



Position Paper:

AWU Assessment of the Histadrut

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(Translated and edited from Arabic)

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The need to establish AWU, a trade union association for Palestinian Arab workers who hold Israeli citizenship did not arise out of a vacuum, nor was it born of coincidence; rather, it is urgently required to fulfill the ambitions of those Palestinian workers who remained on their lands after the *Nakba* of 1948. It is also a direct result of the historical events the Palestinian people experienced after the *Nakba* and the subsequent collapse of the Palestinian trade union movement, whose activities were centered in the city of Haifa. The Palestinian working class in Israel is among the poorest sections of society and the one whose rights are most abused by employers. It should be emphasized that this group of workers is part of the Arab Palestinian minority holding Israeli citizenship, which has been faced with racial discrimination for sixty years, as manifested in land confiscations, home demolitions and the denial of work opportunities. Their land was confiscated, their jobs lost, and - after Israel brought in hundreds of thousands of foreign workers as cheap labor in the building, agricultural and service sectors to replace Arab workers – their economic survival depended on social security benefits from the Israeli National Insurance Institute.

While the Histadrut, the Israeli trade union congress, is supposed to represent all segments of workers and promote their trade union rights, in reality it operates in the exact opposite manner with regard to defending the rights of low-paid, oppressed workers.

The Histadrut trade union was founded in 1920 at the beginning of the British Mandate in Palestine. During that period it essentially restricted its role to organizing "Hebrew Labor", and to excluding Arab workers from all workplaces, as well as waging war on the Arab Palestinian trade union associations that had been established in 1923 in Acre, Haifa, Yaffa, and Nazareth and in the surrounding Arab villages in the Galilee.

It should be indicated that from an historical viewpoint, the Histadrut played an important and prominent role in waging war on and causing the disintegration of the Palestinian labour movement before the *Nakba* of 1948. It also had a role in establishing the Jewish settlement movement in Palestine, and in building the State of Israel from the 1920s.¹ Over the course of the past eighty years, the Histadrut has equally played a central role in developing and accelerating the establishment of the Israeli economy, in particular by gaining control over the major industries and establishments, such as the electricity company, the seaports, the airports and the various aviation industries, the technology and transportation industries, and governmental offices, in addition to its former control of Bank Hapoalim (Hebrew: Workers' Bank) and a large number of services areas, including agriculture and construction.

After the lifting of the military rule over the Arab population inside the Green Line, which was concentrated in the Galilee and parts of the Triangle, the Histadrut played a key role in the ideological “formation” of the Arab working class. In 1968, at a conference of the ruling Labour Party MAPAI, a decision was taken that the Histadrut, which was ideologically linked to MAPAI, should focus on recruiting Arab workers to the ranks of the Histadrut, especially with a view to making them loyal supporters of the government party MAPAI. By 1968, the Arab workforce in Israel was 60,000 strong, with 50,000 of whom being salaried workers. 41,000 Arabs were members of the Histadrut, though the majority only joined because of social benefits such as health insurance. At the time, Yacov Cohen, head of the Histadrut’s Arab department, defined the Histadrut as the main public actor in instilling the Labour Zionist ideology in the population, including the Arab community. He said that by providing social services to Arabs, like health insurance and sports and youth clubs, the Histadrut would win them over for its political ends, the building of the Zionist state.

Apart from furthering the state’s political goals, the Histadrut further played a major role in hampering economic development in the Arab sector as an independent economy and in establishing a double-standard wage system for Arab in Jewish workers in the Israeli economy, as the following sections will show.

The Histadrut in the Present Reality

The questions that are most frequently asked by trade union associations and organizations around the world on the subject of the Histadrut, and which have also been put to AWU, as an Arab Palestinian association inside Israel that defends the rights of Arab workers and unemployed, are the following: Who does the Histadrut represent? Does it represent the most poorly paid Arab and even Jewish workers? And why is there a need for an Arab unionist association to represent Arab workers in Israel if the Histadrut exists and represents all workers in Israel?

The answer is that the Histadrut does not effectively represent Arab workers or pay any regard or legal consideration to their union rights, either on the level of unionist organization or affording legal protection to these non-unionized workers. The examples provided in this report shall explain and justify the position that we have adopted at our union.

