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A Work in Progress:
Union Revitalization in the Israeli
‘New General Federation of Labour’

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Abstract

The growing body of literature on union revitalization provides important insights on the impact the variety of strategies pursued by trade unions have on shaping the context in which they operate and on renewing their power in society. Its relative marginal significance from the global level, and the way it is perceived on a local level, seem to have left the Israeli 'New General Federation of Labour' (HISTADRUT) out of this discussion. Yet the fact that HISTADRUT is still the largest collective representative of workers' in Israel and the apparent changes in its practices in recent years makes the examination of HISTADRUT in a union revitalization framework, at least from a local perspective, a viable matter. The presented master thesis therefore set out to do address this research 'gap'. More specifically, it set out to inquire whether the nature, interaction, and outcome of these changes indicate a process of union revitalization. Drawing on the conceptualization developed by Behrens, Hamann, and Hurd (2004), of union revitalization as a multidimensional process, this thesis examined three spheres of union activity: social partnership, political action, and organizing. Analyzing data retrieved through expert interviews, position papers, minutes of meetings and newspaper archives, it argues that despite some provisions, HISTADRUT is indeed engaging, and to a great extent successfully, in efforts of revitalization. In assessing the future prospects of these developments, this thesis argues three factors will play a significant role: institutionalization, internal union politics, and internal democracy.

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Introduction

The past few decades in the world economy were marked by a dramatic change, the emergence of the 'Globalized Economy', a term referring to the contemporary phase of capitalist production, presented a fundamental change in the power hierarchies on a global scale. The growing interdependence of national economies, high capital mobility and emergence of transnational companies were facilitated by neo-liberal economic policies promoted by national governments, policies which at the same time undermined the exclusive sovereignty of domestic governments in policymaking, and therefore changed the balance of powers on a national level as well (Lillie, 2006; Held and McGrew, 2003). Even if one considers Hirst and Thompson's (2009) more sceptic approach, claiming globalization to be a myth – a mere expansion of familiar economic and power relations presented as a revolutionary new structure, there can be little doubt that the 'rules of the game' have changed.

Formed and shaped in national economies, trade unions draw their power from domestic traditions of industrial relations. With the changes implied by the globalizing nature of the economy in industrial relations and the labour market, unions will naturally lose power and relevance (Hyman, 2007), as evident by the ongoing decline in union membership and density around the world.

This crisis of the trade union movement stresses its susceptibility to actions of the state and of capital; this however does not mean the power of trade unions and the position they hold in society are exclusively subjected to external development, nor does it mean that the decline they experience is irreversible. Drawing on a growing experiences of unions engaging in efforts to regain their powers, the theoretical framework of 'union revitalization', places great significance on the ability of strategies pursued by trade unions to not only react but also shape the external environment in which they operate.

The New General Federation of Labour (HISTADRUT) is no exception to the state of affairs described earlier. Radical neo-liberal policies practiced by the Israeli government had dramatic impact on the local labour market. Privatization of government owned enterprises, market liberalization and cuts in the public sector resulted in a heterogenic labour market with a growing share of outsourcing and sub-contracting, far from the past reality in which HISTADRUT enjoyed great power. Consequently, the organization is

widely conceived in the Israeli discourse, public and academic alike, as archaic, conservative, and increasingly irrelevant to workers. The words of Ami Vaturi, from the rival union Power to the Workers (KLO), can serve as a good example to the way it is conceived in the Israeli society. When asked about the ability of HISTADRUT to substantially change its ways, and the chances of such a change to occur, he replied: *“...miracles happen. But if you ask me in ‘realpolitik’? Not so much...it’s on the level of a miracle...”* (Interview, 2010; translation S.W.). Yet, apparent changes in the practices of HISTADRUT, following a personal change in its leadership, might suggest that the organization is not as stagnant as it seems.

Examination of these changes, from the theoretical perspective of union revitalization, is the subject of this study. Reviewing the nature and outcome of change processes in three spheres of its activity- social partnership, political action, and organizing- it set out to examine whether or not they are indicators of union revitalization processes in HISTADRUT. Drawing on data gathered through expert interviews- from within HISTADRUT and outside it, official documents, position papers and newspaper archives, this study will argue that the organization is indeed undergoing a process, albeit limited, of union revitalization.

The study is structured in the following manner: The first chapter presents its main concepts and the research questions leading it; the second chapter reviews relevant literature; the third chapter presents the hypothesis, analytical framework and limitations of this study; chapters four and five review the Israeli case. The former provides the necessary context and background of HISTADRUT, the later analyses the change processes in the three spheres of activity as presented by the empirical findings; finally, chapter six addresses the research question and hypothesis as well as an outlook on the future prospects of union revitalization in HISTADRUT.

Chapter 1

Main Concepts, Research Question and Significance

As implied by its title, this chapter will provide a brief definition of the main theoretical concepts used in this study, the concepts defined here will be elaborated upon in chapter 3, when the analytical framework and the hypothesis are discussed. The second part of this chapter will present the research question and sub-questions as well as pointing briefly to the significance of the study.

1.1 Main Concepts and Approaches

The focus of this study, as stated, is a theoretical and analytical examination of changes in the policies, agenda, and internal structure of HISTADRUT, regarding three spheres of activity, in relation to the theoretical concept of union revitalization. A clear definition the concept itself, as well as the spheres examined is therefore required.

Union revitalization encompasses processes of change, whether desired or underway, aimed at rebuilding the institutional and organizational power of trade unions in changing internal and external environments. The term refers to a range of strategies re-defining unions' relationship with workers, employers, and the state. These strategies, differing from one union to another based on specific contexts, could include: changes in leadership, a shift to focus on mobilization and organizing, adopting confrontational tactics in the sphere of collective bargaining, building coalitions with other social movements, and enhancing political power (Kumar and Schenk 2006).

In relation to the case in subject, union revitalization will refer to changes in the constituency benefiting from normative practices of the HISTADRUT- union members or the general work force, its target population- traditionally unionized industries or new patterns of employment, and the use of innovative practices- namely, a shift to mobilization and organizing.

Union revitalization is not only a change of practices or the use of innovative strategies, and so the presence of such strategies does not necessarily imply a union is going through a process of revitalization. Revitalization represents of a fundamental change in the essence of unions' agendas: the pursuit of broad social goals, driven by an articulated, strategic

decision (Turner 2005:387). This is a central perspective in which changes in the HISTADRUT were examined and analyzed in this study.

Social partnership, in the context of this study, refers to the practice of consensual labour relations based on a workers'-employers' dialogue, on the enterprise, industry, or national level. The factors relevant to its examination are the institutional setting of partnership, the place it takes in the overall strategies of HISTADRUT, and the agenda pursued by it (Fichter and Greer, 2004). Political action goes to the practices of HISTADRUT in the national political arena- be it with the government or with political parties- and will examine its action concerning elections, legislation, and the implementation of legislation (Hamann and Kelly, 2004). Finally, organizing refers to the practice of recruiting new members to HISTADRUT, in terms of the resources allocated to this activity, target population, and the methods utilized to organize workers (Adler and Heery, 2004).

1.2 The Research Question

The terms of its foundation and the internal structure it holds to this day, as will be discussed in more detail in chapter 4, make HISTADRUT substantially different from many other national trade union federations. As the bulk of the financial power as well as the decision-making power lie with the leadership of the federation rather than in the unions themselves, Cohen et al. (2007:2), point out it should be considered as a primary organization rather than a federation of trade unions.

Currently the organization consists of 40 trade unions and has, officially, 700,000 members which account for roughly 26% of the workforce and 65% of organized labour in the country (Harpaz, 2006:5).

The composition of the Israeli labour force has changed dramatically in the past 25 years. The number of blue-collar workers, according to the Israeli Central Bureau of Statistics (CBS) (in: Harpaz 2006:8) , is in steady decline- accounting for only 22% of the labour force in 2004, while other 'types' of labour- migrant, temporary, outsourced- are steadily increasing. Yet, as put by Harpaz:

“The last quarter of a century has found the Histadrut in a constant struggle for its survival, at times unwilling or unable to face, or ignoring, the fact that the Israeli society has undergone some major structural transformations” (ibid:7).

Two significant developments, of relevance to this study, have occurred in the years 2006 and 2007. The first, an internal development, was the election of Offer Eini to chairman; the first chairman in the history of HISTADRUT to come from its ranks and not from the national political system. The second, an external development, was the emergence of Power to the Workers (KLO) in 2007. KLO is an independent, more militant, union focusing on organizing workers ignored by HISTADRUT.

The past four years, following these developments, show a change in the 'behaviour' of the HISTADRUT: adopting a proactive agenda aimed at benefiting all workers- e.g. extensive action to strengthen labour law enforcement, initiating and signing a general mandatory pension agreement; promoting organizing capacities- e.g. changing the legal framework for collective bargaining; and most important a recent decision to establish a department dedicated to organizing. Such changes might indicate a slow process of revitalization undergone by the organization.

The main question of this study is therefore- do the changes in practices of HISTADRUT indicate a process of revitalization? And if so, to what extent was it able to regain power in the Israeli society in economy?

