

Israel: Histadrut trade union halts general strike against austerity plan

David Cohen
5 May 2003

Histadrut trade union federation chairman Amir Peretz called off a general strike that began on April 30 after just two days.

Peretz was asked to halt the strike by Israel's President, Moshe Katzav, who called on Peretz and Finance Minister, Binyamin Netanyahu, to come back to the negotiating table. After an hour-long meeting on May 2, Peretz and Netanyahu decided to form several committees to conduct intensive negotiations over the government's economic emergency plan.

This has paved the way for the budget to be implemented. The conservative daily, *Jerusalem Post*, reported, "Following 10 hours of debate and accusations, the Knesset narrowly approved the plan in its first reading in a 56-46 vote. A number of MKs, upset with the targeting of the poor, elderly, and disabled, claimed their support of the budget Wednesday [April 30] was tactical. They hope to wage a battle against the cuts when the budget returns to the Knesset within the next month for second and third readings."

Even on its face, such claims are ridiculous. One does not back a budget in order to oppose it.

The government wants to cut some NIS 11 billion (\$US2.45 billion) from the 2003 budget, by dismissing thousands of workers and cutting wages for those who remain, as well as by giving officials in the public sector the authority to fire workers without union intervention. The plan also raises monthly pension premiums, and increases the retirement age to 67 for men and to 65 for women.

Implementing this plan will represent a social disaster for the Israeli working class, especially single parents, pensioners, the unemployed and others who are most vulnerable.

Israel's Prime Minister Ariel Sharon had called on

his ministers to back Netanyahu's fight against the Histadrut. "The finance minister's position is the government's position," Sharon said. He ordered Israel's Attorney General to do everything he could in order to legislate the new economic plan without delay.

Peretz said he decided to stop negotiations after he was informed that the ministerial committee on legislation had convened to prepare the law in time for the April 30 meeting of the Knesset. "The preparation of the economic plan for legislation is contrary to the agreement reached two-and-a-half weeks ago between me and Finance Minister Binyamin Netanyahu according to which the government will not use legislative steps during the negotiations, and the Histadrut will not strike or take sanctions over the economic plan," Peretz said in a press conference.

"There is an intention to go forward with the most important social, public struggle to save Israeli democracy," Peretz said. He has now sold out this most important struggle.

The strike encompassed government offices, the National Insurance Institute, the Employment Service, local government, government companies, postal services, ports and airports, Israel Railways, non-academic staff at the universities, clerks at the courts, banks, the stock exchange and large enterprises in the private business sector.

The teachers unions decided to be part of the strike in spite of threats made by the Education Ministry to dismiss more teachers and cancel a wages agreement if they did. To date almost 6,000 teachers have been laid off as a result of the government's cuts in the ministry's budget.

On May Day, more than 2,000 workers and youth marched in Tel Aviv against Netanyahu's austerity plan. The march and the protest rally afterwards

highlighted the determination of young Israelis, most of them members of the youth movements associated with the Labor Party, the social democratic Meretz and the small Communist Party, to defend living standards, wages and pension rights.

According to Labor and Social Affairs Minister Zevulun Orlev, some 136,000 children will join those living under the poverty line if Netanyahu's budget plan is approved. Some 1.16 million Israelis currently live below the poverty line. After the anticipated cuts in National Insurance Institution's benefits, and without taking into account the effects of the other austerity measures included in the treasury's plan, this number will increase to 1.37 million.

In 2001, the number of children living below the poverty line stood at some 525,000. This number will increase to 661,000 after the NII cuts are implemented.

Haaretz reported, "The expected cuts in child allowances—coming in the wake of two previous cuts implemented since December 2001—will reduce this NII payment by 69-76 percent by 2006, and will have a significant and particular effect on some 105,000 poor families with three or more children. According to the NII calculations, the decision not to update any of the NII allowances before the end of 2006 will lead to an 18-percent erosion in the buying power of such families."

The economic slump in Israel's economy is likely to deepen. The Israel Broadcasting Authority (IBA) has decided to fire some 500 employees and to shut down six unprofitable Israel Radio stations, after the government decided to gradually reduce the annual charge for radios in cars from NIS 131 to NIS 38 (\$US29 to \$US8).

The offensive being waged by the Sharon government against the Israeli working class is intimately bound up with its ongoing war against the Palestinians. Billions of Israeli Shekels are being invested in expanding settlements in the Occupied Territories (the West Bank and Gaza Strip), in oppressing the Palestinian resistance against the occupation, building the Apartheid-style wall between Israel and the Territories and providing more military equipment and more sophisticated weapon to the Israeli Defence Forces (IDF). This money is being taken not from the generous financial aid given to Israel by the United States but from the taxes, allowances, salaries, social services and

other social gains of the working class.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact