

# Sharon government scapegoats unemployed for Israel's economic crisis

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The Israeli social-economic cabinet agreed on July 1 to a nationwide pilot scheme for a proposed workfare programme.

The pilot scheme, modelled on the Wisconsin Plan in the United States, will be run by private contractors and so constitutes an initial step towards the privatisation of the benefits services. It will go into operation between March 1, 2003 and the end of 2004 and will obligate over 14,000 unemployed people to participate or have their benefits withdrawn. Amongst those targeted will be single mothers with children over the age of three who are currently exempt from looking for work until their children reach the age of seven.

The cabinet meeting was characterised by vitriolic attacks on the unemployed. According to a report in *Haaretz*, Prime Minister Ariel Sharon is said to have, “pounded on the table several times and declared that those unwilling either to work or at least to volunteer for the community should not receive welfare payments. ‘Let them clean the streets—our cities are filthy—or work in hospitals or guard kindergartens,’ he said. ‘Even if the work is unpaid, at least the person will be doing something in exchange for his stipend. From this point on, we should not give to anyone without receiving something in exchange,’ Sharon said.”

A senior finance ministry official said that no one should be paid to sit at home, “except perhaps for drug addicts or alcoholics”.

Claimants are being scapegoated for the parlous state of the Israeli economy. The government's target for economic growth in 2003 will be only one percent, which represents negative per capita growth, since the population is expected to increase by 2.5 percent next year. The Finance Ministry plans to slash at least NIS8-9 billion from the state budget for next year, in

order to meet this target.

This will be taken out of the backs of the working class. Sharon has promised only a small reduction of about NIS2 billion (\$US2.49 billion) in defence spending and an additional across-the-board cut of about 2 percent in ministry funding. The main reduction will be based on cutbacks in benefits provided by the National Insurance Institute.

The continuing slump of the Israeli economy will add tens of thousands of Israeli workers, youth and immigrants to the unemployment rolls. In Israel there are officially 271,000 unemployed workers, or 10.6 percent of the workforce. But only 54 percent of the potential labour force is actually employed. Only 76 percent work in the key 25-54 age group, compared to a Western average of 82 percent.

The occupation of the West Bank and Gaza and its attendant costs is adding to Israel's financial woes. The Zionist state spends billions oppressing the Palestinian people, building more settlements, arming the Israeli Defence Forces and mobilising reservists.

The Palestinian working class is not the only victim of this madness; Jewish workers suffer from a lack of investment in the economy and the denial of funding for health, education and other essential social services. Sharon decided only recently, in the context of its emergency economic programme, to sharply raise taxation on labour.

Though the government's workfare scheme met with some criticism from the liberal establishment, this was muted and sometimes framed within an attack on immigrant labour, designed to sow divisions within the working class. *Haaretz* wrote in its editorial: “The prime minister cannot attack the unemployed, saying ‘let them sweep streets, work in hospitals, guard kindergartens, at least do something for the allowance

they're getting,' and at the same time approve work visas for another 6,000 Thai farm workers, as well as raising taxes on labour.”



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