Derived from this question, sub-questions rise to the need for revitalization, the rationale driving these changes, the depth these changes go to, and their implications on the identity of HISTADRUT.

As the literature reviewed in the following chapter will show, the body of literature on union revitalization, while providing important theoretical insights to addressing the questions at hand, is largely based on empirical studies of union in English speaking countries or in continental Europe, and studies from this perspective of the Israeli case in general, and of HISTADRUT in particular, are not to be found. In relations to this research 'gap', from a global perspective, this study might act as a minor addition to a rapidly growing volume of studies on union revitalization, but from the perspective of Israeli unionism and social activism, it might provide an insight to ongoing processes crucial to the future of social equality and justice in an ever liberalizing society.

Chapter 2

Literature Review

Union revitalization is the focus of a growing volume of literature, theoretical as well as empirical, yet at the time of writing HISTADRUT has not been studied in that perspective. For the purpose of this study, two main bodies of literature were therefore reviewed: union revitalization literature, specifically in regards to the strategies examined here, and literature concerning the Israeli case- both on HISTADRUT and on the Israeli industrial relations system.

The literature on union revitalization is based on two underlying assumptions: first, that despite evident decline in membership and influence, unions still play important roles in the economy, in shaping welfare policies, and in democracy. It follows that the power unions possesses affects many diffident aspects of any given society, simply put- ‘unions matter’ (Behrens, Hamann, and Hurd, 2004); the second underlying assumption is that the power unions have does not depend exclusively on the changing conditions shaped by governments and employers but rather that the changing conditions created opportunities for new union strategies and that these strategies can shape the concrete reality in which unions operate, internal and external, simply put- ‘union strategies matter’ (Turner, 2005)

As argued by Behrens, Hamann, and Hurd, if union activity is multidimensional then the crisis they face is also multidimensional, meaning loss of power in different spheres of activity, and so union revitalization, referring to the effort of unions to gain or regain power, must also be conceptualized as a multidimensional process along various spheres of union activity (2004:20). Behrens, Hamann, and Hurd specify four dimensions of union activities, which one or a combination of several can be the focus of union revitalization: *membership*- number of members, union density, and the composition of union membership; *economic*- the ability to achieve wage and benefit improvement, and the broad impact of unions on the distribution of wealth; *political*- the effectiveness of unions in influencing the policy-making process through the political arena; and *institutional*- organizational structures, governance, and internal dynamics of unions (ibid:20-24). Derived from this conceptualization, Turner (2005) outlines six possible strategies revitalization can apply to: organizing, social partnership, political action, union restructuring, coalition building, and international solidarity. AS further argued, two aspects are important to note: first that pursuing such strategies does not necessarily represent revitalization. If not driven by a

clearly articulated mission, these changes can be a mere limited fix; and second, that specific national contexts and settings play a key role in strategies used by unions. A question then rises on what nature should these strategies, particularly the three examined in this study, bear and how can they interact to promote union revitalization (Turner, 2005; Frege and Kelly, 2004; Behrens and Hurd, 2003).

In their studies of revitalization strategies in the UK, Heery (2002) and Badigannavar and Kelly (2010), define the practice of social partnership as a mean to create 'productivity coalitions'. Badigannavar and Kelly argue that when faced with globalization and increased capital mobility, union survival is increasingly dependent on their ability to engage in cooperative industrial relations. As argued by Heery, the object of social partnership is to cultivate shared interests and create a trade-off between the sides, where workers obtain security and involvement in exchange for commitment and flexibility. By rendering the decision routine, the risk of conflicts between the sides is minimized. Heery further argues that this relationship with employers has implications on the relationship between the union and its members as well. The key role played by external union officials in a series of partnership agreements in the UK suggest that social partnership is founded on the passivity of members and a de-emphasis on effective workplace organization (ibid:23).

Given that union revitalization implies stronger and more vital unions, this might suggest that the idea of social partnership is contradictory to efforts of revitalization. This issue was addressed by Fichter and Greer (2004). In a five country comparison, social partnership in Germany, the USA, the UK, Spain, and Italy is examined in terms of the degree social partnership is integrated in other union strategies, the social agenda it pursues, and the institutional anchors it enjoys. Fichter and Greer argue that if social partnership is a part of proactive union strategies and capacities, pursues social goals that go beyond the narrow interests of unionized workers, and is part of a well established, and therefore influential, institutional settings, the empirical findings in the five countries examined suggest it can indeed further union revitalization efforts.

Additional insights on the practice of social partnership, in the context of corporatist industrial relations, are given by Hassel (2007) in his study the erosion of German unionism. First, he argues, that in corporatist settings monopolistic trade unions are given regulatory power by the state under its assumption that it can rely on unions to ensure the

stability of the economic system; and second, that in the German case, these settings have brought about what he terms ‘the curse of institutional security’, that is the power guaranteed to unions in the institutional settings alleviated their worries over active recruitment of members on the one hand, but contributed to a neglect in actively organizing new groups in the labour market (ibid:179-180). Though, as will be shown later, the Israeli system of industrial relations, has transformed from the corporatist model to a pluralist one, the ‘traces’ of the corporatist model and recent developments in this field make Hassel’s observations, in my opinion, helpful in understanding the present practices of industrial relations in Israel.

As noted by Hamann and Kelly (2004) and Gumbrell-McCormick and Hyman (2010), political action, and ties to political parties, is historically a prominent aspect of trade union activities, particularly in the Anglo-Saxon countries and continental Europe. The reason for that, according to Gumbrell-McCormick and Hyman is that the regulation of the labour market involves political issues and as the state is not only the ultimate guarantor of contracts, including employment contracts, but also, whether by active intervention or by default, it underwrites particular balances, or imbalances, between different participants in the market, and so unions need to seek ways to influence its policies, even if only to secure the minimum conditions for their existence (2010:316-317). This argument is complemented by that of Hamann and Kelly, that although national governments are constrained by political and economical institutions, they still retain a degree of choice in their policy, making the valuable targets for union activity (2004:93).

Explaining the patterns of unions’ political actions, Gumbrell-McCormick and Hyman define four important aspects: ideology, opportunity structures, organizational capacity, and contextual challenges. Ideology refers to the orientation of unions in their formative years. Particularly relevant to the subject of this study, is the observation that *“Ideologies inherited from the formative period of trade unions have proved persistent, shaping identities which cannot easily be altered”* (2010:317). Opportunity structures refers to the role played by the state in governing the economy, where the state was highly interventional, political action seemed self-evident and where the state was less involved, influencing the state to impose alternative policies seemed hard to achieve. Organizational capacity refers to the resources available to trade unions; where unions lack high membership rates, and therefore the economic resources to sustain prolonged industrial actions, mobilizing on the streets and political pressure might

prove to be more attainable. Finally, contextual challenges refer to drastic changes in employment pattern and loss of industrial strength due to declining membership. These Changes may force unions to seek alternative means of action, such as political (ibid: 317-318).

An additional assessment of close union-government relationship is outlined by Pizorno's analysis of 'political exchange' 1978, (in: Gumbrell-McCormick and Hyman, 2010) and the literature that followed it (Pekkarinen et al., 1992; Katzenstein, 1985. In: Gumbrell-McCormick and Hyman, 2010). Within this framework, unions consent to wage restraint and abstain from militancy in return to expansionary macro-economic policy, favourable labour market interventions and welfare improvements. In this opportunity structure, most likely to be found in small export-oriented countries or countries facing economic or political crisis, peak-level bipartite or tripartite pacts combined with expansionary macro-economic environment make mutual trade-offs. Although, as pointed out by Gumbrell-McCormick and Hyman, the spread of globalization and the changes in the role played by the state might render this analysis archaic, the context of time and space examined in this study make this concept a valuable analytic instrument.

To address the question whether or not political action contributes to union revitalization, Hamann and Kelly examined the patterns exercised in Germany, USA, UK, Spain, and Italy in three areas of political action: *elections*- the involvement of unions either in the selection of candidates in political parties or in electoral campaigns and voter mobilization; *legislation*- unions' involvement in drafting and promoting legislation on issues regarding union rights of general welfare policies as well as supporting measures initiated by elected party representative. It also addresses the power unions can exert on governments, whether friendly or hostile, in shaping their policies; *implementation*- the measures used by unions to secure the enforcement of relevant legislation, whether through participation in social pacts, lobbying, or industrial action.

As the most apparent aspect of the crisis faced by unions is that of declining union density- whether in general or in its inability to organize new 'types' of workers- focusing on organizing or recruiting new members is considered major element in generating union revitalization (Turner, 2005; Sullivan, 2010; De Turberville, 2004; Voss and Sherman, 2000). Though, as pointed out by De Turberville (2004) and Heery (2002), the concept of

an 'organizing approach' or an 'organizing model' in itself is not precisely defined and can embrace a variety of principles and practices, it is fundamentally based on the adversarial premise of conflicts of interest between labour and capital, advocating workers' empowerment on the ground level (Heery, 2002; Badigannavar and Kelly, 2010). An important distinction is made between 'recruiting' and 'organizing', with the later implying an aim to establish effective representation in the workplace that can reproduce and service itself (Heery, 2002:28). Emphasizing grass root vitality in unions, and exercise of innovative and inclusive strategies, organizing is often conceived as a radical alternative to 'service unionism' (De Turberville, 2004). An additional important observation made by De Turberville, is the organizing can be described in two manners: procedural- meaning the actual techniques it entails, and conceptual- meaning the qualitative differences it presents to other brands of unionism. In a five country comparison, Heery and Adler (2004) examine the different place organizing takes in different countries. Their analysis is comprised of two stages: first, the organizing pattern is analyzed along the lines of resource allocation, organizing targets and organizing methods; and second, explains the national patterns with emphasis on the opportunity structure presented by the institutions of industrial relations, strategic choice and union identity.

