work when she came here in Al Nahda because her husband who used to work downtown in carpenter workshop had to quit because of the commuting distance and the transportation expenses.

I don't know about this SAP, but Five years ago we used to live almost comfortably. Things were not that expensive, education was not that demanding. I pay LE 60 per month for my four children. The elder one is not doing well so I think I will take him out of school. He could help us if he works as a mechanic in El Herafeyyin area, here there are no jobs. If it wasn't for this small amount of vegetables, how would we live? The other day when these baladya people came, I

ran with my vegetables to this building and came back when they left. How can we quit our business, it is the food of our children. We pray to God that they leave us alone because only God helps us no body else does.

Another indirect general cause for the expansion of informal economy is the impact of international competition on all countries including Egypt of course. So that due to the growing integration of national economies into the international system, there is a tendency toward the diffusion of low labor costs across countries and regions. Manufactures of consumer goods, such as garments and footwear, who cannot compete with cheaper Third World imports must either close down their factories or move underground.

A third reason that is particular to the context of Egypt is the overburdened government body by 5.4 million employees (Al Ahram, 1998). These employees of course are underpaid, their salaries no longer suffice the minimum expenses of urban life, not to mention the so called free education (parents end up paying considerable amounts for private tutoring even in public schools as mentioned above). These government employees, pressed by their family requirements, find an outlet in the service activities. It is like a safety valve that prevents the people from bursting. As one vendor selling peanuts elaborates:

I went on an early retirement because the salary was not doing much. My daughter wanted to marry so I took my social insurance money and retired in order to buy her the furniture. Nowadays I don't earn that much about LE 5 per day, but it is better than nothing, at least it is all mine, that is I don't have to pay taxes or suffer any deductions as it is the case with government salaries. The government can reach only the muwazzafeen, the poor employees whose salaries are well known

and documented. I worked all my life as a muwazzaf and I didn't save anything. Thank God for everything, no body takes more that what is meant for him and nothing less.

By engaging themselves in different informal activities, these vendors have their ways in and out of the state rules and predicaments-they try to earn money from whatever merchandise they can sell to the residents of the same neighborhood, and at the end of the day, they accommodate themselves to the hard economic conditions of life. They remind themselves that God who created them will not forget them. Lack of formal job opportunities was lately revealed in Al Ahram newspaper to be due to corruption and favoritism in the government body. In a heated debate in one of sessions of the People's Assembly, the minister of administrative development, Dr. Zaki Abu Amer revealed the shocking fact about the misuse of allocated and approved budget for salary increases and new jobs. The minister admitted that these approved amounts are used somewhere else. These approved budgets, he said, are spent on employing useless experts and consultants whether they are previous employees on pension or fresh employees. This of course has its direct effect on the government employees, whose annual increment ranges from LE 10 to LE 50. This raise is meaningless compared to the rise in price of services such as electricity, transportation and the disastrous education. More than that, the majority of the poor do not look forward to the formal hiring because they know that it is not rewarding. Even those engaged in informal activities do not seem to prefer any shift to formal jobs. When asked about the possibility of working in a government or any public company with fixed salary and fixed working hours, 19 out of 24 interviewees rejected the idea saying that the salary of the government organization is too low, besides working

on their own gives them the flexibility to work today and rest tomorrow. So that despite the threat of the baladiyya harassment, the majority preferred their informal jobs and literally they valued their freedom. Each of them recounts similar stories of difficulty of living all day being on the streets, and the harshness of life on them, but they still do not think of quitting their small enterprises because 'that is all they know, that is their children's food.'

Others are less accommodating to dire conditions and the occasional harassment on their means of survival

The government should really thank us for making this place habitual, without us (meaning the vendors) how are the residents of Al Nahda going to find the food, clothes and other daily needs which we provide like the case with any sha'bi area. The nearest neighbourhood is still not within a walking distance. So instead of going there by transportation (which is not cheap if we are talking about daily trips), they buy from us. As one of the vendors commented.

Vendors in Al Nahda believe that there is no other way to survive since the government as the majority of them see it does not sympathize with them and their problems. "The government only gets really tight on us the poor, but rules are easily broken for the rich, taxes are canceled and informal economy becomes legal to the big powerful beys" one vendor vehemently commented. And last but not least the government itself is seen as corrupted and works through favoritism, that is through '*wasta*' and bribes which are beyond their means and that is why they have to make it on their own and resort to informal economy.

And after all this misery we're in, they want us to pay LE 35 as a monthly rent, they just want money and that's all, but when it comes to services we need, we are

forgotten, the education here is useless and really consuming. The medical service is not bad but still very expensive for the poor like us.

Another vendor with even more extreme opinion said:

the government is split in two halves, the first half do drugs and the second half do and sell drugs. They know the drug dealers here and still they do nothing about it, they only harass us and threaten us with charging us with false crimes.

Another man even more open said:

I am telling you that the drug dealers are known, and I can mention them to you by names. The police officers keep going to these dealers' houses in a paradic show, but they never arrest them! You tell me why? It is obvious they are together in this thing. These officers are becoming richer everyday, from where do they acquire this money? And after that they have to appear that they are keeping order in AL Nahda so they come after us and harass us. You know the problem is not the baladiyya people as much as it is the officers who take us all to be thieves and crooked. We are just after a living, and we are not giving it up as easily as they would want us to. Maybe if we turn to really illegal business, they will let us be, yes maybe because everything nowadays is going by the reverse, the thieves are rich and the honest are getting poorer everyday.

Another vendor responds by saying,

Everyday I make a profit ranging from LE 5 to LE 10. I have 3 children and a retarded husband who is useless, he carries ice bars to shops and earn LE5 per day and sometimes he doesn't work, so I cannot depend on him. I wanted to hospitalize him, but the fees required were beyond my capacities. Medical care is very expensive. The government does not have mercy. They don't feel our problems, all they do is oppress the poor because we have no 'wasta', but we have God on our side. The 'Baladiyya' comes and confiscates our merchandise and we

have to pay fines to get it back, if ever we do (last time I lost merchandise worth about LE120 in this process). What do they want from us, do they want us to sell drugs or what? Why don't they go and run after the drug dealers and prostitutes? Why us? we want to earn an honorable living and raise our children. And mind you they know that we will be back in same place, they know that we will not give up because I do not know any other job and it is the food of my children, so why cause the trouble!

Another woman selling peanuts said that the Red Crescent refused to help her with any monthly allowance because she is generating an income through her small pile of peanuts.

What do they know to judge that I don't need help. I only make from LE 5 to LE10 pounds per day. Their representative came and told me that they help only the real needy, the real poor. What am I then? I have three children one of them is at the age of marriage and I want to have her married but how can I manage with this small income? My husband doesn't work now. He used to work in a *sha'bi* restaurant down town, but now he is looking for a job. Shouldn't they make proper surveys to understand our living conditions.

All of the interviewees voiced resentment and felt that the Red Crescent had certain people whom they serve and that they do not bother to reach the real needy. One of the women vendors said that "the ones who really benefit from the Red Crescent services and goods such as blankets or monthly allowances, are the women wearing gold all over not us!"

However, such resentment stops just at that, every woman being fully engaged all day with selling her merchandise is consumed by the end of the day to the point of

thinking only about her problems and how she's going to solve them and manage the next day.

In their quest for survival, they have connected with a more flexible, ad hoc form of economic activity that, while receiving old methods of primitive exploitation, also provides more room for personal interaction. The small-scale and face-to-face features of these activities make living through the crisis a more manageable experience than waiting in line for relief from impersonal bureaucracies. This is illustrated by the following quotations of a women vendor:

I go out to get vegetables from the Obour market at 5 o'clock in the morning and come back by 7.30 to take my place here as you see me. I don't even have time to take breakfast, my daughters bring me a sandwich as they go to their school. I stay here till 4 o'clock to try to sell all the vegetables. I earn good enough to get things going, thank God yet I feel deadly exhausted by then, but what can I do? I have six children and a very old husband, and I don't know any other business besides I am illiterate. I look old but, actually I am only 40 years. I am thankful for the government because we were moved immediately to our flat after the earthquake. What can the government do to all these people? I am always minding my business and do not mingle with people because people here are not good but when I am really out of money, I sometimes borrow from one woman who knows that I am honest and trusts me to return her money.

As it is clear from this quotation, the labor process of informal economy and being on the streets most of the day ensured that individual remedies were available, individuated poor's lives had effectively limited large scale collective response.

Another street vendor selling slippers said that he is selling informally to support his old father and mother. He said he had to do something instead of begging. His two sisters go to school, while he dropped out very early during primary years. His younger brother helps him in the afternoon but not his sisters who go directly home after school. He said that

Street vendors at the entrance of the neighborhood see the baladiyya people coming and spread the word around, so we immediately hide our merchandise in nearby buildings before they arrive. If I finish hiding my things, I help the vendor next to me in hiding her things. I help her/him this time, she/he will help me the next time. I don't get together with other youth because most of them here are bad and engaged in drug trafficking, so I usually mind my own business.

Other examples show thwarted trials of organization, activism and initiative; In his attempt to struggle for a living, another vendor said that

once I tried to organize a sort of pool consisting of different skilled laborers, such as plumbers, carpenters, electricians, and I meant to publicize the services that they offer in nearby localities so that they could be in continuous demand instead of working for one day and staying home for another ten. And I actually went to the Tenth of Ramadan City to market our services when my idea was met with unprecedented enthusiasm of these poor unemployed people. Unfortunately, the government thought that is a sort of secret organization and that I wasn't allowed to bring people together and organize a group of workers, and so I was warned to cut this thing off. It is illegal they said. And so my project ended before it had started. Sometimes you have to bend in front of strong wind; I complied and started to sell utensils. I thought to myself that my initiative would not have made that much difference after all, so I'd better wait and see.

The above quotation is also an example of 'free rider' problem. Collective goods benefits all members of a group or social category regardless of whether they contributed to attaining it (Olsen 1968). Noncontributing beneficiaries of a collective good cannot be kept from its enjoyment and are referred to as 'free riders'. If all potential beneficiaries remain free riders, no collective action would ever be undertaken. How to overcome free rider tendencies and get people to join and contribute to a common cause is a principal obstacle to the formation of a social movement. People free ride because participation entails opportunity costs. Though each in a group may have an interest in obtaining the collective good, each also has an interest in letting the others bear the costs (Oberschall, 1993:20). Survey research on participants in many diverse social movements has shown that moral and ideological appeals and solidarity incentives do overcome free rider tendencies (Useem 1980; Klandermans 1984).

Another man selling peanuts said that ever since he started selling informally, he learned to mind his own business, and to avoid trouble as much as he can because mingling brings problems. He elaborates by saying :

People here are very bad, they are only after their self interest. So I am always on my own. Once a nearby vendor convinced me of going to the municipality with some other vendors to ask for a proper market to protect us from the constant harassment of the baladya. The next day, the officers were after us and intimidating us because they heard that we are going together as one group. Since then, I decided to stick to selling my peanuts and to accommodate myself to these conditions. I earn about LE 10 per day maybe less which is not enough but is sufficient to buy dinner for my family. Let me tell you no body takes more than what is destined for him.

These examples show how insurgents are not allowed to mobilize in response to some issue because of the constant social control by state authorities.

While it is clear that structured neighborhood meetings are rare, widespread casual networks ensure the flow of information among community members and function as a way to protect themselves against state officials. Still, there is a widespread dissolution of collective work groups (as it was common in *sha'bi* areas) and gradual transformation of these horizontal social linkages which used to assist in the reproduction of individual households (as indicated in previous studies of Singerman and Wikan). In this sense, there is an emerging highly individuated petty commodity system in which households increasingly confront the market as individuals, so everyone says "I mind my own business so as not to get into trouble. I want to raise my children."

Furthermore, commoditization acted to differentiate the urban poor in complex forms. So there emerged a somewhat wealthy trader class like the vendors selling chicken whose material position was above that of the broad mass of other vendors. This also allowed for a social heterogeneity at the neighborhood level rather than simple horizontal vectoring necessary for collective action.

Such informal activities are carried out mainly in the street in defiance of state laws intended to regulate it. So people in Al Nahda have mobilized to work and earn a living, on the margins of rules and organizational arrangements that no longer fit their real condition and experience. Without obtaining permits, without paying taxes or giving receipts, these people have installed themselves in places in the public thoroughfare to sell goods and services. One of the vendors said that she tried to move to the narrow market made for the vendors, but she couldn't afford the daily fee of LE 1.

What do they do with all this money? Nothing, they just give you stamped receipts and take the money to themselves, so I came back here in the main street, where it is more profitable and commercially attractive. I have to rely on myself because when I was in need of money to buy merchandise instead of the lost ones, no one stood by me, no one agreed to lend me, first because most of the people here are poor and also because everybody lives for his own interest.

The history of informal economy is a history of a long march toward markets which represent the people's aspiration to obtain secure private property in order to conduct business in favorable environment. The vendors' efforts to achieve this goal have contrasted with the inconsistency of the state, that is the fluctuation between often persecution and little cooperation. Both the central and the municipal government have been exchanging responsibilities without ever arriving at a coherent policy. In Al Nahda, the interviewed vendors have tried unsuccessfully to get the government build them a market. But all they got was a very narrow and small market that most of them refused to sit in. One vendor selling vegetables said that

the Baladiyya is not a problem, because they know I am a poor widow with seven children. They are usually kind and ignore me. They never harassed me because I have good relations with everybody. I am not a trouble maker.

This was an example of some tolerance on part of government officials who now have indirect orders to tolerate and let poor people fight for a living. Pacification of the urban crowd that had demonstrated its disruptive muscle earlier in the 1977 riots was essential to the social peace, since the government was not able to meet the employment and subsistence requirements of the masses. It is a sort of policy that pays the price of social peace with concessions to the urban masses, and tolerance of their informal activity.

