

# Nationwide protests against austerity in Israel

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Last Saturday, 15,000 people rallied in five of Israel's major cities to protest a two-year austerity budget.

The budget seeks to slash public spending by nearly US\$2 billion in 2013 and US\$5 billion in 2014. This is to be achieved through US\$560 million in cuts in child benefits and US\$336 million in transport projects, the end of subsidies for after-school programmes for children under 9, a reduction in funding for religious seminaries, a 1 percent increase in value-added tax to 18 percent, a 1.5 percent increase in income tax and a property tax on cemeteries. In contrast, the defence budget was spared, with a smaller-than-expected cut of US\$840 million, not US\$1.12 billion.

The aim is to cut the budget deficit that reached US\$11 billion in 2012, or 4.65 percent of GDP, to 3 percent. While these measures are widely seen as affecting the middle class, the cuts in child benefit will increase the number of children living in poverty by 50,000 in a country of just 8 million people, to cite just one statistic.

The demonstrations come just weeks after Prime Minister Benjamin Netanyahu's right-wing coalition took office. He had called an early general election in January because the deep hostility to his economic and social programme, his drive to expand the settlements in East Jerusalem and the West Bank, and his militaristic agenda were making it impossible for him to secure agreement on his austerity budget. The January election saw him and his electoral partner—the far-right Israel Beiteinu (Israel Our Home)—lose substantial electoral support.

The author of the deeply unpopular budget is none other than Finance Minister Yair Lapid, the leader of Yesh Atid. Lapid formed Yesh Atid (There Is a Future) last year as his own personal political vehicle, which came from nowhere to second place in his first-ever election campaign.

A television anchorman and son of the leader of the secular Shinui party from 1997 to 2006, he pitched his campaign at Israel's beleaguered middle class, who formed the bulwark of the mass social justice movement in 2011 that opposed the rising cost of living, particularly the lack of affordable housing, and soaring social inequality.

Lapid exploited tensions between the secular and ultra-Orthodox Jews, demanding the ultra-Orthodox be drafted into the army and workforce, and calling for a deal with the Palestinians based on Israel's terms—the retention of East Jerusalem and the settlements in the West Bank.

Netanyahu had called an early election on the presumption that he could increase his majority and dispense with his religious party coalition partners, who were demanding exemptions from the budget cuts to appease their own social base. But Likud-Israel Beiteinu lost votes to those opposing his economic programme. Lapid and his Yesh Atid party became key to Netanyahu's survival as prime minister.

Yesh Atid and another new extreme right-wing formation, the Jewish Home party, led by Naftali Bennett, duly joined a new Netanyahu-led coalition government. And just as surely, the pose of economic opposition was dropped by Lapid.

Having assigned the Finance portfolio to Lapid, Netanyahu simply reintroduced what is essentially the same budget he could not get agreement on last year. The Treasury refused to even consider alternative measures that would have taxed the rich, such as an inheritance tax, differential value-added tax rates, and a higher levy on income from investments.

Lapid and his party are now the chief executors of Netanyahu's right-wing anti-working class policies, charged with ramming through the austerity budget on behalf of Israel's oligarchs.

At least 10,000 people took part in a rally in Tel

Aviv, Israel's largest city, asking, "Where's the money? The tycoons have it, stupid" and "Let the corporations pay for the budget deficit."

In Jerusalem, people marched to the prime minister's official residence shouting, "The gas belongs to everyone," while others went to the home of Minister of Energy and Water Silvan Shalom to protest proposals to export most of Israel's newly discovered natural gas, reported to be worth US\$280 billion, while prices at home soar.

There were banners demanding an end to preferential treatment for business tycoons and spending on Israel's isolated settlements in the West Bank. They called for the money to be spent instead on children, the elderly, welfare and housing in Israel.

There was widespread disgust at the revelations about Netanyahu and his wife's lavish life style at public expense. The couple are widely known as King Bibi and Queen Sara. The cost of running his official residences grew by 80 percent between 2009 and 2012, from US\$504,000 to US\$920,000. The cost of cleaning nearly doubled, as did "representation expenses" that include wardrobe, shoes, makeup and hair treatment, while a separate item, the ice cream bill, came to \$2,800.

Last week, TV Channel 10 revealed that the Netanyahus requested a bedroom on board their five-hour flight to London for Margaret Thatcher's funeral, at an additional cost of \$127,000.

But most of the anger was directed at Lapid, in whom such great hopes had been placed. He, along with the new trade and industry minister, Naftali Bennett from the extreme right wing, newly formed Jewish Home Party, was one of the big winners of the 2011 movement. In Haifa, dozens marched toward the Yesh Atid headquarters to protest Lapid's budget, blocking nearby streets.

Lapid railed against the demonstrators, saying, "Who are you demonstrating against? Are you demonstrating so that you can lose your jobs, so that the economy will collapse? You are demonstrating against yourselves."

The rallies were called by the leaders of 2011 social protest movement, who insisted upon a "no politics" stand and so paved the way for Yesh Atid to take the political vote of the angry demonstrators in the last election. Two of these leaders, Iztik Shmuli and Stav Shaffir, have become Labour Party legislators in the

new Knesset.

The plan was for the rallies to jump-start a new protest movement, but the turnout was far smaller than expected for a movement that has already amply demonstrated its bankruptcy. Most who did turn out onto Tel Aviv's upscale Rothschild Boulevard, the scene of the tent city two years ago, were the organised supporters of the Labour Party, Meretz, and Hadash, as well as representatives from many social change organisations. A few Knesset members joined them, including Shmuli and Shaffir from the Labour party, Tamar Zandberg from Meretz and Dov Khenin from Hadash.

Labour Party leader Shelly Yachimovich stayed away. Instead, she made a pathetic appeal to the government not to pass the budget bill, asking Knesset members to "Be brave and vote against the pile of decrees, the cuts and subjugation in the Finance Minister's plan."

The widespread opposition to the policies espoused by Israel's entire political establishment could find no genuine political expression in a right-wing outfit like Yesh Atid, or any of those advocating the bourgeois politics of "no politics".

Israeli workers, youth and students can only defeat Netanyahu's social offensive at home and militaristic agenda abroad by fighting on a socialist programme for a workers' government that will expropriate the banks and big business and reorganise the economy on the basis of social need, not private profit.



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