

Why Unions Matter

The Israeli Labor Movement: Focus on the Histadrut

With anti-Semitism rising in Europe, marginalizing and endangering the continent's Jewish population, Zionism took shape in the late 19th and early 20th centuries. Its goal was to rebuild the ancient Jewish homeland (then a territory within the Ottoman Turkish Empire known as Palestine) largely as a place of refuge and revitalization for Jews. Beginning with the Balfour Declaration of 1917 and the start of British rule over Palestine as a League of Nations "Mandate" after World War I, the British allowed the Zionist movement to facilitate Jewish immigration and create embryonic national institutions. One of these key institutions was the Histadrut, Israel's democratic, independent labor federation. To date, it remains a rare exception throughout the Middle East.

Labor's Role in Founding Israel

The Histadrut trade union federation was established in December 1920 to organize Jewish workers living in the British Mandate of Palestine. Its General Secretary, was David Ben-Gurion, a future founding father of the State of Israel.

By 1927, the Histadrut had 25,000 members, 75 percent of the Jewish workforce. It began taking on functions that were well beyond those of a typical labor federation, including: absorbing immigrants, organizing agricultural settlements, education, housing construction, health facilities, banking, and developing new areas of production.

The founders were profoundly influenced by Jewish values and democratic socialist traditions. A resolution of the first Histadrut conference expressed their egalitarian ethic as follows:

"It is the aim of the United Federation of all the workers and laborers of Palestine who live by the sweat of their brows without exploiting the toil of others, to promote land settlement, to involve itself in all economic and cultural issues affecting labor in Palestine, and to build a Jewish workers' society there."

Providing immigrants with work was generally seen as more important than the financial soundness of its operations. Hence, the Histadrut became the largest employer and generator of economic activity.

After the birth of the State of Israel in 1948, the Histadrut remained a major employer, controlling at one point around a third of the economy and employing over three-quarters of its workers. Its economic enterprises included: the Solel Boneh construction company, Israel's oldest and one of its largest construction and civil engineering companies, founded in 1921 as a workers' cooperative; the Koor industrial holding company; the dairy cooperative Tnuva; the Egged bus company; the Hamashbir retail chain; the Am Oved publishing house; and Bank Hapoalim (the "Workers' Bank").

One of the largest providers of health services to Israelis, the Kupat Holim Clalit (KHC, the "General Sick Fund") -- a comprehensive health care network -- was a program of universal medical coverage that actually pre-dated the Histadrut, beginning as far back as 1911, with some 2,000 participants. It soon developed a relationship with the Histadrut, such that all of its members received KHC coverage by virtue of their Histadrut membership. By 1930, KHC membership had climbed to 15,000, a number that would double five years after that. By then, KHC

maintained not only the largest registry of physicians and nurses, but its own clinics in five cities and 53 rural centers, as well as two hospitals and two convalescent homes. In the absence of a compulsory medical insurance law, the growth of KHC was a tribute to the organizing skills of the Histadrut.

One had to be a member of the Histadrut in order to receive health insurance coverage and medical treatment through the KHC, and this artificially inflated union membership. In 1995, the new leadership of the Histadrut under Haim Ramon — at that time, a Labor Party politician allied with Prime Minister Yitzhak Rabin — undertook a major reform of the Histadrut and health care in Israel by divorcing the former from the latter, through a new law passed by the Knesset, Israel's Parliament. As a result, the national health care system today covers virtually all Israeli citizens through a choice of membership in one of four "sick funds," of which the KHC remains the largest, but without any direct tie to the Histadrut.

Promoting Rights of Arab Workers

Originally, the Histadrut was conceived as an organization only of Jewish workers. Although early Labor Zionists were primarily focused on promoting a Jewish homeland, a refuge in a world ablaze with anti-Semitism, they also

hoped for working class solidarity between Jews and Arabs.

Addressing the issue at its third convention in 1927, the Histadrut decided to establish a confederation of Palestinian workers, an umbrella organization of autonomous Arab unions. Arab workers who became members of the confederation began receiving the same wages and working conditions as Jewish labor. In 1953, they were admitted to the Histadrut Sick Fund and all its other mutual aid institutions. The process of integration was completed in 1959, when Arabs were admitted to full membership and what was originally the "Hebrew Federation of Labor" became the "General Federation of Labor" in Israel.

The Histadrut also sponsored labor councils in Arab villages, where school equipment was provided and cultural activities were organized and sometimes financed. In 1967, another major Histadrut initiative for Arab

villages was to establish 128 cooperative societies, mostly providing water services. To many Israeli Arabs, therefore, the Histadrut membership card meant an opportunity to advance their standard of living within the Jewish state.

By the early 1990s, membership in the Histadrut had reached a zenith of about two million, accounting for more than one-third of the country's total population and about 85 percent of all wage earners. About one-tenth of its members were Arab citizens of Israel.

Back from Adversity

The Histadrut's strength began to erode in 1985, when its largest holding company, Koor, was sold to foreign investors, who then laid off a third of its workers. Ten years later, the reform of the national health care system, mentioned above, precipitated a two-thirds decline in Histadrut membership over the next ten years.

Yet today, despite this trend toward privatization and the diminished role and size of the Histadrut, it remains a powerful force in Israeli society and the nation's economy. The surprise announcement in November 2013 that Ofer Eini was resigning after nine years in office as the Histadrut's chairperson provided a convenient opportunity for the news media to assess the status of Israeli trade unionism.

The Jerusalem Post reported on November 7, 2013 that Eini "managed to stem the decline in union membership and even moderately offset it, after convincing workers in the cellphone and hi-tech industries to unionize." The article indicated that "since the 2008 meltdown on Wall Street . . . some 40,000 new members have joined the Histadrut."

Other gains engineered under Eini's leadership included mandatory pension deductions by employers for all employees, an increase in the national minimum wage, and getting the public sector to formally hire the guards and cleaning personnel who were previously hired as contract workers with no rights and benefits.

In an interview in the Israeli daily, *Haaretz*, (November 8, 2013), Eini emphasized recent efforts to organize different categories of employees:

" . . . During my time here the Histadrut began taking care of the weakest workers. We even declared a major strike to fight for the status of contract laborers. Not long ago we concluded an agreement on the issue of contract workers and took care of mandatory pensions for a million workers. That's no small achievement. Meanwhile there's a frantic rush to organize. Workers in hundreds of workplaces are organizing under the Histadrut framework and setting up locals to represent them against management. This is where we

Israeli Unions

Affiliated with the Histadrut

Union for Civil Research Staff in Israel ▪ Union of Clerks, Administrative Public Service Employees ▪ Construction and Wood Workers' Union ▪ Union of Engineers, Architects and Graduates in Technological Sciences in Israel ▪ Food and Pharmaceutical Union ▪ Government Workers' Union ▪ Union of Hoteliers, Hospitality, Banqueting Halls and Gardens, Guarding and Security, Cleaning and Maintenance, Nursing, Household, and Agricultural Workers ▪ Internet, Cellular and Hi-Tech Workers Union ▪ Israel Defense Force Workers' Union ▪ Lawyers' Union ▪ Israeli Medical Association (Physicians' Union) ▪ Metal, Electricity, Electronics and Diamond Workers' Union ▪ Microbiologists, Biochemists and Laboratory Workers' Union ▪ Israel Nurses Union ▪ Para-Medical Union ▪ Pensioners' Union ▪ Pharmacists' Union ▪ Physiotherapists' Union ▪ Publishing, Communication, Artists, Energy and Tour Guide Workers' Union ▪ Israeli Seafarers' Union ▪ Social Science and Humanities Graduates Union ▪ Social Workers' Union ▪ Israel Union of Technicians and Practical Engineers ▪ Textile, Garment and Leather Worker's Union ▪ Transport Workers' Union ▪ Union of Working and Studying Youth

Independent Unions

Israel Teachers Union ▪ Israeli Medical Association ▪ Koach LaOvdim (Democratic Workers' Organization) ▪ Israel Secondary School Teachers Association, WAC-MAAN (Workers' Advice Center)

succeeded the most. For example, at Migdal [Israel's leading insurance and finance company] we signed up 1,500 people in one day. Who dreamed 10 years ago that employees at an insurance company and at credit card companies would join the Histadrut?"

Histadrut's current chairman is Avi Nissenkorn, who had been head of Histadrut's trade union division. After winning a contested race for the chairmanship, Nissenkorn declared, "From the deep belief in the value of equality and narrowing social gaps, I am committed to the Histadrut being a leader in these fields."

In 2010, migrant workers were admitted to the Histadrut for the first time. After the Second Intifada broke out late in 2000, and deadly suicide bombings inside Israel became a regular occurrence, many Palestinian workers from Gaza and the West Bank were replaced by approximately 200,000 migrant workers from Asia, Eastern Europe and Africa — half with legal status and half without. Currently, migrant labor accounts for over seven percent of Israel's labor force.