The Israeli labor federation Histadrut has played and continues to play an important and central role in defending and representing workers in white-collar sectors who enjoy very high salaries. These sectors, which are organized within the Histadrut, comprise the military and aviation industries, the seaports in Haifa and Ashdod, the airports, public communications and electricity companies, governmental offices and other governmental institutions. Meanwhile, however, tens of thousands of the low-paid - many of whom working for manpower companies in the construction, services and agricultural sectors and in other seasonal jobs - are left without representation or protection for their rights. Hence the need for AWU as an independent Palestinian trade union association able to bear the heavy responsibility of serving as an address for the poor working classes disregarded by the Histadrut.

No more than a cursory glance at the aforementioned high-wage workplaces is sufficient to reveal the fact that they exclude Arab workers, on "security"-related pretexts, such as electricity and transportation companies and petrochemical and military industries. The Histadrut does control these public or partly government-owned labor sectors in Israel and has the ability to announce open-ended strikes and paralyses all of the state's public utilities in case a violation occurs to the rights of employees of the banks, the electricity company, the airports and seaports, the military industries or any of the large labor sectors. On the other hand, the rights of low-paid and often subcontracted workers in the service, cleaning, construction, restaurant and agricultural sectors, are infringed on a daily basis. The Histadrut, however, takes no action, remaining silent about the abuse, exploitation and affronts to their

dignity to which they are subjected at their workplaces. Priority is instead given to defending middle-class segments of workers who enjoy sky-high salaries.

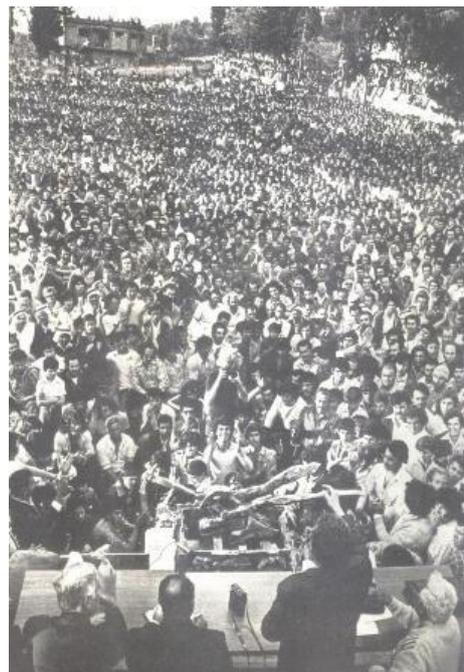
It is perhaps the closure of textile factories in Arab towns and villages in Israel over the past twenty years that provides the greatest indicator of the colluding role that the Histadrut has played in terms of its bias towards employers, and in denying the rights of hundreds of Arab women workers dismissed from their workplaces. It was in this particular case that the Histadrut adopted a position in favour of negotiations with the employers to grant the paltry rights of these workers, women who had spent years at their workplaces in the garment factories. Certainly, the lack of a trade union culture and awareness among Arab workers should be taken into account here, a lack that ultimately leads to their exploitation. Hence the Histadrut exploits poor, oppressed workers, while portraying itself as having made a significant achievement for them.

It should be noted that the majority of the textile factories that were closed down in the Arab sector were then outsourced to Asian and Arab countries, and in particular to Jordan, as part of the neo-liberal globalization of the economy. This allowed Israeli employers to close down textile factories and transfer them to so-called Qualified Industrial Zones established by the peace accord between Israel and Jordan, which was signed in 1993.

Positions Taken by the Histadrut against Arab Workers

Threats Issued by the Histadrut against Arab Workers on Land Day

In 1976, the Israeli government confiscated thousands of dunams of agricultural lands from the three Arab villages of Arrabe, Sakhnin and Deir Hanna in the Galilee. Immediately after the expropriation of these lands from Arab farmers, the Arab leadership decided, on the 25th of March, 1976 at a large popular meeting held in Shafa'Amr town, to announce a general strike on the 30th of March in protest against the confiscation orders. On the day of the strike, violent and bloody confrontations took place between the Arab villagers in the Galilee and the Israeli army and police forces. Six Arab citizens were killed in these demonstrations, many were injured by live bullets and hundreds of demonstrators were detained and imprisoned.



The Histadrut adopted a hostile stance towards the strike and warned that any Arab workers who took part in it and failed to turn up at their workplaces would be liable for dismissal, and that the Histadrut would not provide them with any legal protection. The Arab bureau within the Histadrut's advice center conducted a large campaign in the Galilee and the Triangle to oppose the call to strike (*Haaretz*, 28/03/1976). On the eve of the historical call to strike on Land Day, the local media reported that the Histadrut's leadership had hurriedly arranged a meeting with employers in the chambers of commerce in Haifa, at which it was decided to take reprisal measures against and dismiss Arab workers who participated in the strike on the 30th of March (*Al-Ittihad*, 23/03/1976). In the same connection, the Secretary of the Histadrut in the town of Carmiel in the northern Galilee, Ezra Vik, contacted the heads of the Arab local authorities in the area and demanded that they sabotage the strike. The Histadrut also distributed a leaflet in workplaces in which it warned against absence

Popular protest on Land Day 1977
(photo: Ryuichi Hirokawa, in:
Mossawa Center, Land Day, 2008)

from work on the day of the strike, and that absent workers would not be given trade union protection by the Histadrut (*Haaretz*, 28/03/1976).

After the events of 1976 that led to Land Day, the Histadrut established a committee to investigate the union's activities in the Arab sector, and the committee's conclusions were clear-cut: Arab workers perceive the Histadrut as part of the regime and not as a trade union defending their rights (*A Blue and White Shadow*, 2007).

The role of the Histadrut in denying unemployment benefits to the Arab unemployed

AWU has received hundreds of complaints in recent years from workers and unemployed people in the Arab sector that underscore the role that the Histadrut has played in colluding against workers denied unemployment benefits and income support allowances by the National Insurance Institute and government employment bureaus.

Workers who lost their jobs for health-related reasons or were dismissed from their workplaces are eligible to obtain unemployment benefits from the employment bureau. However, workers face crippling and extremely complicated conditions in obtaining these benefits. In many cases employment bureaus send workers to local contractors or workplaces that provide conditions unsuitable to the worker's health condition, or else the employment opportunity does not correspond to the profession of the worker. Moreover, most of these workplaces do not pay the minimum wage to their workers. Thus some workers refuse the work because of the degrading and serf-like work conditions. However, when they return to the employment bureau and describe these abusive working conditions they are registered as "work refusers", and are penalised by having their benefits cancelled for two months. In such cases workers often ask AWU to submit an appeal against these unfair decisions to the appeals committee within the Ministry of Trade Industry and Labor. A representative of the employment bureau sits on this committee, together with a representative of the employers, a lawyer from the employment bureau, and a representative of the Histadrut, who is supposed to represent the workers' position. The worker who submitted the appeal is also present. During the examination of the worker's complaint, the representative of the Histadrut typically adopts a position in support of the employment bureau and the employers and against the complainant worker. The Histadrut representative then signs the minutes of the session, at which it is decided not to accept the worker's appeal, thereby approving the decision of the employment bureau to deny the worker's unemployment benefits.

AWU has unequivocal evidence of the Histadrut's involvement in conspiring against the rights of workers in the appeals committees, and is in possession of a large number of protocols of appeals sessions at which workers were denied their rights, that have been signed by a representative of the Histadrut. Moreover, AWU has submitted tens of files of workers who lost their appeals in these committees and subsequently approached the organization, which then filed petitions to the labor courts on their behalf. The labor courts have then accepted AWU petitions and reinstated the unemployment benefits to the workers.

The Histadrut gives its blessing to the Wisconsin Plan in Nazareth

The "Wisconsin Plan" was launched in Israel in August 2005. Under this plan, the government agreed to hand over the fate of 17,000 workers and unemployed people to profit-making Israeli and foreign companies. In accordance with an agreement signed between the government and private companies, the plan operates in four areas in the country, including Nazareth, the largest Arab town inside Israel.

The government and the implementing companies have argued that the Plan's guiding principle is to reintegrate the unemployed into the labor market. However, in reality, as became clear from the first moments of the Plan's implementation, these companies have used all available

means to cut off social security payments from workers and the unemployed. This is because the implementing companies increased their profit in relation to the amount of money they saved the state's welfare department. Three years later, it is clear on the ground that the companies implementing the plan have brought more misery, poverty and despair upon thousands of workers and unemployed people who lost their benefits because of the Wisconsin Plan.

AWU initiated a wide-ranging media and public campaign against the Wisconsin Plan prior to its launch and implementation. The organization viewed this extremely dangerous governmental plan as one that serves the interests of privatization and capitalism, while inflicting severe harm on poor workers, and has been opposing it ever since, up until the writing of these lines. AWU has fought against the Wisconsin Plan by issuing publications and reports, launching intensive media campaigns in the press, organizing symposia, and screening films and organizing demonstrations and sit-down protests in the streets.

In the face of this struggle, however, the Histadrut decided to bestow its support on this plan and thus to lend it legitimacy. The Histadrut's representatives in Nazareth, first and foremost the head of the Nazareth branch, Mr. Ziyad Awdi, took part in the festivities that were put on by the private companies implementing the plan. Indeed, the head of the Histadrut in Nazareth was the first to take part in the celebrations for the plan's launch in July 2005. However, the Histadrut did not suffice with supporting and giving its blessing to this repugnant, exploitative plan, or with failing to issue a single announcement stating its position towards it, a plan that had provoked widespread public anger among workers. Instead it attacked and incited against AWU in the media, and attempted to deter workers from participating in the demonstrations it organized against the plan. At the national level, the stance adopted by the Histadrut's leadership differed little from that of the local leadership in Nazareth. It organized not one protest demonstration against this pro-privatization plan, made not a single announcement condemning it, and took no steps to support the oppressed and suffering workers it harmed. Is this the conduct of an official trade union that claims to safeguard the rights of the working class?

The Pension Funds Agreement between the Histadrut and Employers: In the Service of Whom?

The Pensions Funds Agreement, which was concluded in July 2007 between the Histadrut and the Associations of Israeli Industrialists and Employers, and that came into force in early 2008, affords workers the right to pension benefits nine months after the commencement of work for the employer. The new pension law entitles male workers from the age of 21 and female workers from the age of 20 to pension benefits. What, then, is the problem?

The problem lies in the fact that the agreement excludes young workers aged between 18 and 20, who are left without pension fund rights or guarantees, or even a minimum level of workers' basic human rights. As for Jewish young people between 18 and 21 (20 in case of women), they perform military service and enjoy the benefit of many kinds of financial assistance, grants and governmental loans for completing this service.

It should be stressed that particularly this age group - young workers in their early twenties - is essentially comprised of people who work without any protection or trade union framework to safeguard their rights, and that the vast majority works for employers, manpower companies or seasonal and non-unionized contractors who do not pay their workers a minimum wage and continuously violate their rights. How, then, are these segments of workers to enjoy the benefits of the social security protection provided by the new pension agreement, and who will endeavor to implement this law while no one is working to realize or observe the most basic of rights contained therein, be it official governmental bodies or the Histadrut, which is supposed to protect and defend the rights of the working class?

It is worth mentioning that as of today, over 75% of Arab workers are not entitled to pension benefits, and these workers seem to be of no importance whatsoever to the Histadrut (Israel Bureau of Statistics, 2007).

The Histadrut Abandons Workers Subcontracted by Manpower Companies

At the beginning of 2008, the number of non-unionized workers employed by manpower company contractors stood at over 400,000, both Arabs and Jews. They work in the cleaning, private security, maintenance, nursing, agricultural and construction sectors and in other menial jobs. The prospects of these workers are bleak. Their employers are entitled to dismiss them when they please, according to their will and mood, without any obstacles or impediments. Why is that?

Because the Histadrut, headed by its General Secretary Ofer Eini, reached an agreement with employers that these workers would be appointed on a permanent basis and thus be granted trade union rights only after a nine month period. There is now even talk of negotiations taking place between the Association of Israeli Employers and the Histadrut over extending the period of permanent appointment for workers from nine months to eighteen months.

Retaining workers for a limited period of time without officially appointing them to the workplace makes them mere hostages of their employers, as economic considerations and "workforce cutbacks" will always provide reasons for laying off these workers. They are therefore fired on flimsy pretexts and without any rights, so long as they are not organised in a union to protect their rights, and given the absence of any oversight or inspection of their serf-like working conditions (*Haaretz*, 19/12/2007). This lack of unionisation opens the doors wide to exploitation of workers by their employers.

The Histadrut and Privatization

As a result of the Israeli economy's move towards privatization and the onset of the sell-out of governmental facilities in the early 1990s, the Histadrut also witnessed a significant shift towards privatization. This shift occurred after Member of Knesset Haim Ramon assumed the chairmanship of the union in 1994, a year of changes, when he broke away from the Labor Party and formed a joint independent list with the political parties Meretz and Shas, bringing about fundamental transformations that paved the way for privatization. The new leadership turned its attention to the need to separate union activities off from the General Sick Fund (in Hebrew: *Kupat Holim*). The new list also demanded the sale of the Histadrut's economic enterprises. The list's victory in the elections broke the monopoly of the Labor Party over the Histadrut, a monopoly that it had maintained since the union's establishment in 1920.

Ramon's control of the Histadrut's leadership brought about fundamental change within the labor federation, now called the New Histadrut. Companies and General Sick Fund were separated from the union. The internal overhaul within the Histadrut also led to its distancing itself from the symbols of socialism, such as the cooperative movement, the red flag and May Day celebrations. For Ramon's new leadership, the embodiment of modernization was conformity with the new economic world order, or in other words adaptation to neo-liberal globalization, and diminishing the role of public institutions in the Israeli economy.

In fact, the march of privatization did not begin with the overhaul in the leadership of the Histadrut. Rather, it was initiated by the Histadrut's leadership during the chairmanship of Yisrael Kessar in the late 1980s, when a plan was put in place to reduce the number of workers and to close factories owned by the Histadrut, as part of a reform plan, led by Koor Industries Ltd.'s Managing Director, Beni Gaon. During the years preceding the overhaul of 1994, the Atta Factory, Soltam Ltd., the Hamat Factory and numerous other factories were shut down, making thousands of workers redundant. Against this backdrop, a deal was made to sell

Koor off in February 1995. The Histadrut sold 22% of the stocks of this industrial holding company to American investments corporation Shamrock Holdings, which is managed by the Disney dynasty, for 256 million dollars. While this sum was considered profitable for Koor, in less than two years (in mid-1997) Shamrock was able to sell the same stocks to the Bronfman-Kolber group for 378 million dollars, thereby making a profit of over 100 million dollars (35%) through its investment in this Histadrut enterprise.

In a further deal worth approximately 85 million dollars, the Histadrut sold off its shares in Shikun uBinui (Hebrew: Housing and Construction) Holdings to businessman Ted Arison. Arison purchased 15% of the shares and offered loans to the company's employees to buy up the remainder. Officials from the Histadrut argued that this sum reflected the true value of the company, which was swamped with debts. However, it subsequently came to light that the company owned huge reserves of land and real estate that was registered in the company records at their old and not their actual value. As a result, Arison made hundreds of millions of dollars in net profits. As mentioned above, the policy of privatisation, one of the most prominent enthusiasts of which was the New Histadrut, caused a sharp rise in unemployment. And though the first victims of these structural changes were Arab workers, Jewish development towns were not spared its consequences either. The government and the Histadrut had set up factories in these towns for geopolitical rather than economic reasons, with the goal of settling new Jewish immigrants to Israel there and creating jobs for them. With the adoption of the neo-liberal economic doctrine, however, these factories have now been shut down. The last such closure was that of the Polgat textile factory in the south of the country, which led to the entry of hundreds of its former workers into the unemployment market, with a total disregard for the old slogans.

