

Israel: Workers' struggles intensify despite Histadrut betrayal

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23 January 2004

Another wave of strikes, workers' struggles and anti-capitalist demonstrations is being felt in Israel just two weeks after the Histadrut trade union federation reached an agreement with the finance ministry ending sanctions in the public sector. The agreement between the trade union bureaucracy and the government headed by Ariel Sharon and his Finance Minister Binyamin Netanyahu, was signed after the Histadrut agreed to mass lay-offs in the public services and state-owned companies in return for changes in the government's austerity plan for 2004's budget.

Subsequently the Union of Local Authorities (ULA) renewed its threats to take strike action in schools, announcing "at the end of the month we will be returning the responsibility for education services to the government."

At the end of December, workers protested against the cuts of NIS 0.5 billion from the education budget. That strike ended with negotiations, which stalemated a week ago. Thousands of municipal workers and dozens of mayors demonstrated in front of the Finance Ministry in Jerusalem in protest over Netanyahu's plans to lay off thousands of workers, among them teachers and social workers, and cut the local authorities' budget by more than NIS 2 billion. Among others, municipal workers will not receive the public, school buses will stop running and welfare services will be closed.

The ULA is demanding that the government return NIS 1 billion to the local authorities' budgets. Most of the money would be used to balance the budget deficits of struggling local authorities. In addition the ULA is demanding that the treasury return NIS 670,000 to education and welfare budgets previously transferred from government ministries to the local authorities.

Israel's general health service has announced the firing of 350 workers in community clinics. The employees, all of whom are considered temporary, will be laid off as part

of a special agreement with the union. The service's management tried to fire a larger number of workers due to its NIS 400 million deficit, but made limited concessions during the year-long negotiations that included a formal declaration of a workplace dispute. The 350 workers to be fired will join another 600 workers who voluntarily left the service or took early retirement last year.

The daily *Haaretz* reported, "[the service] preferred to fire the 350 temporary workers, because their severance costs were relatively low compared to veteran or tenured workers. The employees were all hired after 1999, and were included in 'second-generation' work agreements with lower benefits than veteran workers and with salaries 22 percent lower than permanent employees. By firing these workers before they reach permanent employee status ... [the health service] will reduce its deficit by tens of millions of shekels in five years."

The struggle continues in the Histadrut's Longshoremen's Union, which declared a labour dispute a week ago—blaming the government and the Ports Authority for breaching signed labour agreements. Technically, 15 days after declaring a labour dispute, workers have the right to strike.

Adva center, a leading Israeli center for Information on Equality and Social Justice, published sharp criticism of Netanyahu and Sharon's plan. The budget proposal for 2004, under the unintentionally ironic title, "'Plan for the Recovery of the Israeli Economy—Stage Two'", is, *Adva* commented, "a direct continuation of the destructive fiscal policies promoted by the Sharon governments over the past two years ... many of the economic measures taken in Israel had little to do with the need to reduce government spending in the wake of a decrease in tax revenues: rather, they were a reflection of, firstly, a right-wing, neo-liberal social and economic agenda, aimed at downsizing the state, at up fronting the role of big

business in political and social affairs, at debilitating the unions, lowering the cost of labour and diluting the social support systems.

“Under the pretense of ‘the public coffers are empty’, the governments of Israel have been carrying out a right-wing social revolution, tearing asunder structural and constitutional arrangements that have been in existence for years,” it stressed.

The center argued, “The pretense of ‘the public coffers are empty’ cannot explain the way in which the Government chose to cope with the conflict and the terrorist attacks. It was not a matter of ‘safeguarding home and hearth’, as contended, but rather one of repeatedly re-conquering Palestinian territories, weakening the Palestinian Authority, holding on to all the settlements and even expanding them. Despite the fiscal crisis and the threat of a financial crisis, the Government was able to find large enough sums of money to increase the defense budget, to keep a large army busy defending the settlements, and even to invest billions in a wall, whose cost is far higher than originally planned, after its location was determined in such a way as to bite off huge chunks of Palestinian territory. These measures did not contribute one iota to economic stability.”

The report concludes: “The acts of the Sharon governments over the past two years have exacted an enormous price and dealt a devastating blow to broad sectors of Israeli society. The combination of a right-wing social and economic policy and an aggressive foreign policy led to the transfer of a growing portion of the collective wealth into the hands of the few; an increase in the financial burdens of the middle class; an increase in the ranks of the poor; and a weakening of the states’ ability to maintain a reasonable balance between rich and poor.”

The entire document can be found at <http://www.adva.org/Budget2004TwoYearsDestructivePolicies.htm>



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