Shifting the focus of unions to organizing, and particularly to organizing the unorganized, aimed at forming a vital and committed membership, implies a change in 'union identity' and a resultant organizational change. Huber (1991) identified four dimension relevant to trade unions in regards to organizational learning, an essential part of implementing such change: the acquisition of new knowledge- whether bottom-up, top-down or via specialized outsiders, the dissemination and generalization of new knowledge throughout the organization, the interpretation of the new knowledge, and the creation of organizational memory so useful learning is not lost (in Hyman 2007:200). But any comprehensive change, as noted by Behrens and Hurd, is bound to face internal resistance. In the case of trade unions, such resistance can come from union members concerned about being disenfranchised, union leadership concerned over potential lose of political power and union staff unsure whether they would fit in the new organization. Behrens and Hurd suggest two factors that play a role in overcoming such resistance: first, environmental pressure (e.g., employer opposition, deregulation, and globalization) that raises the sense of urgent need for change; and second, more important, a clearly articulated mission that provides a basis for strategic priorities. If restructuring is not driven by mission, initiatives

will stop short of transformation because they do not provide focus and direction, in such cases change would result in a limited “structural fix”. In unions with a centralized structure, such as the Service Employees International Union (SEIU) in the USA, the change is expected to be diffused top-down; in unions with a de-canalized structure, such as the Communications Workers of America (CWA), change can be diffused by creating laboratories for change in the periphery, which upon their success will encourage other units to follow (2003: 116-117). Heery (2002) argues that creating an institutional separation- that is forming specialized functions dedicated to organizing alongside the existing ones, is an additional solution to overcoming external resistance.

From the discussion presented above, an apparent contradiction rises between practicing social partnership and practicing organizing. As the fundamental assumptions, and therefore the emphasis, of the two approaches are essentially different, the question is whether the two can be utilized simultaneously in union revitalization processes. In a study of union revitalization in the British Trade Union Confederation (TUC), practicing both social partnership and organizing, Heery suggests a kind of ‘representational cycle’ in which partnership precedes organizing or vice versa. In the case of the former, unions embrace the recognition achieved through partnership to engage in organizing efforts, and in the later partnership is the end-point of a strong basis achieved through organizing (2002:32).

In sum, the different strategies adopted by unions in their efforts of revitalization go to three fundamental questions: the scope of their constituency- whose interests do they represent; their objectives- what interests do they represent; and the methods they use- how interests are to be represented (Heery, 2002). To the question what brings about processes of revitalization, Behrens and Hurd (2003) point to external changes in the environment in which unions operate or a strategic choice of committed leadership or a combination of the two.

Concerning the subject of this study, HISTADRUT, the literature on the Israeli industrial relations system and of the organization itself can assist in understanding the need for change in HISTADRUT and the possible obstacles to such change.

Transformations in the Israeli industrial relations system are the focus of several studies (Cohen et al., 2007; Cohen et al., 2003; Cohen and Kristal, 2007; Mundlak, 2009). The heart of the argument presented by these studies is that until the early 1980’s, the system of

industrial relations in Israel was based on a corporatist model, resembling, yet not fully compiling to , the European model of corporatist industrial relations. Within the framework of this system, wages and working conditions were set by a tripartite social partnership: the government- presenting strong interventionist positions; HISTADRUT- representing a majority of the work force; and employers' associations- representing the majority of employers. This partnership was also based on the joint commitment of all parties to the project of Israeli nation-building. Changes in regulation - a shift from legislation that facilitates social dialogue to legislation setting labour standards, a growing heterogeneity of the workforce, a decline of traditional industries, and the effect of the exposure to the global markets- gradually eroding the commitment to the national cause- resulted in a decline in HISTADRUT's membership and therefore of its collective bargaining power, as well as a decline in membership of employers' associations. This state of affairs, in which the social partners are no longer the monopolistic representatives of their constituency, and lack the will to engage in consensual regulation of the market, meant a transformation of the industrial relations system to a pluralist model. In the most recent of these studies, Mundlak (2009) discusses what he terms 'the revival of social partnership' in recent years, which is the subject of examination in chapter 5 of this study, representing an attempt to practice corporatism in a pluralist system. Reviewing several national pacts, bipartite or tripartite, co-signed by HISTADRUT, Mundlak raises a question to the legitimacy of this so-called 'revival'. To Mundlak, the objections voiced in the political system, or by rival trade unions and other civil society associations, the fact that the social partners no longer represent the majority of their constituency and the reluctance of workers to join as members to the social partners constitute an internal and external legitimacy gap. Although he raises considerable and valid arguments, Mundlak lacks in assessing the actual influence exerted by this revival of social partnership and does not frame it in a broader context of HISTADRUT's agenda. As the perspective of union revitalization is not within the scope of Mundlak's study, the question whether or not HISTADRUT has managed to regain power through its practice of social partnership also remains unanswered.

In the literature discussing HISTADRUT, the organization itself is highly contested, both in essence and structure. Greenberg (1991) and Ram (2005), argue that the fundamental connections between HISTADRUT, the Zionist movement, and the Zionist cause with their resultant varied services it provided, have rendered the organization a social

instrument of the 'Zionist project', inclined to favour the interests of the state over those of workers. Vaturi (2007), as the title of his article 'Is HISTADRUT a Trade Union?' suggests, argues that the internal structure of HISTADRUT: from the workers' committees- virtually powerless- through the trade unions and local branches- the former having no operative autonomy in the federation and officials of the later elected on the residential basis of worker's and not on the location of their workplace- to the leadership of the federation – in which parties that seemingly have no linkage to unions, such as right wing and religious parties, take part- make HISTADRUT severely lacking in its participatory and democratic aspects, and the mere compatibility of the organization with the definition of a trade union is questioned. While the arguments presented by these authors do not directly refer to the questions leading this study, they do raise substantial factors that will need to be considered along its course.

Several authors analyze the crises, external and internal, faced by HISTADRUT and discuss possible options for overcoming them (Margalit, 2000; Harpaz, 2006; Harpaz, 2009; Nathanson, 2002). Outlining the external changes in governmental policies, public attitude, and the composition of the workforce, and the resultant internal crisis of relevance and message, these authors assist in outlining the urgent need of HISTADRUT to change. The solutions they propose range from focusing on greater efforts of recruitment, with emphasis on different needs of different workers (Nathanson, 2002), to a comprehensive restructuring of the organization to a more federative nature, enhancement of industrial democracy, and an articulation of a clear vision for the Israeli society (Margalit, 2000). As these studies are dated prior to the period examined here, they assist in outlining the needed change, and provide a reference point to examine the extent HISTADRUT was able to overcome them without some of the comprehensive solutions they offer.

Chapter 3

Research Framework and Methodology

3.1 Analytical Framework

The foundation of the analytical framework, under which the case in question is examined in this study, lies in the assertion made in the theoretical framework of revitalization that unions possess the capacity not only to react to concrete conditions but also actively shape them (Turner 2005, Kumar and Schenk 2006). In other words, the examination of HISTADRUT will discuss whether or not it succeeds in leveraging, or even shaping the institutional setup to strengthen its position in the Israeli balance of power.

The second underlying assertion of the analytical framework, following Behrens, Hamann, and Hurd (2004), is that HISTADRUT, as any trade union, acts in multiple spheres from all of which it draws power. It follows then that those union revitalization efforts, meaning the effort of HISTADRUT, if such exists, to gain, or regain power must also be viewed as multifaceted processes rather than a single strategy or a single field of activity. The empirical aspect of this research is therefore based on the model of a single country case that examines a range of union strategies, such as Kelly and Willman on the United Kingdom (in: Behrens et al., 2004). The strength of this model, as well as its relevance to the Israeli case, is that it can present a broad and complex view of HISTADRUT as well as present the interaction between different strategies it pursues in different spheres.

Three fields of HISTADRUT's action are the focus of examination: social partnership, political action, and organizing.

Social partnership and political action, are either existing or historically rooted means of operation utilized by HISTADRUT, making them available instruments to pursue union revitalization, if such is indeed intended, without the need for profound organizational restructuring. Examining these fields would thus, enable to identify the occurrence of change over a period of time and in important pillars of HISTADRUT's action.

The sphere of organizing, as will be established later on, is historically a weak point of HISTADRUT, and at the same time one in which a concrete development has occurred recently. A shift in HISTADRUT's agenda and practice regarding organizing implies,

therefore, a fundamental change, understanding the depth and scope of which will be helpful to examination of union revitalization processes.

In more detail, the examination of the above mentioned fields is done along the following lines:

Social Partnership

The framework of social partnership, in this context relating to the dialogue between workers and employers on the industry and national level, can be both an arena of conservative union action, concerned with the narrow interests of its traditional membership and an arena of revitalization efforts (Fichter and Greer, 2004). Following the work of Fichter and Greer, the extent to which the pattern of social partnership practiced by HISTADRUT is utilized to enable union revitalization will be examined through the nature and interaction of three elements:

The existing institutions- what spaces of social partnership on the enterprise, industry and national level are in existence. What is the extent of their influence on the social and economic spheres. And to what extent they are functioning organs in the industrial relations system.

The power dynamics of the social partnership- whether it's an arena for 'damage control', meaning a defensive reaction to employers' and government policies- indicating union decline, or whether HISTADRUT can set the agenda and proactively pursue its strategic goals- indicates union revitalization.

And finally, *the scope of its agenda-* whether the actual achievements made in this area are in the interest of union members only- indicating conservative union policies, or wider parts of society- indicating revitalization efforts.

Political Action

Based on Behrens et al. (2004) and by Hamann and Kelly (2004), the political action of HISTADRUT will be examined in three areas of activity:

Election- examining the involvement of HISTADRUT either in the selection of candidates in political parties, namely the Israeli Labour party, or in electoral campaigns and voter mobilization, as well as the internal power HISTADRUT holds in shaping the agenda of political parties.

Legislation- HISTADRUT's activity in the field of drafting and promoting legislation on issues regarding union rights or general welfare policies, or in supporting measures initiated in parliament. This field of examination also shows of the power HISTADRUT can exert on governments, whether friendly or hostile, in shaping their policies.

Implementation- the measures used by HISTADRUT to secure the enforcement of relevant legislation, whether through participation in social pacts, lobbying, or industrial action.

Organizing

As trade union are membership organizations, recruiting new members mean both generating more financial resources through membership fees, and increasing legitimacy and bargaining power with employers and the government. The pattern of organizing, in regards to the spaces for membership participation, is also an indicator to the vitality of unions. Organizing is therefore an important part of any revitalization effort pursued by unions. As the structure of HISTADRUT is fitting to a specific brand of organizing and unionism, namely top-bottom organizing and service unionism, a shift in the organizing strategy, potentially manifested by establishing a department for organizing, implies a deep change both in its structure and culture.

The depth of change the new department represents will be examined along the lines conceptualized by Adler and Heery (2004):

Resource allocation- the place of the specialized department dedicated to organizing in HISTADRUT's policies and plans in regards to the resources channelled to this goal. The relative priority given to the department in terms of the proportion of HISTADRUT's budget allocated to it, its relative size, and the prominence of its activity compared to other spheres of activity, this relates to the question whether or not HISTADRUT is shifting to a mode of 'organizing union'.

Organizing targets- raising union density where HISTADRUT is already present or focusing on expansion to previously unorganized sectors and work sites- both whether expanding to workers in occupations where it already has members or to groups with no union tradition. Recruitment policy that reproduces the existing demographic and contractual status of HISTADRUT membership or pursuing different groups of workers- such as women, part-time and migrant workers. And the depth of organizing pursued. Whether it seeks to build membership- extending the form of service unionism- or seeks to engage in ‘union builds’, meaning an active, interacting membership.

Methods of organizing- whether organizing is diffused- making HISTADRUT available to all those who wish to join it through routine activities such as advertising, or concentrated- recruiting through planned, long, and well financed campaigns. Whether organizing drives target employers- meaning it first seeks to win recognition from the employer as a basis to organize workers, or whether they target workers- building membership before approaching the employer.

An additional aspect of examination concerning organization is the internal union politics surrounding this issue and they in which it’s managed.

3.2 Hypothesis

The point of departure for this thesis is, as mentioned, that the scope and aim of unions’ strategies contribute to their position in their national arenas. In relation to the case in question, the basic argument is twofold: first, that changes in the agenda and goals of HISTADRUT over the past four years in the three areas examined, strengthened its position in society, thus indicating union revitalization; and second, relating to Heery’s concept of ‘representational cycle’, that its activities in these areas interact and enhance each other.

More specifically, the process I aim at establishing can be hypothesized in the following manner: (a) the return to practicing social partnership on the national level, utilized a cooperation with employers as a mean to reshape the power balance by taking one side of the industrial relations system ‘out of the competition; (b) doing so enabled HISTADRUT to strengthen the extent of its political action; (c) its actions in these two spheres expanded

its capacities, or created new ones, in the sphere of organizing workers; and (d) new activities in the sphere of organizing, partially backed by these new capacities, are in turn meant to provide for a stronger position for HISTADRUT both in the social partnership and the political arena, as well as generate a comprehensive change in its identity.

A key element in proving this hypothesis is establishing that the discussed changes are a result of reassessing the balance of power in the Israeli society and a strategic decision to alter its action to restore its place in that balance.

An alternative, and plausible, causal 'story' could also account for the changes in the behaviour of HISTADRUT can hypothesized in the following manner: (a) the return to practices of social partnership is a result of assessing the decline in HISTADRUT power as investable and irreversible, and partly based on temporal and personal conjunctures; (b) the decline in power within the system of industrial relations and the threat posed by KLO- gradually gaining power in sectors dominant in the labour market but overlooked by HISTADRUT- are the driving forces behind the focus given to organizing workers; and (c) as the changes in HISTADRUT's actions are driven by the will to preserve power, political and economical, they are in fact only minor adjustments leaving the core nature of HISTADRUT untouched. Thus, is not engaging in efforts of revitalization, and one can safely assume these strategies are destined to fail in the long run.

3.3 Research design: methods and sources

The aim of this thesis, as already mentioned, is to examine policies and agendas of HISTADRUT in three spheres of activity and their interaction. As both hypotheses presented here go to strategic decisions made by its leadership and their implications on issues of HISTADRUT's societal influence and its union identity, the research utilized qualitative methods.

The study first reviews the historical development of HISTADRUT and the external environment in which it operates, needed for establishing the need for change and understanding the nature and roots of the changes that have already occurred. Following this review, a closer look is taken on each of the examined areas of activity, along the lines specified in the analytical framework. The conclusion part of the study, addresses the research questions and hypothesis by analyzing the interaction between developments in HISTADRUT activity in the different spheres, assesses the limitations of the mentioned

processes, and provides an outlook on future possibilities of union revitalization in HISTADRUT.

The primary data was gathered through semi-structured interviews conducted with: Dr. Roby Nathanson, Director General of 'The Macro Centre for Political Economics'; Mr. Micky Drill, project manager in the Israel office of the Friedrich Ebert Stiftung (FES); Dr. Ami Vaturi and Mr. Shay Cohen, members of KOL executive board; Adv. Shay Teken, head of the legal bureau and the Department for Association of Workers in HISTADRUT; and Mr. Rom Dvir, team leader and organizer in the Department for Association of Workers in HISTADRUT.

Secondary data was obtained through relevant literature, draft and published position papers, minutes of HISTADRUT's Executive Board, news papers and extensive internet research.

3.4 Scope and Limitations

This study sets out to examine changes in policy and agenda of HISTADRUT over the past four years in the context of union revitalization, and as already mentioned it is based on the assertion that union revitalization must be viewed as a multidimensional process.

Due to time and space constraints, the study focuses only on three spheres of activity, the absence of an analysis of other spheres might make the findings of this study inconclusive to establishing a comprehensive view of union revitalization in HISTADRUT. However, the areas of examination were selected due to the central role they play in the practice of HISTADRUT and the fact they relate to fundamental issues of the organization's history and culture, so although inconclusive the findings can imply changes that go beyond the areas examined.

A second limitation is due to the proximity of the study to the events it researches. As the processes discussed here have begun only for years prior to the study, and as suggested by its title, are still in progress, further examination at a later date might prove helpful in validating its conclusions. This is particularly important to the issue of organizing, as the Department for Association of Workers was established very near to this study, its assessment relies more on its underlying principles, initial activity, and the implication it

might hold to the union identity of HISTADRUT. Here, again, future research can provide a better perspective on the issue.

A reflexive note: as an active unionist in an organization tied to HISTADRUT and as a ‘third generation’ member of the organization, I consider the subject of this study, HISTADRUT, to be an important factor in the Israeli society, both historically and in the present., the starting point of this study might, therefore, be slightly biased, although I’m doubtful bias can be avoided in any case, I intend on examining the case in subject objectively as possible and in a thorough manner. Hopefully, the awareness to my bias will act as a balance.

Chapter 4

The Case of HISTADRUT: Background and Context

Before engaging in examination of HISTADRUT policies in recent years, and determining whether or not they indicate a process of union revitalization, establishing a deeper understanding of HISTADRUT and the context in which it operates is needed. The aim of this chapter is therefore to provide this understanding. It is important to note that the two elements- internal and external conditions of HISTADRUT- do not, in reality, act separately but rather, as any other social phenomenon, interact and influence each other. Yet for convenience reasons, they will be reviewed here separately.

4.1 HISTADRUT

This sub-section will review the developments in HISTADRUT since its foundation to the present days, in regards to its role and position in society and the scope of its responsibility, divided to three main time frames. It will also review the internal structure of the organization.

4.1.1 Historic Development

The 'Golden Age' (1920-1970's)

The circumstances leading to its creation and the guiding principles of its founding fathers make HISTADRUT a unique case in the world of trade unions and still bear significant influence on the organization in present days. Founded under the title 'The General Federation of Labour in the Land of Israel' by Zionist labour parties in 1920, 28 years prior to the state of Israel, HISTADRUT was conceived as an instrument to achieve two goals: one class oriented- aspiring to service all needs of the working class, and the other nation oriented- participating in process of nation building and surrogating state administration, still not in existence (Margalit, 2000: 761-762; Harpaz, 2006:2; Harpaz, 2009:343). The aspiration to establish an overarching organization is demonstrated well in the first resolution adopted by its congress:

"The general federation unites all workers and labourers of the land who live by the sweat of their brow without exploiting the toil of others, to promote land settlement, to involve itself in all economic and cultural issues affecting al labourers in Palestine, and to build a Hebrew workers' society in the land of Israel" (Israeli Labour Movement, 2008 in: Harpaz, 2009:344)

A similar declaration is still included in the current version of HISTADRUT's constitution (1995:3)

The underlying principle for HISTADRUT's role was therefore the so-called 'principle of generality', also expressed in the name given to the organization. The 'principle of generality' meant it was to be an organization for the general population of workers, regardless of profession, industry, sex, political orientation or religious beliefs, and an organization responsible for the general needs of the population (Tzaban, 1984:25-27). In practice, the diverse objectives of HISTADRUT manifested in many different units operating under its roof, often having very little in common with traditional trade unionism and some might seem, and were indeed seen, as incompatible with the goals of a trade union (Nathanson 2002:168).

In the sphere of economic developments, HISTADRUT set up and managed a number of manufacturing and constructing enterprises, including the country's largest industrial conglomerate as well as the country's largest bank- 'The Workers' Bank'. HISTADRUT's cooperative sector, owned directly by its members- kibbutzim and moshavim, communal agricultural settlements- produced and supplied most of the country's agricultural and dairy produce. the activity in this sphere was controlled and ran by the 'Society of Workers', HISTADRUT's economic division, focus of a debate whether a trade union can act as a representative of workers and an employer simultaneously. At its height, in the 1970's, HISTADRUT owned 30% of the national economy (Harpaz, 2009:344; Nathanson 2002:168).

In the sphere of social services, HISTADRUT established 'The General Sickness Fund', to this day Israel largest healthcare provider. The fund opened and ran hospitals, convalescent homes, neighbourhood clinics and specialized facilities across the country. Approximately one third of the HISTADRUT's finances were generated from the healthcare revenues. Over the years, inclusion of the 'Sickness Fund' in the overall operating budget became vital for the functioning of organizational and trade union activities of the organization, as will be evident later on. Other than that, the organization established pension funds, a chain of retirement homes and provided of low-interest loans. Under a separated organization dedicated to the issue of working women- titled 'Working and Volunteering

Women' (NAAMAT)- it operated subsidized daycare centers and kindergartens (Harpaz, 2006:2; Nathanson 2002:168-169).

Other areas of activity included culture- theatres, newspapers, publishing house; education- youth movements and vocational training schools, and athletic clubs(Nathanson 2002:169). HISTADRUT also enjoyed a great deal of political power, due to the fact it was established by labour parties that were later on in government from the establishment of the state of Israel in 1948 until 1977. These tight connections were evident in the fact that almost all HISTADRUT chairman served as members of parliament or held ministerial role. As a result of its political power, HISTADRUT's status in the sphere of collective bargaining and labour disputes was ensured in two laws passed in 1957, making it practically the only representative organization on these issues in the work place (Harpaz, 2006:2; Nathanson 2002:171-172).

The accumulation of these factors- being the main labour representative in Israel, approximately 80% of the labour force in the 1970's were HISTADRUT members, supplying diverse services to the majority of the country's population, controlling a large part of the economic activity, and practicing significant political power made HISTADRUT a central actor in Israel, to the point it was often referred to as a 'state within a state' (Harpaz, 2006:2; Nathanson 2002:171).

The crisis of HISTADRUT (1970's-1994)

Beginning with the aforementioned political change in 1977, when a right wing conservative party-Likud- was elected to government after 30 years of Labour party administration, HISTADRUT entered a period of crisis in which it gradually stripped of all its capacities other than functioning as a trade union. The causes of this crisis were both internal and external.

Based on Margalit (2000), we can define six 'circles' of crisis for HISTADRUT:

Crisis of generality- positions doubting the need and viability of an organization combining trade union roles with workers' owned economy and other social institutions began gaining power, both externally- in the position of the right wing government and its successors - and internally. The internal opposition argued that the role of creating economic

development and servicing the needs of the population should be taken by the state and that workers should now focus on improving their conditions, another internal opposition was the Likud faction inside the HISTADRUT, formed in 1965, which called for a nationalization of the 'Sickness Fund' and the pension funds. In a booklet titled 'The Challenge: a Social Movement', published in 1984 by HISTADRUT's center for ideological development, HISTADRUT chairman at the time refers to that opposition in the following way: "*it is quite clear that the framework of the state in itself is not their concern, but the weakening of HISTADRUT as a social-political movement*" (Keisar, 1984:11).

Crisis of the symbols and values- the shift from collectivist's notions to individualistic notions undermined the principled under which HISTADRUT was formed. The perception of the Israeli society as a collective was now replaced with a more segmented one and so the roles HISTADRUT assumed as responsible for the development of the entire society became obsolete.

Economic crisis- A decision of the ministry of finance in 1980 to discontinue a past agreement between HISTADRUT and the state, giving HISTADRUT, among other things, loans that are not pegged, causing it to turn to more expensive loans; the banking crisis in 1983, causing major losses to its bank; and the 'Emergency Stability Plan' in 1985 left HISTADRUT in a severe financial crisis (Greenberg, 1996:73-74). The result was a gradual privatization of the HISTADRUT-owned economy. This crisis, due to the special situation in which workers were employed by their own trade union, also brought about a crisis between the membership and the organization.

Crisis of image and message- the public perception of HISTADRUT was that of an inefficient and alienated organization, that does not express the interests of the public. HISTADRUT seemed to lack the inspirational power of carrying a social vision.

Crisis of leadership-membership relations- the lack of changes in the governing elites, the rise of internal oligarchy and bureaucratization, have led to a crisis of trust and relevance between the membership and HISTADRUT itself.

By the mid-1990's HISTADRUT was, therefore, a much less powerful organization. Yet, due to the fact that it still held the country's biggest healthcare provider, and that being a

member of the fund meant being a member of HISTADRUT - it managed to remain a large organization, unionizing 80% of the workforce (Harpaz, 2006:4). This last anchor of power was to be dismantled in 1995.

The internal turnover (1995-present)

Attempts to separate the provision of healthcare from HISTADRUT have been made since the establishment of the state of Israel. The power of HISTADRUT in the labour party allowed it to successfully counteract those initiatives (Or Shachar, 1998:53-61). In 1994, Haim Ramon from the Labour party, then the Minister of Health, tried to instate a General Health Law which would separate the health fund from HISTADRUT, due to the power HISTADRUT still held in the Labour party, this initiative failed as well. As a result, Ramon resigned from office and ran to the seat of HISTADRUT chairman, forming a new party titled 'Ram', comprising a rather strange coalition of religious and left wing parties. Ramon, and the new party he formed, won the HISTADRUT elections in 1994; it was the first time in the history of HISTADRUT that the Labour party did not win the elections. It was also the last elections in which the Labour party ran as such, in following elections it was part of factions led by HISTADRUT chairpersons. Without the resistance of HISTADRUT, the General Health Law was instated in 1995 and HISTADRUT lost its final anchor of financial and public power (Or Shachar, 1998:64-98).

This dramatic change, causing an almost instant drop in membership from 80% of the work force to almost 9% of the workforce (Rubbin, 1996 in Harpaz, 2006:4), meant a major challenge for the 'New General Federation of Labour' (the name given to it by the new administration). Not only did it have to deal with developments in the Israeli economy, but the absence of the services it used to provide to its members meant it had to 'reinvent' itself as a trade union (Nathanson 2002:172). The loss of membership and the resultant financial deficits led to a great organizational weakness of HISTADRUT to act as a powerful actor (Nathanson, interview, 2010), and left it a major force predominantly in the public sector and the traditional industries (Harpaz, 2006:4).

The fact that in the first 75 years of its existence, HISTADRUT was able to maintain substantial membership through the will of workers' to enjoy the healthcare services it provided, and the stronghold it has in the public sector and the traditional industries bear significant importance to the issue of recruiting new members, both in the perception of

the task and the ways in which it was carried out, as will become clearer in following chapters.

Ramon resigned from HISTADRUT in November 1995; his successor was Amir Peretz, a former member of parliament from the Labour party, who served as HISTADRUT chairman until 2006 when he was elected as head of the Labour party. Peretz was replaced by Ofer Eini, the first HISTADRUT chairman to come from within its ranks, who heads the organization at present.

Currently HISTADRUT has, officially, 700,000 members which account for roughly 26% of the workforce and 65% of organized labour in the country (Harpaz, 2009:346). The present position of HISTADRUT in the industrial relations and the role it plays will be discussed in later on.