Workers Unaware of Histadrut Membership

The entry into force of the National Health Insurance Law on the 1st of January, 1995 heralded a new phase for trade unionism in Israel, and placed the Histadrut at a fateful juncture. Whilst in the past health services had been a powerful weapon in mobilizing workers and the public to join the Histadrut, the new legal reality led to a total separation between health insurance and union membership. The new law guarantees health care to every citizen, with the latter paying fees for treatment through the National Insurance Institute. This created freedom of choice between the various sick funds, which receive fees from the government rather than directly from patients. The sale of the Histadrut's assets to private companies and the separation of the sick fund from union membership resulted in horrendous financial losses to the union, to say nothing of the loss of the social and economic basis for its very existence. In the past it had been possible to recruit members to the Histadrut through economic interest or health services, whatever their need for or satisfaction with its role as a union. This situation came to an end, however, and membership of the Histadrut came to depend solely on trade unionist incentives.

The new leadership of the Histadrut, and primarily the representatives of the middle classes from the Labor Party, Meretz, Shas and the other parties within the union lacked the political or social skills to conduct a trade union campaign to recruit workers to a genuine labor union, in opposition to employers and in defense of workers' rights.

It is significant that the percentage of voters who took part in the Histadrut elections of 2007 was not in excess of 32%; i.e. just 148,000 of a total of 460,000 members with the right to vote actually did so (unofficial figures confirm that fewer than 50,000 Arab workers are members of the Histadrut). If one considers that the labor force in Israel at the beginning of 2008 stood at 2.6 million workers, it can be deduced that only 6% of all workers participated in the latest Histadrut elections.

Instead, in order to salvage the Histadrut and build a social and economic base for it, Ramon's leadership exploited the need of employers and the government for a unified trade union system and maintained intensive contacts with them, through which it created a new system in which workers no longer know whether they are union members or not. Contrary to the worldwide principle of free union activity based on the free will of the worker and his or her voluntary affiliation to a union, the Histadrut resorted to tricking workers into compulsory affiliation, turning the union into a quasi-governmental institution. In its position as virtually the sole representative of the working class, the Histadrut reached a collective agreement with the employers' union, signed on the 9th of January, 1995, eight days after the implementation of the National Health Insurance Law, which stipulates that employers deduct 0.9% from the salaries of their workers in membership or service fees (0.8%).

If the Histadrut was facing a serious crisis on the 1st of January 1995, lacking guarantees of new members, this new agreement constituted a gift from employers. This gift has allowed the union to collect fees without being obliged to provide the workers with any services or legal trade union protections to prove the advantages of membership. On the ground this arrangement has been reflected in demonstrations of contempt for workers' welfare and in the Histadrut's conspiring with employers against their rights. The new way in which the Histadrut has been organized has guaranteed it with a large number of compulsory members, or rather service-fee payers: according to the Histadrut Comptroller's report from 1996, of the Histadrut's 600,000 members, 550,000 (92%) automatically have their fees deducted from their paycheck, while just 50,000 of its members (8%) pay their fees consciously.

On the ground, this shift from organizing and representing workers to simply collecting membership or service dues has raised serious concerns for AWU: According to AWU field experience and testimonies from workers, a large majority of those workers who have the fees automatically deducted from their salary don't even know whether it is a membership or a simple service fee they are paying (in fact, many are not aware of these deductions at all!), as many report that they have never been asked to authorize this deduction. No representative of the Histadrut has ever explained their status to them, let alone collected written consents from the workers to become either members of the union or benefit from a collective agreement covering their workplace. This behavior is not only counter-productive to the spirit of trade unionism but it constitutes a violation of ILO Convention 95 on the Protection of Wages. This international principle was upheld by a recent Israeli labor court decision in the case *Histadrut v Shvab Tal Ltd.* (299/06 AB), where the Haifa labor court confirmed that workers must authorize the deduction of union membership and service fees from their salaries. Therefore, we conclude that in the most favorable of cases, the Histadrut has neglected its mandate to organize and represent workers effectively, and in the worst case, it has tricked workers into compulsory membership without their knowledge and consent.

It is clear therefore that without reaching an agreement with the employers, the number of workers affiliated to the Histadrut would have fallen even more, causing it to lose its monopoly over unionist activity and producing a sea change in the rules of the game of the Israeli labor movement.