

Israel's Histadrut trade union federation calls off planned general strike

David Cohen
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After intensive workers' protests and struggles against Likud Finance Minister Binyamin Netanyahu's austerity proposals, the Histadrut labour federation decided to halt the 10-day-old public sector work stoppages and order government employees to return to work on April 10.

Histadrut chairman Amir Peretz MP said on April 9 that if the government suspended all planned legislation regarding pensions and salaries in the public sector, he would freeze all planned labour action.

In an agreement authorised by Peretz and Netanyahu, the planned general strike was cancelled and the Finance Ministry announced that it has called off its intentions to bring the proposed economic plan to legislation. Histadrut called this temporary stay of execution a victory.

The strike was set to hit government ministries, tax authorities, the National Insurance Institute, the Israel Lands Authority, the Employment Service, local authorities, regional authorities, religious councils, government corporations and statutory authorities such as the postal service, trains and airports, as well as El Al airline staff. Also slated to strike were workers at the banks and at Bezeq, Israel's telephone company, nurses and administrative workers in hospitals, as well as employees of many large companies with collective wage agreements.

Thousands of people have demonstrated across Israel against the proposed budget cuts. Hundreds demonstrated in southern Israel and dozens of students protested the planned cuts at Tel Aviv. Hundreds of pensioners and social workers demonstrated in Tel Aviv City. Police were deployed to remove the demonstrators from the road.

Earlier, Peretz had accused Netanyahu of "trickery and an incredible lack of credibility." He said he had

asked Netanyahu for a written and official document with the minister's detailed proposal but "twice we reached joint formulation of the document that could have dropped the strike threat, with the help of the attorney general, and both times Netanyahu withdrew his acceptance of the document."

He stressed that Netanyahu demanded the Histadrut cease organising protests around the country, "something that he has no right to ask." The Labour Party, which lost its leading position in the trade unions in 1994, made efforts to mediate between the two sides by sending Labour former finance minister Abraham Shochat MP to hold off on the strike, which he said could cost as much as one billion shekels per day (about \$US200 million).

On March 25 the Israeli parliament approved the austerity plan. Joseph Paritzki, Israel's infrastructures minister from the right-wing economic liberal Shinui party, called on Prime Minister Ariel Sharon to dismiss every minister refusing to support the plan. Ministers charged that the measures taken by the plan would push more than 100,000 children and their families under the poverty line, while giving tax breaks to the wealthy. The plan will cut around NIS 11 billion from government expenditure in 2003, mainly through dismissals and wage cuts in the public sector.

Netanyahu's austerity program includes public sector layoffs and salary cuts, a uniform 10 percent cut in ministry budgets except for the Israeli Defence Ministry and freezing most social security payments. The plan also proposes to cut allocations for families, mortgage grants and tax breaks for rural areas. Other clauses include raising the retirement age by two years to 67 and raising taxes on national lottery prizes. Shinui leader Tommy Lapid commended the plan, saying it is courageous and the right step to save the economy and

renew growth. “They accuse us of Thatcherism, but they forget that Mrs Thatcher saved the British economy and thanks to her it is now the healthiest in Europe,” Lapid claimed.

The role played by the Histadrut trade union bureaucracy in forestalling a general strike was crucial, as it would have brought thousands of workers and youth onto the streets and lead to direct confrontations with the Likud-led rightist government. The threat by Netanyahu that if the Histadrut carried out its threatened general strike he would legislate his austerity plan, including removing the Histadrut from controlling pension funds, forced an immediate retreat.

The past betrayals of Histadrut have already severely undermined it in the eyes of working people. In 1989 Histadrut had a membership of 1,630,000, but since the privatisation of the national healthcare service and the ending of mandatory Histadrut membership those it organises number less than 700,000—most of them governmental workers. Although the bureaucracy organised itself into a political party, One People led by Peretz, and won three MPs, it still lacks any mass base amongst the working class.

The Histadrut has been guided since its creation in 1920 by the idea of “constructive socialism,” i.e., cooperation between the unions, the governments and the employers based on full support for the Zionist state. “Constructive socialism” is based on the assumption that Israel is under permanent risk from the Palestinians and the Arab countries and that is why the three elements within Israel’s capitalist market must pledge themselves to the continuation of the current social and political order. The crisis of capitalism and the polarisation it brings within the Israeli society will inevitably push the working class into struggle and demands a political reckoning with the class collaborationist ideology of Zionism.



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