One employee in the baladiyya explains how orders now are more lenient regarding these street vendors,

We are indirectly told to decrease our visits to remote area and new neighborhoods, since the people living there are already suffering from transportation costs and unemployment rate is high. We do go of course from now and then but we only stop if we observe a grave illegality like rotten food for example. People hate us naturally because they believe that we cause them trouble and that we are the reason behind their misfortune, but in reality we are very mild in Al Nahda and in the end we are only doing our jobs. They should see how we treat other vendors in areas like Misr Al Gadida to realize that we are letting them to do their business.

So the state has responded to the twin challenge of urban unrest and social service needs with policies designed to incorporate the new urban groups. Through political efforts to ameliorate grievances, state extended some protection to these informals growing urban constituencies and these welfare policies became the basis of a new moral economy. These welfare services are undertaken solely by the Red Crescent in Al Nahda. Realizing that one organization cannot serve the entire population, informal economy sprung up in every corner, in every street and even in many balconies of private houses. The non-compliance of Al Nahda vendors to the rules of public thoroughfare has proved to be an important impetus and pressure point for policy change in the baladya procedure as stated above. So now vendors do not complain from the baladya per se but from the police officers. The vendors' persistence and determination to struggle for a living outside the predicates of the government has proved after seven years (the time they were moved to Al Nahda) to be a strong backbone that the government has chosen

to ignore and be tolerant about. This change in policy comes as a pacification of the poor who are struggling to find themselves a niche to live in a progressively expensive world. The government realized that it is the safety valve that keeps the poor from bursting.

Despite this, some vendors see the 'Baladiyya' as unmerciful and should feel their trouble and be more compassionate. "They want us to give up our business and die of hunger, don't they have children as we do, don't they know that God is greater than them. All we say is, it is enough that God is watching and may He be on our side."

One vendor woman whose merchandise was confiscated once says "I will never forgive them for what they did to me. I always tell my children to pray to God to take our revenge on them because I am a poor woman and the ones who harm women will never win."

Another vendor said that

we are playing a game of cat and mouse. They are always after us, but we manage to disappear in the right time. As the saying goes in 'baladi' the *penniless beat the government*, meaning that they can't take anything from someone who is already poor.

Another vendor selling soap and detergents said that:

Everybody is lying to everybody so the government is lying to us and stealing from us the proper services that we should be getting and we also are lying to get whatever we can. I am telling you we lie a lot and we are not honest, but the government led us to this situation. Because if you are honest in this country, you cannot survive. I will tell you a story and you'll understand why it is useless to get any fairness for the poor. My friend here was hit by a car of a woman minister (meaning an important lady) driving a mercedes in a gas station. His leg was hurt and of course the lady did not stop but somebody in the station wrote down the car plate number. So my friend was stupid enough to file a complaint against the

car owner. He thinks he'll get anything out of that. I told him this will get him into trouble but he did not listen. Later he knew I was right, because this lady started to send some policemen to bother my friend and he ended up every day or two dragged to the police station claiming that he is selling sick chicken. A couple of days later, he knew that this lady was behind the whole story." It is stupid to play hero with our government. I am not afraid to say this but I am also not stupid to stand in front of the strong wind. Life is difficult enough to further add uninvited problems.

One woman selling lettuce and green onion said that she resorted to informal selling after she moved with her husband to Al Nahda. She hardly understands SAP, but she realizes that life became more difficult and that things are getting more and more expensive. Her husband used to work as a skilled labor in Bab Al Sha'arya . But now if he goes there he will spend at least LE 5 daily on transportation and eating with the possibility of not finding a job so he stopped going and in Al Nahda he can't find a job either.

That is why I had to work to support him and my 3 children, I never worked before, I am illiterate with no special skills . I earn from LE6 to LE8 per day which sometimes drop to LE5, but better than nothing. I pay LE 50 for private lessons for my son, the other boy has dropped out and is doing nothing like his father. I never received anything from the Red Crescent, because I can't go and beg. No body feels my daily suffering sitting here all day in the street. I am on my own, even my neighbors are very bad and unhelpful not like the old ones who were helpful and kind. I went several times to the municipality to ask for license to have a kiosk but with no use. I need 'wasta' and I don't have one. The *government ropes are very long*, [meaning that you have to wait for a very long time]. God does not forget anybody . The government does not have mercy on us and they don't even want God's mercy to fall on us. They want us to pay monthly rent of

LE30. But how can I pay that. As the saying goes; a bachelor built a house, a penniless man lived in it.

meaning that high hopes to extract money went down with poor people

2. Informal Economy and Generation of Income:

Even a cursory examination of the interviews indicated that at least in parts of the informal sector there has an autonomous and efficient capacity for generating growth in the income of the poor. It would be imperative therefore to assign to the sector a more important role during periods of rigorous adjustment when employment and income generation in the formal sector generally decline. However, the measures proposed to develop the informal sector cannot be abstracted from the linkages between the informal sector and its formal counterpart. The nature of such linkages is certainly a matter of utmost importance for policy formulation. If, for instance, the informal-formal sector relation is one of subordination and dependence, with the formal sector absorbing the productivity gains of the informal sector through various mechanisms (like price determination, oligopolistic market control, etc.), then the informal sector would hardly be in a position to retain its surplus, accumulate capital, and trigger a process of evolutionary growth. In this case policies to support the informal sector would have a negligible impact on the incomes of the poor, so that it would be pointless to isolate the informal sector as a target and suggest policies for employment promotion and income generation. Opposite conclusions are arrived at if a benign informal-formal sector relationship is assumed, with either important exchanges of goods and services between the two sectors, or with the informal sector seen as autonomous, self-contained part of the economy, in which its surplus is reinvested within the economy. In Al Nahda, the informal economy presents a

considerable degree of self-containment, since the informals depend mainly on the residents of the neighborhood in selling their merchandise.

