

Histadrut calls off Israeli general strike

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Within days of calling for a general strike, Histadrut, Israel's federation of trade unions, has called it off in return for some minor concessions from the Netanyahu government.

The strike was called to demand a cut in fuel taxes, water and bread prices, an increase in the minimum wage for public sector workers, and a reduction in the cost of housing. But Histadrut's aim was not to spearhead a movement of the working class against the most right-wing government in Israel's history, but to stifle it. To this end, it teamed up with the employers' organisations, the Manufacturers Association and the Union of Local Authorities. It issued a statement saying that this was a "historic partnership" and the first time that they were taking joint action against such price increases.

In reality, Histadrut has collaborated for years with the employers. Its suppression of strikes and workers' opposition to successive governments' embrace of the free market has played a key role in creating the conditions it now claims to oppose. In the last few months, it has called off several general strikes at the last minute.

At the same time, Histadrut was warning the ruling elite that Israel's working class, no less than that of the rest of the Middle East and North Africa, is on the verge of revolt. Ofer Eini, the Histadrut chairperson said, "We have linked up three key organizations in the country to finally tell the government, enough. Let us make this country a bit more fair."

"There's no one to talk to," he complained. "Nothing is being done, they are not even willing to listen. There are huge budget surpluses. The government can allow itself to take measures to help young couples."

Eini said in relation to the general strike, "We're not launching this alone. The entire nation of Israel is joining the struggle. Maybe, for the first time, the people will go out onto the streets. They are fed up

now, and that makes all the difference."

Acutely conscious of the emergence of the working class as a social force in Egypt and elsewhere, more than half of Israel's legislators, including coalition and opposition members, signed a letter opposing the tax increase on gas prices and pointing out that the rise in the cost of living and municipal taxes had created "an impossible situation". They warned that "there are no shortage of examples these days of what can happen when the public collapses under the burden of government rulings".

In response, Prime Minister Benjamin Netanyahu announced that he would reduce the cost of water, which has doubled over the last year, for those who use below average amounts while raising it for heavier users, and cut public transport costs by 10 percent.

He is to cancel the recently imposed gasoline tax on gas, but not diesel, which had raised fuel prices from NIS 5 (US\$1.38) a litre two years ago to NIS (\$2.00) 7.26 today, of which 57 percent is tax. This will still leave the price of gas at more than NIS 7 (\$1.92) per litre. He also agreed to increase the monthly minimum wage by \$122, but only for those public sector workers with a total gross monthly salary of less than NIS 5,000 (\$1,375).

As *Ha'aretz* noted, "Netanyahu's package of measures is not dramatic".

More precisely, it is to be funded by cutting public services. The prime minister demanded that the package, expected to cost between NIS3 billion and NIS4 billion (between \$750 million and just under \$1 billion), be funded by an across-the-board cut of 2 to 3 percent on all departments except defence, and a delay in cutting the top rate of tax from 45 to 44 percent. These measures will be included in the state budget.

Israel, like the rest of the Middle East, is a social powder keg, characterized by worsening social inequality and poverty that rank among the highest in

the OECD club of rich countries, of which Israel is now a member.

According to the latest National Insurance Institute report, 23 percent of the population lives below the poverty line and 29 percent are in danger of falling below the poverty line—that is, the majority, 52 percent, are desperately poor. This number had increased by several percentage points over the previous year. It includes 850,000 children, up from 783,600 children in 2008. Nearly 40 percent of children are disadvantaged.

The main reason for poverty was unemployment, officially just over 7 percent. But another report, by the Taub Centre for Social Policy Studies in Jerusalem, shows that 19 percent of Israeli men aged 30-54 do not work, mainly orthodox Jews and Arab Israelis. Fully 6,300 poor families had two sources of income, testifying to the abysmally low level of wages.

The gini coefficient of inequality puts Israel among the most unequal societies in the world, at 39.2 percent in 2010, up from 38.6 percent in 2009. A dozen families control nearly half of the companies listed on the Tel Aviv stock exchange. The average annual salary of a senior executive in the 25 largest companies on the Tel Aviv stock exchange is 94 times the national average wage.

Inequality is growing. Adva, a social campaigning group, states in its most recent annual social report that in 2009, the gross average monthly income fell for 80 percent of workers. The income of the bottom 40 percent fell most, from 17 percent of total income to 16.3 percent, while the share of the top 10 percent grew, from 28 percent to 28.5 percent.

The middle class has shrunk. The number of middle class households has fallen from 33 percent of all households in 1988 to 26.6 percent in 2009, while its share of total income fell from 28 percent to 21 percent.

The elderly have been particularly badly affected, as the state pension is far below even a minimum standard of living and most earn too little to save for retirement.



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