4.1.2 The Structure of HISTADRUT

Prior to the aforementioned turnover in 1994, HISTADRUT operated on the local levels through 72 local branches, named 'Workers' Councils', handling all of the organization's functions other than healthcare and economic activities. Each council had elected local officials. The power of decision-making rested in a small number of centralized institutions- the National Convention, the Council, the Executive Committee, which elected the Central Committee and the Secretary General. Elections to all HISTADRUT institutions, local and national, were run according to political party affiliation, often identified with parties from the national political arena. The number of delegates sent to the convention was proportional to the share of votes for each party. A third organ, semi-external, is the shop floor representation, the so-called 'Workers' Committees', elected in each enterprise organized by HISTADRUT. These committees are the HISTADRUT representatives in the work place but not part of its administration (Nathanson, 2002:169-170). It is important to note that such committees in large, government owned, enterprises- the likes of the national electric company or the national telephone company (prior to its privatization)- hold a large amount of power within HISTADRUT, due to what Nathanson terms their "*ability to paralyze the entire economy*" (Interview, 2010; translation S.W) . This gradual increase in the power large Workers' Committees hold within HISTADRUT, evident in 16% of votes in the 1992 elections won by a faction of national Workers' Committees, brought about the public perception of HISTADRUT as a servant of the

strong workers (Nathanson, 2002:186; Nathanson, interview, 2010; Teken, interview, 2010).

After the elections in 1994, the new administration initiated a process of reorganization. On the local level, the 72 Workers' Councils were merged on geographical basis into 29 District Councils. Trade unions were also merged; their numbers reduced from 44 to about 30, and were given a larger autonomy. On the national level, the General Council was eliminated and currently HISTADRUT has four national institutions (Nathanson, 2002:186-187; www.histadrut.org.il):

The General Convention- the supreme elected institution of HISTADRUT, with 2001 delegates elected according to political party or faction. The convention sets the goals of HISTADRUT and elects the 'House of Representatives'

House of Representatives- formerly the Executive Committee, has 171 delegates elected every five years, has the authority to decide on every aspect of HISTADRUT's actions and roles, as well as to change the organization's constitution. Currently, 'Anchors', the faction headed by the serving chairmen, enjoys an astounding majority in the House of Representatives, holding 142 seats.

The New Histadrut Leadership- formerly the Central Committee, is the main decision-making organ and responsible for the day-to-day conduct of the organization. The Leadership is composed of not less than 13 members and not more than 31, appointed by HISTADRUT chairman and approved by the House of Representatives.

The New Histadrut Chairman- formerly the Secretary-General, is elected every five years in national direct elections by all HISTADRUT members allegeable to vote.

Despite the extensive reorganization process, the core foundations of HISTADRUT's power structure remained almost untouched. The membership structure- in which an individual first joins HISTADRUT and only then assigned to a specific union- and the fact that membership fees are paid to HISTADRUT and then transferred to the unions (Margalit, 2000:764; Nathanson, 2002:185) as well as the party and electoral system remained in place. Keeping the bulk of power in the federation, and securing an overarching power to set and implement policies to the reigning coalition, and especially to the acting chairman (Margalit, 2000:762). In this sense, the use of the term 'federation' is somewhat misleading. As pointed out by Cohen et al. (2007), the HISTADRUT should be considered as a primary organization rather than a federation of trade unions. This overarching power of HISTADRUT's chairman, as will be apparent later on, is a returning

theme both in the critique on its current conduct and in the way policy changes are generated. Referring to the current chairman, Ofer Eini, Nathanson exemplifies the issue:

“...I can say that regarding internal democratic forces there, the situation might not be very healthy, but that’s the situation... there might be a debate or something of sort, but a majority to overthrow a decision he makes in the ‘Leadership’ or in HISTADRUT’s House of Representatives? There is no chance...” (Nathanson, interview, 2010; translation S.W.).

It is this political and power structure that have made possible for Haim Ramon, clearly not a union-oriented politician- as evident by his short term as chairman, to seize power in HISTADRUT and makes the ideological orientation of the organization very much leader-dependant (Cohen and Vaturi, interview, 2010). Another concrete consequence of this structure is the total identification between the chairman and HISTADRUT, as reflected in most of the interviews done for this thesis and the majority of media coverage of HISTADRUT- where the subject is not the organization itself but its chairman.

4.2 The External Environment

As mentioned earlier, the Israeli economic and political systems have undergone major changes in the last three decades. These changes have naturally influenced and re-shaped the environment in which HISTADRUT operates. The following paragraphs will review the other forces in the sphere of organized labour in Israel as well as the trends in the local labour market, industrial relations systems, and government policies

4.2.1 Other Trade Unions and Inter-Union Rivalry

Although HISTADRUT is largest and most dominant trade union in Israel, there are a number of other unions currently operating, some of which bear great importance to the subject of this thesis. The largest of them is ‘The National Workers Federation’, formed in 1934 as a right-wing revisionist opposition to the socialist principles of HISTADRUT, it also held healthcare services and other cultural and social institutions, but on a smaller scale. In 2006, it had 300,000 members (Harpaz, 2006:5). Despite its relatively considerable size, and historical ideological differences, there is little public rivalry between it and HISTADRUT. Two other active unions, not affiliated to HISTADRUT, are ‘The Teachers’ Organization’ and ‘The Medical Association’) (Harpaz, 2006:5).

The latest, and most important, union to emerge is KLO. Founded in 2007 by social activists disappointed of HISTADRUT and critical to its structure of representation, KLO has currently 5,000 paying members and 10,000 covered workers. It aims at presenting an alternative to HISTADRUT on three levels: the population it organizes- mainly part time and sub-contracted workers; internal democracy- putting emphasis on the power of the individual member to influence the union and the power given to the workers' committees in the workplace; and modes of operation- demonstrating a militant and confrontational attitude toward employers (Cohen and Vaturi, interview, 2010).

Although, still small in size KLO appears to present a direct threat to HISTADRUT, as was partially confirmed in an interview with an HISTADRUT officials. As a result, a number of inter-union clashes have occurred in recent years, when HISTADRUT and KLO battled over the right of representation in specific workplace- such as in 'The Open University' in September 2009 (Peled, 2009), and 'Ackerstein Paving Stones' factory and 'Shila Medical Services' (a subsidiary of the formerly HISTADRUT-owned healthcare fund) in February 2010 (Peled, 2010). The rivalry and the influence of KLO will be further discussed in the following chapters.

An additional development in this arena, though not completely within the realm of organized labour, is the emergence of labour-related NGO's. Since the 1980's, NGO's dealing with welfare and minority issues in relations to workers' rights have grown dramatically, both in number and volume of action. Most prominent examples are the 'Workers' Advice Centre' (WAC), seeking to increase the participation of Israeli-Palestinian workers in the labour market by means of lobbying and an employment exchange service, and the 'Workers' Hotline', providing legal representation to migrant workers. These NGO's not representative or member organizations and have no legal status in the industrial relations system, but the fact they deal with issues and populations ignored by trade unions make them an important factor in the labour market that must be taken into consideration (Mundlak, 2009; OECD, 2010; Nathanson, interview, 2010)

4.2.2 Government Attitudes and Policies

Although liberalization of the Israeli economy and dismantling of the welfare state can be traced back to the aforementioned "turnover" of the 1977 elections, and has been carried out ever since, they accelerated in the last 14 years. Playing a key role in these accelerations

is Benjamin Netanyahu. Netanyahu, of the Likud party, served as prime minister (1996-2001), then minister of finance (2003-2005) and then again as prime minister (2009-present). In an interview with *Businessweek*, given a year after first elected as prime minister, he stated:

"This is probably the first time in Israel's history that you have a Prime Minister who is genuinely committed to free markets as a No.1 Priority...The only things holding us back are the concentration in the economy and the anachronistic socialist restraints that have to be discarded" (in: Ben-Porat, 2005: 237).

Although eventually political constraints within his coalition withheld any real economic reforms, it was a sign of things to come (Ben-Porat, 2005: 237).

Israel underwent an economic crisis in the beginning of the millennium. Reasons for this crisis were the 'Al-Aqsa Intifada' and the bursting of the 'dot com bubble'. Under these terms, when appointed as minister of finance in 2003, Netanyahu could better implement his policies. An interview to Ha'aretz newspaper in March 2003 left no room for doubt about his future policies:

"The economic system here is the problem... a small private sector that supports a huge public sector, a growing public living on government support...And the private sector who is shrinking in an attempt to fund all of this...Tax cuts are one of the most important tenets of the plan." (In: Ben-Porat, 2005: 240)

The 'Emergency Economic Plan for the Stabilization of the Market' included budget cuts, privatization of government owned companies, decreasing the public sector, cutting welfare grants and nationalizing all pension funds only to privatize them later on (Ben-Porat, 2005: 240). Although anti-union policies were not a stated part of the economic reforms, this underlying intention is reflected in a newspaper interview given by Uri Yogeve, the head of the budget department in the ministry of finance at the time, upon his retirement from office, when asked about his greatest achievement he replied:

"We managed to successfully use the recession to change the rules of the game and promote the most dramatic revolution of all- breaking organized work in Israel... It was one of the heaviest weights on the Israeli market" (cited in: Arlozorov, 2004; translation S.W.)