The results of the interviews showed that the vendors' occupation in the informal economy has helped them maintain a minimum level of decent living. I say a minimum level because during periods of recession and adjustment, employment in the informal sector declines while its supply of goods falls. Thus the level of aggregate demand declines, and the demand for intermediate and final goods and services produced by the informal sector declines accordingly. Furthermore, a considerable portion of the informal sector, producing both goods and services, is to a large extent self contained. That is, informal sector households work for each other and buy each others' products. The level of output and earnings in the sector could therefore be increased by enhancing its supply potential and internal exchange. Supply capacity however, is severely constrained by insufficient access to financing, inputs, foreign exchange, technical training, physical infrastructure. e.g. a developed network of transportation, which will enable vendors to reach wholesale markets at a minimum cost. Thus policies aimed at removing such constraints could generate more positive results in terms of employment, output, and income distribution during periods of decline in overall economy

While there are many interesting and relevant dimensions to this expansion of the informal economy in Egypt and in Al Nahda in particular, this study stresses how this particular sector of the economy has been a catalyst for economic and social change, forcing a redefinition of the boundaries of State control as seen in the recent liberalizing and state-shrinking trends in the country, and on the meso level as demonstrated by the baladiyya employee's statement. The general atmosphere of tolerance of street vendors in

Al Nahda now stands in contrast to earlier years when street vendors were really hunted down as the Baladiyya employee explained. And while the external stresses such as the IMF have played a role in liberalization process, the internal forces pressuring the state from below have been quite significant in loosening the state's grip on the informal economy. These internal strains have come about where societal preferences and choices of the urban poor are not always consonant with the State's notions of how people should go about making a living. One mechanism of such internal societal pressure is the constant day-to day non-compliance with state policy. The informal economy could, in many ways, be considered in terms of these "everyday of resistance"- a phrase popularized by James Scott (1986). Hence, we can see how the exercise of such non compliance via the informal economy is quietly and effectively changing the predicates of policies from within society without openly confronting the state.

3. Informal Economy as a Resistance Tool

The kind of resistance and the kind of compliance (as shown above) we find in Al Nahda cannot be understood without reference to the larger context of real and anticipated coercion. One vendor selling peanuts commented on why don't all the street vendors here come together and file a complaint and a request for a proper market away from the baladiyya harassment, he said : "I cannot tell the other vendors to do so because this will be considered provoking the people to make trouble and I have children to raise, I have an open house and if I go to jail who will provide for my family? "

Routine repression in Cairo does its work unobtrusively: an arrest here, a visit from the Officer in charge of the police station there, an indirect warning from young officers are all that is normally needed to create boundary markers that no wary vendor would deliberately and openly breach. The very existence of fairly stable boundaries of permissible dissent, however, makes this more a situation of fear where there is no margin of safety, where one may never know with what crime he/she will be charged. What is clear then that these boundaries-created, shifted serve to inhibit certain forms of open protest and defiance. When they say that "whether you complain or not it will come to nothing," it summarizes their attitude in the uselessness of getting any gains without being backed by somebody important. This repeated phrase refers not only to the local power of the officers but, beyond that, to the coercive power of the state and its local agents. The resignation this attitude implies is not an indigenous product of culture, but of the power situation in which the poor found themselves.

One of the informants selling soap said

I once bought kebab (meat) from a shop downtown before coming here, but when I went home I discovered that the Kebab was really of a bad quality. So I decided to be active and went to the police station to file a complaint against the owner. To my disappointment they ridiculed me at the station and I knew then that the officer in charge was the father in law of the same shop owner, and so they made nothing. I did not give up and went to the TV and Radio Building in Maspero to meet Nagwa Ibrahim (a famous TV presenter) to tell her the story. They refused to let me in and then the security man told me something that convinced me of going home and complain only to God. He told me are you stupid to file a complaint against the government (meaning the officer who did not take any action)? no one will listen to you. This lesson taught me the how power relations work in real life. Now, I receive a monthly grant from the Red Crescent because I am handicapped.

I have to be a man who causes no trouble to get this amount, so I have to appear obedient so as not to lose the monthly amount, which although negligible, it is better than nothing from the government.

So an atmosphere of intimidation infects those urban poor. The participants in informal economy, are always concerned that police will stop them and fine them for selling at an extra price or for not giving their usual courtesies (meaning gifts of whatever they are selling). The effects of the police roundups were felt immediately in Al Nahda. As nearby vendors were taken in to be questioned, intimidated, the word spread rapidly, so that the regular visits had their intended effects. One woman selling chicken said that they took her in one time for selling at a high price and wanted to make her stay overnight in jail, but she paid a bail and went out.

Every now and then they come here and if we don't give them some chicken as presents, they take us in and treat us less than animals and if we shout, they are capable of charging us with a serious crime like prostitution, drug sale or carrying guns without a license. They have these things in their offices ready in their drawers. All they will do is take it out and say that they found these drugs or this gun with us. They are capable of anything. And they practice this *baltaga* (intimidation) openly and their supervisor knows this. He even gets credit if the number of drug cases caught are more than the previous month and all at our expense. They should go after the real drug dealers, but believe me they don't. They know them and they leave them because they get their share of the profit, their share of keeping silent. They are corrupted or else from where do they ride fancy cars and wear fancy clothes. It is not from their modest salary I tell you. It is well known.

When the man saw the disbelief in my eyes, he continued,

I will tell you a story, one man here was applying for his son in the Police Academy and to his surprise they requested a huge amount of LE20,000 for accepting him. When the man was astounded to hear this, they told him why are you surprised? Don't be afraid, your son will make up this amount when he becomes a police officer in less than a year(meaning through bribes and presents as it is the practice with most officers now).

The pressures for deference, compliance and political conformity in AL Nahda is thus clear. In view of the rewards of compliance, it is little wonder that most of the vendors have chosen to live up to the stereotype of the 'reputable poor'. In this respect, there is a striking analogy between routine compliance and routine resistance. If routine compliance is conducted with a calculating eye to the structure of power and rewards in the neighborhood, so is routine resistance. Nearly all the resistance encountered here in Al Nahda is the kind of resistance that effectively covers its own tracks. Bread and Butter issues are the essence of lower-class politics and resistance. Consumption, from this perspective, is both the goal and the result of resistance and counterresistance.

It is now appropriate to consider why the informants' actions and meaning behind these action can be justifiably termed resistance. Resistance "includes any act(s) by member(s) of a subordinate class that is or are intended either to mitigate or deny claims(for example, rent or taxes) made on these groups of urban poor by superordinate classes (for example the state)" (Scott,1985:275). This definition focuses on the material basis of class relations and class struggle. It allows for both individual and collective acts of resistance, and it focuses on intentions rather than consequences, recognizing that many acts of resistance may fail to achieve their intended result. So where there is strong evidence for the intention behind the act, the case for resistance is consequently

strengthened. And where intention is not there or difficult to detect, the case for resistance is weakened but not completely absent (Scott, 1985). Thus, it is reasonably clear that the women participants in the informal economy intended to deny taxes and due fees to the government. The intentions are not inferred directly from the action but rather from the explanations the participants give for their behavior. So when asked about why they thought the baladiyya was after them, they all responded that the baladiyya doesn't want them to occupy the public street, but to be cramped in the narrow market. "They want us to pay a fee for occupying the street and we hide to avoid confiscation and fines." They all knew that the profit they make goes totally to themselves unlike employees who are obliged to pay taxes. And they justify this because they believe that they are poor whose profit is dependent on God, so how can they pay taxes when they don't have a fixed income, when they are 'barely making a living', as they say. Besides they see themselves as offering services to the people with negligible profit.

Without us this neighborhood would have remained desolate. We made it come alive, if you came here 5 years ago, you wouldn't have stood it. Without us the residents would have had to go all the way down to a nearby city to buy their things. I think the government should thank us not take taxes', one of the vendors responded.

