

Mass protests sweep Israel

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Thousands are taking to the streets of Tel Aviv and Jerusalem to protest the high cost of housing, despite Israeli Prime Minister Benjamin Netanyahu's promises of reforms.

The rent protests began two weeks ago. Tent cities have sprung up across the country to highlight the housing shortage and extortionate rents. What started as a largely middle class protest in Tel Aviv's smart Rothschild Boulevard has been taken up by the National Union of University Students, which set up tent cities involving local people and students throughout Israel.

The protests have won widespread support—from youth groups, representatives of the ultra-orthodox Haredi movement, women's organizations, social workers who went on strike last spring, residents and doctors who have been on strike for weeks. There were reports that Bedouin tribesmen had joined the marchers in outlying towns. A poll by *Ha'aretz* showed that 87 percent of Israelis support the tent city protests.

Last Saturday, 40,000 mainly young people marched from the tent city on Rothschild Boulevard towards the Tel Aviv Museum in the biggest political rally seen in years. They chanted slogans such as "Proper housing, Legitimate prices", "The power is with the citizen", and "This generation demands housing". Some of the marchers demanded Netanyahu's resignation.

Speakers called for the government to intervene in the property market to bring down prices, introduce rent controls and require developers to include affordable housing in their construction plans. Scuffles broke out when police tried to forcibly remove hundreds of protesters from the intersection of Kaplan and Ibn Gvirol streets. Eleven face charges of "illegal gathering".

Since 2008, the price of an average apartment has gone up by 55 percent and rent by 27 percent, far in excess of wage increases.

Since the 1993 Oslo Accords, successive governments—Labour, Likud or Kadima—encouraged Israelis to move to the settlements in the West Bank, Gaza

and the Golan Heights, rather than build in Israel. This led to a shortage of new affordable housing in the outlying areas and an increase in prices and rent. The recent property bubble has seen house prices in the prime areas rocket.

Within the Tel Aviv area, only three percent of the construction over the last decade was public housing. Not one public housing unit was built between 2006 and 2009.

Such was the scale of support for the protests that Netanyahu was forced to cancel his visit to Poland earlier this week. On Tuesday, Netanyahu was forced to acknowledge that the protests were "justified" and to promise reforms and housing construction to help young marrieds, military veterans, students and the homeless.

He said that the government would subsidise a 50 percent discount on government-controlled lands designated for affordable housing for both purchase and rental, reduce the cost of public transport, and provide incentives for commercial property owners to convert their buildings into residences. Netanyahu claimed that 50,000 new housing units would become available within 18 months, including 10,000 units for students. But the plans, even if they materialise, will have no immediate effect.

The protests are fuelled by the desperate situation facing millions of Israelis, while social inequality has reached unprecedented levels. The *Jerusalem Post* called the housing protest just a "drop in the sea of injustices" that also included rising food prices, the cost of living and the minimum wage. A recent report published by Adva, "Israel in a nutshell", confirms that this crisis is systemic.

The turn from a nationally regulated economy dominated by state expenditure to market reforms in 1985 has spawned a new business elite made up of 20 major family-controlled trusts that control a quarter of the companies listed on the Tel Aviv Stock Exchange, the major banks, insurance companies, high-tech industries and services, and property companies. Most of the investment is concentrated around Tel Aviv.

Sixteen of the world's billionaires are Israelis who

control these corporations. The top executives in the 25 largest corporations were paid more than 90 times the average wage in 2010.

With high growth rates in recent years, the economic figures look good—on paper. Israel has a GDP per capita of \$29,500 in 2009 that put Israel at 24 out of the 34 OECD countries, but it has one of the highest levels of poverty and inequality in the OECD.

Israel's new industries, developed on the back of military expenditure equal to 7.3 percent of GDP, have generated enormous wealth for their owners, while marginalising the majority of the population. These industries employ less than 10 percent of the workforce, so that, while wages in these industries are relatively high at \$5,150 per month, this is far from the norm.

Israel is a predominantly low-wage economy, with 75 percent of workers earning \$1,700 or less a month. Wages have fallen from 68 percent of national income in 2000 to 63 percent in 2010. This is equivalent to the loss of NIS 976 a month.

Israeli society is wracked by divisions. Jews from the Middle East and North Africa, known as Mizrahi Jews, earn 40 percent less than the Ashkenazi Jews of European origin. They live in the peripheral “development towns” that lack the most basic social amenities, and do less well in school.

Israel's Palestinians are worse off still. Urban Israeli Palestinians earn about 30 percent less than their Mizrahi and 50 percent less their Ashkenazi counterparts. The Bedouins in the south are even worse off, particularly those living in the so-called “unrecognized” villages that have no access roads, no municipal infrastructure, and no governmental services like education.

The ultra-orthodox Jews, the Haredim, have the highest rate of poverty, largely because so few work, living off state subsidies for those enrolled in religious educational institutions. Other impoverished groups include immigrants from the former Soviet Union and Ethiopia, who number about 100,000.

Finally, there are 300,000 migrant workers brought in to replace Palestinian labour—Filipino females caring for the elderly, Chinese and Romanians working in construction, and Africans working in the hospitality sector. Government inspectors turn a blind eye to unscrupulous employers who ignore Israel's minimal labour laws.

The Histadrut, the trade union federation, has not raised a finger to defend the economic position of the Israeli working class. It has called off several general strikes in this year alone. Now, when workers and youth are

refusing to tolerate these conditions any longer, Histadrut Chairman Ofer Eini has stepped in to wrest control of the movement in a transparent bid to stifle it.

He has called for a general strike on August 1, supported by the Union of Local Authorities, unless Netanyahu agrees to hold talks. Eini's sole aim is to seek some accommodation with the government. He insisted in a radio interview that he has no intention of “bringing down the government”.

The growing social movement punctures the myth, so assiduously created, that Israel is somehow different from the rest of the Middle East and North Africa. The social crisis in Israel is intimately bound up with the social, economic and political developments taking place throughout the region, and is fuelled by the deep social grievances and impoverishment of the Israeli people.

As in the mass movements that began in Egypt and Tunisia, class questions are now coming to the fore. The fundamental question is the elaboration of an independent political perspective that articulates the interests of working people, not those of the business elite. It means rejecting the perspective advanced by the Histadrut of putting pressure on the government, and the ongoing efforts to foster the nationalistic sentiments that serve to divide workers in Israel between Jews and Arabs and the Israeli working class from their brothers and sisters throughout the region.



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