Subsequent example of government labour market policy is the “Metrodan” bus company strike. In 2005, the workers of the company, operating only in the Israeli city Be’er Sheva after the privatization of the municipal bus company, went on strike in demand for better working conditions. 150 days long, it was the longest strike in the history of Israel. When negotiations failed, the ministry of transport allowed other transport companies to operate in the city, a first occurrence of an attempt to break a strike in Israel (Harpaz, 2006:6).

Interestingly, it is the same Netanyahu who instigated the most confrontational clash between HISTADRUT and the government as a Minister of Finance that has also enabled the current developments strengthening HISTADRUT as the serving prime minister. This puzzling issue will be elaborated upon in following chapters.

A different aspect of government deregulation is the enforcement of labour laws. In 2009, The Regulation and Enforcement Administration in the Ministry of Industry, Trade and Labour, responsible for the enforcement of 17 labour laws enforcement, employed only 40 full-time inspectors. Meaning that considering the current size of the Israeli labour force, 2.7 million, the proportion is 1 inspector for every 67,500 workers (Peled 2009). This state of affairs, where effective enforcement is simply not possible, testifies to the labour market practice desired by Israeli governments.

4.2.3 Trends in the Labour Force and Labour Market

The growing exposure of the Israeli market to the global economy and the accompanying concepts of flexible and efficient labour markets, were expressed in the policy trends described above, and have a major impact on the composition and structure of the Israeli labour market as well as on the attitudes of workers.

A corresponding trend both in the public and private sectors, pointed out by Nathanson (2002), of reducing the number and proportion of permanent, tenured, employment together with the steady decline in the share of blue-collar workers employed in the construction and industrial sectors in the labour force, dropping from 32.3% in 1955 to 18% in 2006 (Statistical Abstract of Israel 2006 in: Harpaz, 2009:353) mean that the majority of the Israeli labour is presently employed in atypical forms of employment and outside the realm of collective industrial relations.

On the bottom end of the labour market, the last two decades have seen a sharp increase in the number of workers employed through subcontractors. A report issued by Israel's Ministry of Industry, Trade and Labour found that the rate of subcontractor employees among all employed workers rose from 0.5% in 1985 to 5% in 1998. Recent estimates made by the Association for Civil Rights in Israel indicate that the subcontractor employee rate could be as high as 10% of Israeli employees (in: Nathanson, 2009:8) , an interesting aspect of subcontracted employment is that the government, on all levels, is the largest employer of subcontractor employees, employing an estimated 45% of all subcontractor employees (Nathanson, 2009:8-9). Other forms of precarious employment include *part-time employment*, comprising 26.8% of the labour force (Statistical Abstract of Israel 2010), and *temporary employment*, a misleading term under which 'temporary workers' are in fact employed for long periods of time(Tajar, 2006:36). Workers in these forms of employment share a lack of job security, social protection and social benefits.

On the opposite end, the rapid growth of the Information and Communication Technology (ICT) industry in Israel since the early 1990's has created a section of the work force that enjoys relatively good working conditions and is almost entirely based on individual employment contract. Although the share of ICT workers in the labour force is marginal- 8%- we must take into consideration the fact that in 2005, ICT absorbed 60% of all the entrants into the Israeli labour market in comparison with 9% absorbed into Traditional –Low- and Mid-Tech –industries (Nathanson, 2009:3-4).

The changing conditions in the labour market also affect the attitude of young workers joining the labour force. As pointed out by Harpaz (2006) and Nathanson (2002), these workers have a much more individualistic perception of society and are achievement-oriented. Hence, they perceive trade unions in general and HISTADRUT in particular, as archaic and bureaucratic institutions which are not relevant to them.

4.2.4 Transformations in the Industrial Relations System

The changes undergone in HISTADRUT and the Israeli society- in regards to the political climate and labour market- described in the previous sections, have naturally resulted in a transformation of the industrial relations system from the mid-1970's to present day.

Israeli industrial relations system, from pre-statehood to the mid-1970's, were based on the European corporatist model in which the majority of labour market issues were regulated

through a tripartite cooperation between the government, employers' organizations, and HISTADRUT. Though it is important to note that two unique features of the industrial relations system distinguished it from the classic model of European corporatism: one was the recruitment of industrial relations to the task of nation building, meaning that at times the commitment of the partners to the construction and maintenance of a Jewish state clashed with social solidarity particularly with Arabic citizens and Palestinians in the occupied territories, and the second was the absence of substantive corporatist indicators, such as low rate of industrial strife (Cohen et al., 2007:3). The practice of this model of industrial relations was made possible by the factors mentioned earlier, namely the fact HISTADRUT organized a large portion of the work force and enjoyed substantial economic power and the Labour party governments which had, as mentioned, tight connections with HISTADRUT. A third contributing factor was the high participation rate in 20 employers' organizations, coordinated by Economic Organizations Coordination Bureau (EOCB) (Cohen et al., 2007:2).

The aforementioned underlying foundations of the corporatist industrial relations system began eroding in the mid-1970's. The growing exposure to global markets and the heterogeneity of the workforce, together with the declining power, both economically and in membership, of HISTADRUT and the change in the attitude of the government, resulted in a situation where the balance of interests between the partners allowing them to reach consensus ceased to exist.

Mundlak (2004) defines five characteristics to the state of Israeli industrial relations after the breakdown of the corporatist model: segmentation within the social partners, decline in regulation based on wide consensual processes, escalation in the attitudes of the social partners, segmentation in the collective bargaining, and conversion of consensual norms into legal acts. Yet, it is important to mention that the history corporatism has meant an existence of corporatist structures and a tradition of corporatist notions in HISTADRUT, though the collapse of the model left them unused they are still to play a role in the practice of social partnership in recent years. This issue, as well as the nature of the aforementioned characteristics and their implications in practice will be elaborated upon in the following chapter.

4.3 Conclusion

The changing conditions depicted in this chapter- internal and external, political, social, and cultural- paint a grim picture of the state of organized labour in general and of HISTADRUT's in particular, the growing proportion of weaned, unprotected workers in the labour market outlines the need for stronger workers' representation in present day Israel and the need for change in HISTADRUT if it wishes to play that role. It also outlines the internal and external obstacles to generating such a change faced by HISTADRUT.

Externally, HISTADRUT suffers from a crisis of legitimacy. Faced with hostile government attitudes as well as hostile attitudes of the workforce- ranging from distrust to perception of organized labour relations as obsolete- the social legitimacy and relevance of its role is highly questionable.

Internally, HISTADRUT face two major obstacles that might prove to be even greater than the external ones. The first obstacle is one of essence, although HISTADRUT lost all of its social capacities and a large degree of its political power, the 'birthmark' of its responsibility to the project of Israeli nation building is still a factor in the policies it adopts. This is reflected in the statement of the current chairman, Ofer Eini: "...*first, there's the state, then there's the economy, and there's the workers...*" (Cited in: Teken: interview, 2010; translation S.W.). The second obstacle is one of practice. As its structure remained untouched in a reality of a changed labour market, the 'tools of the trade' possessed by HISTADRUT might prove to be inadequate to deal with new 'types' of workers, now comprising the majority of the labour force. To what extent HISTADRUT is engaging in confronting these obstacles is the subject of the next chapters.

Chapter 5

Changes in HISTADRUT: Union Revitalization or Minor Adjustments?

After setting the historic and contextual background of HISTADRUT, this chapter will examine changes in its policy, agenda, and practice over the past four years, to determine whether or not they indicate a process of union revitalization. . As mentioned, this examination would include three spheres in which HISTADRUT is active: social partnership, political action, and organizing.

5.1 Social Partnership

The concept of social partnership, though a pillar of trade union practice in many European countries is a highly contentious one. As this practice may imply a defensive brand of unionism that is concerned with preserving its relations with the state and therefore lacking the ability, and will, to engage in class struggle (Fichter and Greer, 2004). The public discourse, as well as that within the union movement, on social partnership in Israel seems to be 'lagging behind'. The reason is abundantly clear- since the breakdown of the corporatist model and until recent years, the practice of consensual relations between workers and employers shrunk dramatically on the enterprise level and quite simply was not practiced on the national level. The best evidence, perhaps, for this absence in the industrial relations system is the fact that there are no Hebrew terms for 'social partnership' or for 'social partners'.

As mentioned in the previous chapter, the Israeli industrial relations system can be defined, following Mundlak (2004), by five main characteristics, four of which bear great significance to the form of workers-management dialogue practiced in Israel until 2006. The following paragraphs will, therefore, take a closer look at the implications they have on practices in the industrial relations system:

Decline in regulation based on wide consensual processes- the 'package deal' of 1985, a tripartite agreement part of the economic reforms battling hyper-inflation in Israel, was the 'swan song' of wide scale consensual agreements. In the years following, the ability of the partners to achieve such agreements declined steadily. While in the public sector, few consensual agreements were still made during the 1990's, though they were fragmented and were accomplished in long periods of time, in the private sector broad consensual

regulation, going beyond the industry level, became almost completely meaningless (ibid: 16).