The insistence that acts of resistance must be shown to be intended, however, creates enormous difficulties for a whole part of vendors' activity in Al Nahda. If take the hiding of merchandise as soon as the word spread around that the baladiyya is in the neighborhood as an example, what are we to call this act?. There are two problems here. The first is the problem of obtaining evidence of the intentions behind the act (their intention as we learned is to avoid confiscation and fines), and of what it means for the

actor. (It means protecting their business, their livelihood and resisting turning in their goods to the government). The second problem concerns broader issues of definition and analysis. We tend to think of resistance as actions that involve at least short-run individual or collective sacrifice in order to bring about a longer-range, beneficial goal. When it comes to acts like running from officials and hiding merchandise that would be fined, we encounter a combination of immediate individual gain and what may be resistance. But how are we to judge which of the two purposes is uppermost or decisive?

Combining those overlapping perspectives, the result is something of a dichotomy between real resistance, on the one hand, and token, incidental on the other. "Real resistance, it is usually argued, is organized systematic and cooperative, principled or selfless, has revolutionary consequences and embodies ideas or intentions that negate the basis of domination itself. Token or incidental activities by contrast, are unorganized, unsystematic and individual, opportunistic and self-indulgent, have no revolutionary consequences and imply in their intention or meaning an accommodation with the system of domination" (Scott, 1985). These distinctions are important for an analysis that has as its objective the attempt to describe the various forms of resistance and to show how they are related to one another and to the form of domination in which they occur. I think that we should not assume that the latter forms are ultimately trivial or inconsequential, while only the former can be said to constitute real resistance. This position, misconstrues the very basis of the economic and political struggle conducted daily by subordinate classes in repressive settings., and this is exactly the case with the informals of Al Nahda, their act is a mixture of accommodation with the system and incidental resistance, because in the end they go back to their daily places and appear to be in control of the situation once more.

Within the conflict literature on 'everyday forms of resistance', the focus has generally been on peasant strategies to resist pressure to extract labor, food taxes, rents and interest. The strategies include: "malicious gossip and slander, foot dragging, calculated error, feigned incompetence, pilfering, arson, banditry, vandalism, crop destruction, or denial of labor or resources from landlord, patron or the State" (Scott 1985,1986; Adas 1981,1986). These are generally individual acts of resistance and they are characterized by the fact that they "avoid any direct symbolic confrontation with authority or with elite norms". Similar strategies are clearly visible in the urban informal sector's attempts to evade State control. In addition, the emphasis on the individual nature of these acts of non-compliance underestimates the collective impact that these efforts have in bringing about change. When one examines the rationale behind individual acts of non-compliance, one often finds far greater collective consciousness than the individualistic nature of acts of non-compliance might reflect.

Most of the men's responses were not as deferential to the State as the women's. For example, one of the men responded that the 'government' is the biggest '*baltagy*' since they want to collect money of the same thing twice.

I am referring to these building we are living in. They want us to pay a monthly rent of LE 40, whereas they already received the price of these flats. I know that during the Gulf war Egypt received a lot of money. Isn't this enough for these buildings. How can we afford to pay such a rent? No body will pay. We will sleep in the streets and see what they will do! Besides, all of the government big officials are cheating and engage in corrupt practices. They use their position to manage informal business and they do not pay taxes. Why are we the ones always accused of not paying taxes, I tell you why; because we are poor and have no wasta.

These examples highlight the vast gap that exists between the state and the perceptions of the urban poor.

The experience of the informal economy in Al Nahda has shown that even when the government attempts to exert control over virtually every sphere of economic activity, people can create a space for themselves and effectively assert their preferences. They are by no means mere victims of an overly protective state or paternalistic state. They do have their ways in and out of the state rules and predicaments. Their long relation with the state has taught them the subtlety and effectiveness to deal with its laws. As one informant said 'when dealing with the government you have to take the proverb *what you can win with play with*, as your motto or else you will get nothing.' On the surface, the state looks formidable and dominant, but in the final analysis, the ultimate strength lies with the weaker side- the informals, who invest and reinvest with a small capital but maintain the profit totally to themselves.. Through their non-compliance strategies, they have the last word and in this way they have asserted themselves, they have brought about significant changes in the social, political and economic structures of the country.

CHAPTER SIX

DYNAMICS OF COMMUNITY/COLLECTIVE INACTION

This chapter analyses the obstacles to collective action of the urban poor of Al Nahda in the light of the vendors' responses discussed in the previous chapter. Most urban protests result from a combination of objective conditions of hardship and social construction of injustice. In Al Nahda, these conditions are available and still the urban poor are far from acting collectively. How can we thus explain the collective inaction?

Factors underlying community inaction

I. The Broader Political System

In analyzing the emergence and/or non emergence of social movements and collective action, we will emphasize the importance of the broader political system in structuring opportunities and constraints for collective action. Community /collective action is set in motion primarily by social changes that make the established political order more receptive to challenge. This relative openness or closure of the institutionalized political system is an essential factor in discussing the dynamics of collective action/inaction. It is also linked with the state's capacity and propensity for repression. So in Egypt we cannot even find peaceful public demonstrations being the mildest collective action, because under the authoritarian system, it is completely forbidden and is punished by imprisonment.

1.1. Repression and the Question of False Consciousness This brings us to the issue of false consciousness and repression. Explanation of passivity, as shown from the informants' responses in the previous chapter, is not to be found in the vendors' values, but rather in the relationships of force in Al Nahda. The practices of police officers have served its purpose and set a limit on action that only fools will transgress. It is no secret that any crime could be falsely charged to vendors who are not behaving as they should be. An accusation of drug trafficking or prostitution is something that these officers are capable of doing in order to maintain their powerful image as was illustrated by the respondents.

It is against this background of larger constraints on resistance, as illustrated by the vendors in the previous chapter, that the relative effectiveness of the 'dull compulsion of economic relations' must be understood. As it appears from the previous responses, there is no false consciousness here but just the necessary daily pose of poor people. These poor have no difficulty recognizing that they are badly treated and more important that others in positions make illegal and high gains. Their effort and their achievement have been to swallow their anger lest it endanger their livelihood. It is little wonder that the poor household should not wish openly to offend those who control them. For example; the tenant who pays reasonable rents or no rent at all (as in our case here) could suffer more if the rent is raised or his tenancy is revoked(which is very unlikely); the poor family whose children are on the school aid list could be stricken from it; the man employed for casual labor could be replaced by someone else; the troublesome poor man could be charged with theft. That is the coercive contexts create and maintain the setting of the relative powerlessness within which the 'dull compulsion of economic relations' can

then extract its daily toll (Scott, 1985:277). As Foucault argues, this kind of ambiguity, this duality of intention, is located in the nature of all resistance to power but is apparent within the forms of symbolic struggle required to combat the more subtle forms of modern power (Bonine, 1997:35). He argues that in situations of resistance "one is dealing with a mobile and transitory points of resistance, producing cleavages in a society that shift about, fracturing unities and affecting regroupings, furrowing across individuals themselves, cutting them up and remoulding them" (Bonine, 1997:35).