The new Histadrut organizes all workers in Israel — Jew and Arab, citizen and migrant, secure and insecure. It is also publicly committed to the existence of two sovereign, independent and democratic states, with a secure Israel alongside a viable Palestine, existing in peace and mutual respect.

Histadrut and the Peace Process

Since its beginnings in 1920, the Histadrut has supported peace between Israel and its neighbors. Its resolutions state a strong belief that a two-state solution between "Israel and Palestine, living side by side with secure and recognized borders is the only way to end the ongoing conflict." With this principle as a foundation, the Histadrut

continues to "call on our government to make concessions and take courageous and concrete steps toward attaining peace As representatives of the working people and the families in Israel, we believe that it is our duty to be involved in the peace process and serve as a role-model. We believe that we are able to help bridge the gap between Israelis and Palestinians . . ." and that is why "we decided to work with the Palestinian General Federation of Trade Unions (PGFTU) as partners to build the foundations for peace."

In 2008, a historic agreement was signed between the Histadrut and the PGFTU with the full support of the International Trade Union Confederation (ITUC), aimed at increased protection of Palestinian workers and advancing peaceful coexistence between the Israeli and Palestinian peoples. Key features of the agreement include:

- the settlement of all financial issues between the two federations;
- the provision of legal assistance by the Histadrut to Palestinian workers employed by Israeli employers to improve their working conditions, including providing support to the PGFTU in handling such cases (the Histadrut does not organize Palestinian workers in the West Bank);
- the organization of educational and vocational training courses and workshops, particularly in the areas of workers' rights and occupational safety and health (with the Histadrut distributing Arabic-language informational materials).

The Histadrut has also worked with the PGFTU and the International Transport Workers' Federation, a global alliance of transport workers' unions, to make the lives of Palestinian drivers, as well as workers crossing into Israel, easier at security checkpoints. Israeli labor law applies inside the settlements.

Fighting Income Inequality

Promoting a peaceful resolution of the conflict with the Palestinians is an unusual task for a labor movement. In all other areas, Israeli workers and their unions face similar challenges as workers elsewhere in technologically-advanced societies.

These include a growing inequity in the distribution of national income. Even an analysis that is largely critical of the Histadrut ("Does 21st-century Israel need labor unions?" David Rosenberg, *Haaretz*, November 13, 2013) offers some grudging respect for its role:

"The growing gaps in wealth and income in Israel, and for that matter throughout the West, call for a solution. One part of any solution could and should be unions. Inequality is growing partly because labor is getting a smaller share of national income while capital retains more. . . .

This is partly due to growing competition from low-cost economies like China, but it is mainly because the productivity gains from new technology accrue to shareholders rather than employees.

Reversing this will not be easy. In a small and globalized economy such as Israel's, blocking business from moving operations to low-cost countries is problematic. But helping labor to capture more of the gains from technology is a reasonable goal. Unionized workers stand a fighting chance of doing that better than non-unionized ones."

Jewish Labor Committee

*The Jewish voice in the labor movement, and
the voice of the labor movement in the Jewish community.*

Founded in 1934, the Jewish Labor Committee was formed to mobilize unions, Jewish organizations and mutual aid societies across North America to help fight Nazism in Germany. The JLC supported anti-Nazi and anti-Fascist forces throughout Europe, and aided Jewish, trade union and democratic socialist leaders targeted by the Nazis.

Today, the JLC brings together the organized labor movement and the organized Jewish community to promote workers' rights, civil rights and human rights in the workplace and the community-at-large; to combat anti-Semitism and all other forms of prejudice; to strengthen the historic relationship between American and Israeli trade unions, and to promote a just peace between Israelis and Palestinians.

Aware of the key role that the labor movement can play to combat income inequality, the JLC mobilizes support in the Jewish community for union activities across the U.S. in support of hotel workers, public school teachers, carwashers, employees at big box stores such as Walmart, domestic workers and all others fighting for dignity, security and representation on the job. We are also active in working to increase the minimum wage on the federal and state levels, securing passage of earned sick days legislation, as well as fair and comprehensive national immigration reform.

Together with our partners and supporters, the JLC is committed to creating a fairer and more just society for all.

Jewish Labor Committee is an IRS-registered 501 (C) (3) non-profit organization (ID: 13-1675650)

For more information

Tel: 212-477-0707 Fax: 212-477-1918 info@jewishlabor.org www.jewishlabor.org

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