

# Strikes against austerity throughout Israel's public and private sector

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Israeli workers are facing an onslaught on jobs, wages and conditions, in both the public and private sectors. The attacks organised by the corporations, government and the courts are proceeding with the active collusion of the labour unions.

Last week, the trade unions agreed a rotten deal with the government and the Israel Electric Corporation (IEC), the state-owned utility, on the liberalisation and privatisation of industry to snuff out lightning strikes mounted in defiance of a ban on walkouts against market-based reforms.

Last August, the High Court of Justice ruled that workers at state-owned enterprises can no longer strike against market reforms, overturning an earlier judgement supporting the right to strike. This was a response to a series of strikes by electrical workers in June and July.

The ruling constitutes a fundamental attack on the working class in favour of the financial elite. It affects other essential public services, as well as the legal status of the right to strike, previously recognised as a fundamental constitutional right derived from the right to freedom of association, including against government decisions.

The agreement with the IEC, still to be worked out in detail, will slash jobs, raise prices and reduce the company's debts from 42 billion shekels (\$12.1 billion) to 28 billion shekels. IEC's electricity-generating business is to be moved to a separate entity, to "prevent cross-subsidization" with its transmission monopoly, that will eventually force the IEC out of the generating business altogether.

IEC will slash its 12,500 work-force by 2,800—although this number is likely to rise—sweetened with small increases in pensions and a one-off bonus of between 10,000 (\$3,000) and 30,000 (\$10,000) shekels per worker for agreeing to the reforms, provided that the IEC meets the government's target dates for implementing the measures. Trade union officials had previously vowed to reject the job cuts.

The union also agreed to surrender its veto on the IEC's works committee over new hires or firings. The union retains only its right to approve the firing of an employee on the grounds of "inappropriateness to the job," and thus its

role in policing the workforce on behalf of management.

Another major assault on Israeli workers has come from Teva Pharmaceutical Industries, the Israeli-controlled multinational, which has announced plans to slash one quarter of its 55,000 workforce. Some 1,750 Israeli workers will lose their jobs as part of the 14,000 job cuts worldwide.

Teva, viewed as a symbol of Israel's success in science and high tech-based industries, is the world's largest generic drug manufacturer and one of the largest employers in Israel. Saddled with \$35 billion debt following its \$40 billion acquisition of the generics arm of its rival, Allergan, last year, it lost its major source of profit. This was its ability to charge extortionate prices for its drug Copaxone, used to treat multiple sclerosis, following legal challenges in the courts and the expiry of its patent.

A half-day general strike on December 17 in support of Teva workers disrupted business throughout Israel as the entire public sector, health services, utilities and banks remained closed from early morning until noon, and flights in and out of the country were suspended.

Teva workers have continued their protests, blocking the light rail network in Jerusalem city centre and holding demonstrations outside the homes of Teva board members, protesting plans to close the company's two Jerusalem plants and lay off workers throughout the country. More than 200 workers barricaded themselves inside one of the Jerusalem factories.

Histadrut (Israel's Trade Union Federation) Chairperson Avi Nissenkorn, and Labour Party Knesset member Shelly Yachimovich, have promoted nationalism and made impotent appeals to Prime Minister Benjamin Netanyahu's ultra-right government to save Israeli workers' jobs.

Last week, the Education Ministry sought and won a ruling from a Tel Aviv labour court blocking a strike by Israeli teachers at kindergartens, elementary and junior high schools called by the Israeli Teachers Union for December 27, claiming that it was called too hastily.

The dispute is over teachers being marked as taking 1.4 days sick leave for each actual day off. The practice had

been taking place secretly for 30 years and was only recently discovered when the Education Ministry began to list on the payment slips the number of sick days that were accrued and the number of sick days actually taken, as required by law.

The ministry responded by issuing a statement making clear it works closely with the Teachers' Union and that the policy had been determined years ago. It read, "In this case too, the ministry is sitting on the ground with the Teachers' Union in talks to jointly advance the interests of the teachers."

Less than a month ago, the Teachers Union called off a strike by high school teachers that would have extended sporadic strikes over wages and working conditions, after agreeing a four-year deal with the government.

Teachers in Israel are paid much less than their counterparts in other OECD countries, while class sizes are much larger. Their previous contract expired at the end of 2016 and they were demanding an increase in the monthly salary of a newly-hired teacher from 6,400 shekels (\$1,800) a month to 8,000 (\$2,300), with a comparable increase for teachers with seven years' service, improvements in fringe benefits, better working conditions, and bonuses for excellence in teaching.

The Israel Medical Association, the largest doctors' union, has declared a work dispute that could lead to strike action over plans to change the national health insurance law to prevent doctors moving between the different Health Management Organisations (kupot cholim) as the HMOs try to attract popular doctors and thus patients.

Over the weekend, municipal workers in Jerusalem dumped mounds of garbage near the Finance Ministry in Jerusalem to demand the ministry to pay 50 million shekels (\$14.4 million) to the city. The ministry wants the money to be spent on urban development, not public services.

Anger is also increasing at the delays over releasing the results of investigations into corruption at the highest levels of government and the controversial new Recommendations Law, which bars the police from releasing the findings of their investigations into politicians. On Saturday, the fifth consecutive demonstration against corruption was held on Rothschild Boulevard in downtown Tel Aviv, the 58th anti-corruption protest in Israel. As a result of the protests, Netanyahu was forced to amend the Recommendations Bill so it does not apply to current criminal probes, including those involving him, initiated before the introduction of the new law.

Netanyahu has been questioned seven times in the past year over two corruption cases. The first involves allegations that he received gifts from rich business figures, including Australian billionaire James Packer and Hollywood producer Arnon Milchan. The second involves claims that he sought a

secret (but ultimately unsuccessful) deal for favourable coverage in the top-selling *Yediot Aharonot* newspaper, in return for helping curb *Yediot's* rival, the pro-Netanyahu freesheet *Israel Hayom*, paid for by the US billionaire Sheldon Adelson. According to *Ha'aretz*, over the seven-year period since the freesheet's founding in 2007, the newspaper lost about 730 million shekels (\$190 million), or one shekel per copy.

Rising social tensions take place amid a soaring cost of living, while public spending on anti-poverty measures, education, health, transport and social security has been slashed and the wealthy have gained from tax cuts and the protection of capital gains.

According to the Taub Center's State of the Nation Report 2017, published last week, "price levels in Israel remain among the highest in the OECD" and are 23 percent higher than the average. The high cost of living and steep housing costs sparked major protests in 2011 and 2015 and forced government promises to bring down housing costs.

Israel's poverty and income inequality rates remain among the highest among OECD nations. This is fuelling the growth of the class tensions and laying the basis for a common struggle by Jewish and Arab workers in Israel and across the Middle East.



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