One could claim for the Egyptian poor's deference what has been claimed for the deference of the English rural poor in the eighteenth century:

And the deference was often without the least illusion; it could be seen from below as being one part necessary self-preservation, one part calculated extraction of whatever could be extracted. Seen in this way, the poor imposed upon the rich some of the duties and functions of paternalism just as much as deference was in turn imposed on them (E. Thompson, 1966).

As it appears from the responses of different vendors, it is clear that there is a coexistence of different forms of consciousness and action (some are active and go to report to police stations, while other see the futility of that, and still others don't consider any action is required). Evidence also shows that a number of diverse and contradictory views where the majority see the government as primarily responsible for the state of poverty and lack of adequate opportunities, some see the government as incapable of doing everything, and that they have to help themselves. And where there was a serious lack of awareness of ERSAP, the urban poor who were interviewed did not show false consciousness but awareness of structures of repression which permeate their lives and

limit the room for maneuver which leaves them with the common saying "what can we do, we thank God for everything". The limited space for more overt forms of collective struggle and protest means that the poor make history but not of conditions of their own choosing.

However, with some informants the image is not clear cut; so that it becomes difficult to understand what weight to assign to values as an obstacle to collective action and what weight to assign to repression. How can we distinguish compliance under force from mystification and fatalism? The question can be resolved by observing the vendors' non-compliance and insistence on occupying the public thoroughfare to struggle for a living.

2. Mobilizing Structures

Another reason for lack of mass protest is the absence of structures that permit collective action in Egypt. The present electoral structure in Egypt is not as conducive to group mobilization as it is, for example in India or Turkey (A.Bayat,1996). In a truly competitive political system, political forces are compelled to bargain with, and thus mobilize, the poor to win their electoral support. In Egypt, this is rarely the case. It is very rare that social mobilization and group activity result from political patronage. "In Cairo, however, patronage appears to work more through individual channels, which rarely leads to the organization of group activities" (A.Bayat,1996).

One of the interviewees said that during election time, the person who is running for the seat appears before elections and gives them all sorts of promises. And on the election day, he comes with a car to pick them up and then disappears with his promises

after that. "We know that whether we go or not, our names will be used. They even resort to names of the dead!"

The mobilizing structures through which groups seek to organize is a vital backbone of any collective action. By mobilizing structures, I mean those collective vehicles, informal as well as formal through which people mobilize and engage in collective action. This focus on the meso-level groups, organization and informal networks comprises the collective building blocks of social movement. The organizational dynamics of collective action is seen as a break with grievance-based conceptions to focus instead on 'mobilization' process. So it is important to acknowledge the critical role of various grassroots settings-work and neighborhood in facilitating and structuring collective action. And thus it becomes clear why a change in political structure only becomes an 'opportunity' when defined by the urban group of actors who are 'well organized'. In other words, in the absence of sufficient organization-whether formal or informal, such opportunities are not likely to be seized. In Al Nahda, there are no operating NGOs, which in itself is an obstacle to getting residents together in a group work or mobilizing them to engage in a certain project. Pooling the residents' efforts in a community project could lessen the gap between them and be the first step towards mobilization. There is a lot of wasted potential in the unemployed men, youth and school dropouts. More to the point, however, is the fact that lacking organization the shared understanding (framing process) would never emerge in the first place. I now turn to the linking block of the previous two elements, the shared meanings.

3. The Framing Process

If the combination of political opportunities and mobilizing structures gives people certain potential for action, they remain, in the absence of one other factor, the social construction of injustice, insufficient to account for collective action. Mediating between opportunity, organization and action are shared meaning and definitions that people bring to their situation. At a minimum, people need to feel both aggrieved about some aspect of their lives and optimistic that, acting collectively, they can redress the problem. Lacking either one or both of these perceptions, it is highly unlikely that people will mobilize even when they have the opportunity to do so.

The presence or absence of these perceptions, these social constructions are vital. So that sometimes people tend to explain their situation as a function of individual deficiencies rather than features of the system, so they attribute the fault to themselves (like responses of some informants such as 'I am illiterate with no skills', the blame is placed on themselves and their parents who did not educate them and that is why they are poor). It goes without saying that only 'system attributions' gives the necessary rationale for movement activity. This situation, I think is mainly brought about due to the lack of information and perspective due to the poor's isolation and fear of mingling with each other in Al Nahda.

Likewise, as important, is the belief of the futility of the action which is as serious as the former personal attributions. Many informants in Al Nahda regarded that any collective action would be fruitless and might lead to more repression ('If I call on my neighbor street vendors to get together and do something collectively, this would be called mobilization and I could be taken in for that,' one of the informants responded). So people

prefer to free ride and let others bear the costs. Moreover, it is also because there is no clear-cut enemy to confront directly, which implies that the poor face a web of crosscutting power relations, they are a part of a numerous overlapping dominant interactions. As some vendors commented 'what can we do or do or do', meaning that if they solve one problem by being more active, there still remains other layers of powers to be untangled. In effect, there is no one oppressor, no one in particular to work against. The comments of the street vendors demonstrate that the origin of force is elusive. Realizing this problem of multiple sources and layers of powers, they see the futility of action. This situation also lead to the search for individualistic solutions to their problems (like complaining to the T.V presenters and stars like Nagwa Ibrahim and Fouad Al Mohandis). Reaching for vertical relations to solve their immediate problems is a common attempt by many poor in Al Nahda. Hence this framing process or the cultural dimension encompasses the whole issue of collective action/inaction. The impetus to action is the critical catalytic effect without which ripe political opportunities and mobilizing structures lie in vacuum. Studying political systems and various kinds of organizations is inherently easier than trying to observe the social construction and dissemination of these ideas. This mediating atmosphere between the structural requirements of opportunity and organization are the meanings and definitions –or frames-shared by the people. In short, the effects of all three factors are interactive rather than independent.

4. Social Structure of Al Nahda

This raises the important question of the social structure of the urban poor of Al Nahda who suffer material deprivation. Is it possible to show that their social composition makes some urban poor more rebellious than others? The answer is ambiguous and cannot be easily generalized. We could argue that a more undifferentiated community would experience economic shocks in a uniform fashion since structurally its members are more or less in the same boat. Thus an increase in a basic commodity or electricity for example would be expected to stir almost unanimous resentment, if relatively even income prevails in a neighborhood, and this makes the new burden comparable for most dwellers. On the other hand, in a less communal neighborhood like AL Nahda, the same measure has a less uniform impact. It stirred resentment, but the sharpness of that resentment varied with the different burden it imposed on poor vendors, small merchants or shop keepers. As I mentioned in the previous chapter, there has emerged a relative wealthy trader class (the merchants selling chicken and the residents who turned their balconies into well established shops), which allowed for a social heterogeneity.

Another line of reasoning could be that communitarian structures not only receive shocks more uniformly, but they also have, due to their traditional solidarity, a greater capacity for collective action. For such neighborhoods, it would seem that the organizational barriers to action are reduced simply because they have an existing structure of local cooperation that has remained intact; their 'little tradition' is a ready made vehicle of action. Al Nahda, by contrast, is far more divided structurally and hence socially. There is no ready made structure of communal authority (or it is very weak) of which they can make use of. On the other hand it could be argued that the more

communal structures are often able to redistribute pain in such a way as to avoid or postpone subsistence crisis.. So neighborhoods with enough communal elasticity provide most of its inhabitants with a marginal subsistence niche like the case with the sha'bi areas of Al Sayyeda Zainab, Boulaq and others, while more sharply differentiated neighborhoods as Al Nahda lacked this economic elasticity. In Al Nahda, village patterns of reciprocity and cooperation did far less to shield marginal poor from the full blast of economic difficulties, in fact many are already engaged in drug trafficking and prostitution. Thus, for the least protected lower strata, a new stipulated rent or an increase in prices would more often present a direct and unmediated subsistence threat.

In view of these contradictory tendencies, any general statement relating peasant social structures to the potential for collective action would be questionable. While the communitarian neighborhood has a more shared class perspective and a readily available structure of action, more socially fragmented areas are both more vulnerable to market forces and less able internally to soften their impact on poorer inhabitants.

5. The Dull Compulsion of Economic Relations

Another explanation for the lack of outright collective action is the economic crisis and the austerity measures that have accompanied adjustment. These measures have undoubtedly made it more difficult for the poor to find time for cooperation and collaboration; all too often, the increasing burden of work has intensified demands on their time to such an extent that isolation is actually increased.

In Cairo, struggling to maintain a living and keep surviving made the urban poor so engulfed in their problems that a statement like 'one has enough troubles of his own' is often heard .

In short, the lack of open collective action is due simply the day-to day imperative of earning a living , which Marx termed "the dull compulsion of economic relation", the effort of the family to assure itself an adequate food , basic needs of shelter and medical care. The urban poor vendor is all day on the streets after a living to buy his pressing needs, rather than being a thinker with a long view. That is why the urban poor inevitably seize the opportunities that are available to them-no matter how disagreeable they are, may be putting all the family to work. They commonly respond by saying 'I have children to raise', when asked about their inaction towards a certain issue. However, cooperative forms of activity maybe able to overcome some of the weakness of individual action and actually strengthen the poor's capacity to go beyond survival to improve their welfare and that of their families and develop the basis for more sustained, collective forms of activity and struggle.

To the degree that the marginal opportunities open to the urban poor do in fact alleviate short-run subsistence needs, to that degree they tend to reduce the likelihood of more direct and violent solutions. From the large array of adaptation or strategies open to the urban poor, one roughly distinguishes two typical patterns in Al Nahda. The first is the reliance on local forms of self-help and the second is the reliance on state-supported forms of assistance and patronage. These two patterns have different consequences on the potential for collective action.

Much of the informal economy in AL Nahda does not operate along the lines of Karl Polanyi's 'human economy', i.e. an economy where reciprocity and mutuality are paramount (Tripp,1990:60). So that these survival strategies are individual rather than collective endeavors, but the effect is collective. All vendors cooperate against the baladiyya since they regard the practices by the Baladiyya as challenging them in the food of their children. In other less heterogeneous neighborhoods, cooperative forms of activity maybe able to overcome some of the weakness of individual action and actually strengthen the poor's capacity to go beyond survival to improve their welfare and that of their families and develop the baslis for more sustained, collective forms of activity and struggle. As the pressures on individuals and households increase, it becomes rational to take advantage of economies of scale. In the new neighborhood of Al Nahda, this is hardly the case, mainly because housing the people was done haphazardly . So that people from Sayyeda Zainab found themselves neighbors to people from Boulaq. Different practices and rules governing these Sha'bi areas were magnified in this fusion of Egyptian poor who till now to a very great extent, refuse each other and avoid mingling as much as possible.

However, beyond squeezing the physical environment for what it can yield, the process of local adaptation to subsistence problems in Al Nahda is sometimes complemented by occasional mutual assistance, such as rotating credit associations and charity contributions in funeral expenses. These community organizations help the poor get through difficult situations such as marriage of a daughter, birth celebrations and so on and render life endurable.

On the other side of the coin, we find the state has responded to the twin challenge of urban unrest and social service needs with policies designed to serve the new urban groups of AL Nahda. Their efforts to ameliorate grievances is exemplified in the Red Crescent Organization which is the only example of government assistance in Al Nahda neighborhood, working under the auspices of Mrs Suzan Mubarak. As it was shown in the previous chapter, some informants complained that they do not benefit from its services and that they cannot go and beg for services. These services include cheap medical care and free health awareness, literacy lessons, day care nursery for working mothers at a negligible fee, income generating projects such as weaving for women and monthly grants for the very poor, some handout goods such as blankets.

These welfare policies soon became the basis of a new moral economy of those who benefit from these services in Al Nahda. To the extent that this structure of marginal opportunities and services provided by the Red Crescent helps provide a modest subsistence to many urban families of Al Nahda, its practical effect may well be to defuse the explosive potential of the poor. Many of these benefits are not distributed at random but come instead through connections with employees in the Red Crescent. Such ties while they may be new, are a replication of traditional links of patron-client deference. The vital function of these services to the poor family's subsistence will constrain their behavior. So this state patronage functions as an alternative to structural change, and serve to neutralize resentment and demobilize the urban poor, no matter how short term these services are. This implied bargain between the state and the urban poor meant that public assistance was provided (though not free as before) in exchange for political

loyalty. Although these patron-client arrangements are sometimes dismissed as politically ineffective, close observers of Third World urban politics have shown the great ingenuity with which the poor are able to extract benefits from this system while simultaneously using it to protect themselves against repression (Leeds and Leeds 1976).

On another level, the government's considerable tolerance of street vendors in new and satellite cities is in itself a calculated step on the road of ameliorating grievances and a compensation for its inability to provide job opportunities. The informal economy in AL Nahda has proved its capacity of maintaining subsistence, and the government knows that these practices are the final resort of the poor, a safety valve that keep the people from bursting and therefore it is there under the state tolerance. In other word, it is like a social pact that is secretly signed in return for seemingly urban peace.

Finally, it remains to be said that a different interplay of factors has served to bring about this deference and inaction. Resistance to power, in symbolic struggles such as the informal economy, cuts across individuals, dividing them into both resisters and accommodators. It is not an easy task when the pictures is not clear cut and ambiguous. That is some informants appear decisive in their responses, while others remain elusive and vague; so that it becomes difficult to delineate the lines between values as an obstacle to collective action and repression. Distinguishing between compliance under force from mystification and fatalism could be done through careful analysis of the poor's culture, their proverbs and language which they use. Informants used 'the penniless man beat the government', 'the thing you can win with, play with', a bachelor man build a house, a penniless man lived in it.' All these proverbs showed that the urban poor are not mystified by the government's propaganda and statements in the news about economic growth and

development. They realize that they are the last on the government's agenda, even if officials say otherwise. As such, the gap between the urban poor and the elite is widening. This question can also be resolved by observing the vendors' non-compliance and insistence on occupying the public thoroughfare to struggle for a living. The symbolic refuge in culture is not only a source of solace in a precarious life, or an escape. It represents an alternative moral universe in embryo- a dissident subculture, which helps unite its members as a human community and as a community of values. In this sense, it is a beginning as well as an end.

CHAPTER SEVEN

CONCLUSION

By attending to the concrete experiences of the poor as they are lived, this research tried to appreciate the obstacles to and possibilities for collective action. This study has shown that the great majority of the urban poor in Al Nahda are not reached by any national or international project. Consequently, this means that the marginalized sectors have to rely primarily on their own efforts to improve their living conditions, efforts which involve the engagement in informal economy and various forms of action. That is why we should not let definitions which stress fundamental structural changes in societies take us away from the importance of urban traditional organizations and daily practices which embrace both resistance and accommodation.

At the beginning of my research, I was convinced that if people refuse to be oppressed there can be no oppressors. But by the end of the research, I understood how difficult it is to challenge the world from a powerless and subjugated position. I understood why the poor try to manipulate their circumstances from within the boundaries set by the state.

In this research, in the poor urban setting of Madinat Al Nahda, the informal vendors attempt to evade state control, by their flight from baladiyya, by hiding they avoid confiscation of their merchandise thus denying the government due money from taxes and

finer. Playing this cat and mouse game as they call it usually ends in their interest. These individual acts of non-compliance had a collective impact and changed the boundaries of state control exemplified in softening of baladiyya policy. Nowadays, informal economy in Al Nahda is largely operating under the auspices of the government tolerance. Baladiyya officials are no longer there everyday as they used to. Realizing that these informals are there to stay, these officials have slowed down their chase. As one woman said "they know that we will be back again and again, it is our only means of subsistence and it is the food of our children." Through their non-compliance strategies, these informals asserted their right to the public thoroughfare, their economy is one which is unlicensed and untaxed, through their persistence, they have changed the government officials' reactions towards them. As one woman said 'the baladiyya is no longer the problem, but the officers are.'

The informal economy in Al Nahda became a fact; it became a feature of this neighborhood, so that it is not an exaggeration to say that Al Nahda could be moving towards a free market economy. It is ironic that SAP calling for privatization is being implemented in Al Nahda and by the poor themselves not from above. The informals in Al Nahda have succeeded in what Scott calls token resistance creating a safety net for themselves outside the government formal institutions. In a rapidly changing world, they found themselves a secure place that is independent of government rules and beyond the reach of its taxes.

The lack of organization of street vendors engaged in informal economy do not act within a political vacuum and is certainly limited by the social and political structure (authoritarian system) of the Egyptian society. Moreover, emergency laws are still applied

and the poor fear they will be taken in or falsely charged with any crime. Also the implications of law 32 of 1964 limit the work of NGOs and other informal networks, so that this law is a serious obstacle towards mobilizing structure and collective vehicles.

This means usually that these would be 'organizations' are confronted with a politically repressive state which leads the urban poor to adopt a variety of strategies which are usually covert and prosaic. As such it is my argument that social movements of the urban poor of Cairo is forced to stay in its embryonic stage. So that I conclude that explanation of passivity is not to be found in the urban poor's values as much as in the relationships of force. The tangible and painful memories of Egyptian experience of co-optation under the populist regime of Nasser reflects the relative passivity and lack of initiative of the urban poor of Cairo. Till date, the emergency laws are applied comprehensively. Failing to achieve a more structured level of organization or to cross the boundaries set by the state is due to a great extent to the fact that the urban poor make a rational choice. In other words, these poor are well aware of the structured system, but still they prefer to stay on good terms with their leaders "in order to raise their children". It is from them after all that they get protection and at least some of the goods and services wanted. Costs are weighed and the urban poor prefer to free ride.

The poor's problematic behavior of resistance and accommodation has been analyzed here and the results emphasized the normality of the coexistence of different forms of consciousness and action sometimes being contradictory. The analysis stressed the structures of oppression and subordination which permeate the poor's lives and generally permit only limited room for maneuver or space for the more overt, conventional forms of collective struggle, resistance and protest. This conclusion emphasizes the fact

that, while street vendors do not have the luxury or the ideological space to think in a coherent way about any other assertive alternatives, their awareness of the dimensions of power constraining their lives proves that accommodating resistance is not a matter of incoherence of thought or inability to action, but a reflection of the reality of social relations.

For this reason, it would be wrong to attribute the poor's submissive non-radical attitude towards dire economic conditions to a false consciousness. It is more accurate to conclude that the absence of open defiance, taken by itself, is not sufficient evidence that urban class relations are harmonious. So that the seemingly urban peace might be the peace of *repression* rather than the peace of contentment. At the same time, it should be admitted that clientelism blocks the emergence of a strong horizontal vectoring necessary for collective action. This was illustrated in the poor's reaching out for vertical relations like famous TV presenters to solve their individual problems, since they see the futility and danger of collective action and prefer to solve their problems individually not collectively. Another reason for lack of mass protest is the lack of culture of open resistance among Egyptians, especially during and after the Nasser era, when everybody was afraid to protest lest they would suffer imprisonment. On another level, there still is not an acceptance of individual initiative, especially in dealing with crisis situations- there is still the idea that their individual participation will not make a difference, will not bring about the required change (free rider concept) and that this should be the role of the government only.

It remains to be said though, that informal economy is now an important impetus and pressure point for policy change and recent liberalizing, privatizing and state shrinking

trends in the country. The biggest change with respect to informal activities is that vendors in Al Nahda are not strongly harassed by baladiya officials as before. Street vendors, through their non-compliance strategies they have the last word. The results of my study in many ways confirm an observation made by Ferman, Henry and Hoyman (1987:172) in an article on conceptualizing informal economies. They wrote:

What seems to be emerging from the last ten years of work is certain evidence that people can make a difference to the structures that shape their lives, that many more people are involved in informal economies than their peripheral status would suggest, and that the rewards of participation are often as much social as material.

In the final analysis of quiet everyday forms of non-compliance and resistance mixed with accommodation in Al Nahda, it is possible to redefine political struggle to include non-organized and non-self conscious action which adds new dimensions to the meaning of politics. So that the concept of everyday forms of resistance is valuable in emphasizing that protest and resistance as forms of political struggle may exist even where they cannot easily be distinguished from everyday economic and social activities. It helps also to dissolve the arbitrary distinction between the private and public and to emphasize the fact that the boundary between private and public arenas does not mark the limits of the political.

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