Escalation in the attitudes of the social partners- employers, both public and private, showed a growing resistance to industrial relations. In the public sector approaches to industrial relations as a burden and to trade unions as a restricting factor or even an enemy were identified. In the private sector there was a growing trend of employers trying to either break off from the collective bargaining system or prevent the norms of collective bargaining from entering their enterprises. Militancy grew on the side of trade unions as well, with an increase in the amount and volume of strikes (ibid: 18).

Decentralization of collective bargaining- a complete separation between collective bargaining in the public sector and the private sector, and segmentation within each sector, resulted in a highly decentralized system of collective bargaining, in which nation-wide and industry-wide agreements lost power and were not updated, while enterprise level or occupational agreements grew stronger. The number of agreements extended to non-unionized workers also decreased. Meaning that industrial relations based on workers-management dialogue on the industry and enterprise level covered a smaller portion of the workforce and those covered by it benefited in an unequal manner (ibid: 16; Cohen and Kristal, 2007:616-618).

Conversion of consensual norms into legal acts- the result of the factors mentioned above, a reality in which social and economic norms can no longer provide for a stable system, is that the legal agents- the legislator or the court- take on the task of setting binding norms. Norms of labour relations, such as protection from dismissal, that were previously enforced through collective bargaining agreements are now regulated by law and enforced through the labour court, weakening the position of workers' and employers' organizations as well as that of the dialogue between them (Mundlak, 2004:18-19).

In this grim reality of industrial relations, it is no surprise that the institutions set up in the era of the corporatist model for bilateral action have lost their meaning and were replaced by the unilateral instruments- strikes, legislation, and turning to the labour courts (ibid:25-28). A good representative example for this state of affairs occurred during the strikes initiated by HISTADRUT in 2003 as a response to the government's economic reforms, in which the (EOCB) mobilized their employees to demonstrate against striking workers and engaged in legal actions to stop the strike (Pauzner, 2003).

In sum, referring to its relationship with employers and the strategies adopted, particularly under Peretz as chairman, Teken states that the basic assumption was that employers and workers have contrasting interests and will therefore always fight each other (interview, 2010).

In December 2005 the acting HISTADRUT chairman, Amir Peretz, was elected to head the Labour party, an issue that will be discussed in more detail when I examine the sphere of political action, as a result Peretz retired from office and appointed Ofer Eini, then head of the Trade Union department in HISTADRUT, as his replacement. This was the starting point of the revival of social partnership in Israel.

In the 2003 struggle of HISTADRUT against the aforementioned governmental economic plan, Eini, at the time head of the civil service union, ran a three months comprehensive strike. With his appointment to the seat of chairman, it was expected he will follow the confrontational line led by Peretz (Niv, 2006a; Niv, 2006b). In reality, however, Eini's term presented, from the beginning, a different approach to industrial relations, in the words of an Teken: *"...there was undoubtedly a strategic decision, and a change, so to speak, of 180 degrees from the situation in former terms..."* (Interview, 2010; translation S.W.). A crucial point in the revival of social partnership in Israel is the personal relationship formed between Eini and Shraga Brosh, the head of the EOCB and of the Manufacturers Association of Israel (MAI), in the negotiations during the aforementioned strike. The centrality of this relationship was emphasised by Drill and Nathanson (interviews, 2010), can also be seen in the explanation given by Teken to the shift in HISTADRUT's approach:

"...in the bottom line, analysing why and how this process occurred, there is also an issue of a connection between two people, and there is also the story about the night in the hotel in Eilat that they set on the porch until 4am and...Ofer came and said: instead of us fighting, we'll reach agreements... Ofer is a man of negotiations, a man that believes in discussions, and Shraga as well.... that was, the basic concept..." (Interview, 2010; translation S.W.).

The underlying principle of this new model of social partnership is that a united action of workers and employers, based on mutual understandings and compromises, has the power to effectively prevent the government from deciding unilaterally on issues concerning both sides (Chorev and Shelach, 2005; Teken, interview, 2010). This was made in the first joint

effort carried out by HISTADRUT and the EOCB. During the Second Lebanon War in the summer of 2006, the two organizations pressured the government to set-up a compensation plan for workers losing work days due to rocket attacks on Israeli cities, the official response of the government, delaying discussions until the end of the war, prompted them to formulate an independent plan. The fact that the plan was agreed upon by both sides and the growing public pressure forced the government to adopt the proposed plan and implement it during the war (Niv, 2006b).

In the years to follow, the apparent revival of social partnership in Israel, on the national level, can be observed in the signing of three major social-pacts with national coverage:

Consensual Labour Relations Agreement

Perhaps the cornerstone of the practice of social partnership in the last four years is the agreement signed between HISTADRUT and EOCB in 2006. The agreement, bearing more a nature of a charter than a binding agreement (Teken, interview, 2010), expresses the intentions of both sides to regulate industrial relations by discussions, negotiations, and collective bargaining agreements. This agreement was followed by a beginning of negotiations on a general collective bargaining agreement, the first in 11 years, which at the time of writing has not yet been concluded (Teken, interview, 2010; Ne'eman, 2006).

National Mandatory Pension

In 2007, following progress in legislation of a mandatory pension law in parliament, HISTADRUT and EOCB signed a nation-wide agreement on mandatory pension that was later extended by the Ministry of Industry, Trade and Labour to cover all employers and employees in Israel (Mundlak, 2009:774). Nathanson refers to Mandatory Pension Agreement as the most prominent achievement of social partnership, and as an example for the internal dynamics motivating it, arguing it not only prevented legislation but also created a 'win-win' situation for both sides- giving HISTADRUT a significant achievement for workers and saving the employers from a much more 'expensive' legislation (interview, 2010).

The Employees' Privacy at Work Agreement

Questions of privacy at work, concerning issues such as the use of polygraph, monitoring and surveillance, were never at the centre of trade union agenda, and were increasingly

brought up in the labour courts by individual plaintiffs. In 2007, during hearings in an appeal to the national labour court on one of the cases, HISTADRUT and EOCB turned to the court asking it not to decide on the case but leave the matter to be resolved by the social partners. A collective bargaining agreement, with almost nation-wide coverage, was drafted within weeks. The agreement established, among other things, bipartite procedures for resolution of conflicts (Mundlak, 2009:775). Two main aspects of this agreement are worth noting: first, it deals with issues outside the scope of traditional collective bargaining; and second it establishes a grievance procedure, strongly grounded in the tradition of collective bargaining, intentionally to marginalize judicial intervention in labour relations (ibid: 775-776).

Progress was also made on other levels of the industrial relations. On the industry level, the collective bargaining agreement in the cleaning was updated for the first time after decades, and a new industry-wide agreement in retail were signed (www.histadrut.org.il). On the enterprise level, Teken talks about tens of new agreements in the private sector (interview 2010). Two factors assist in getting a better understanding of the connection between the practice of social dialogue and the achievement and nature of collective bargaining agreements in the private sector: first, the formal position of EOCB and the message it communicates to its members is one that legitimizes or even encourages employers to engage in collective labour relations with HISTADRUT (Dvir, interview, 2010) ; the second is the basic approach of HISTADRUT towards newly organized enterprises, as expressed by Teken (interview, 2010), an approach that although insisting on job security and workers' representativity in the workplace, are much more 'flexible'.

An important character of social partnership, in its European form is that of institutionalization, meaning that practicing consensual labour relations is not only culturally engrained but is also a solidified in formal institution, ensuring its long-term endurance (Fichter and Greer, 2004; Drill, interview, 2010). This aspect is almost completely absent from the newly practiced social partnership in Israel, as stated by Teken, institutions, as such, do not exist and probably never will (interview, 2010). The lack of an institutional framework and resultant reliance on personal and temporal conjunctures raise questions about the future sustainability of this practice but it also raises a question about the degree it was internalized on all levels of the industrial relations, Teken also admits that

on the factory level the dialogue is not always good, and requires intervention of the national level (ibid).

The description provided above makes the simple fact that a change in the sphere of social partnership has occurred over the past four years- shifting from marginal or non-existent to a pivotal aspect of HISTADRUT's activity- abundantly clear. When assessing HISTADRUT's policies and agenda in this sphere, the question is therefore what the nature of this change is. Before addressing the issues outlined in the analytical framework, several fundamental issues require discussion.

First there is a question of legitimacy. One might question the legitimacy of such a substantial strategic shift decided upon, almost unilaterally by Ofer Eini. Though formally, as HISTADRUT chairman Eini has the authority to adopt and implement any policy he sees fit, the problem of internal democracy and representativeness implied by this formal power structure becomes critical in this case, Ami Vaturi, a member of KLO leadership referred to this decision as one made with formal authority but not with moral one (Interview, 2010). Although there is no apparent discontent of HISTADRUT membership to this development, possibly due to historic heritage of corporatism, the lacking system of internal democracy, is still a valid question. This point will be touched upon in more detail in the conclusion chapter of this study.

A second fundamental question goes to the rationale behind this sudden revival of social partnership. In other words, was it driven by what HISTADRUT perceived as its role and as an instrument to carry them out better? Or was a pragmatic approach of a weak union? A critical approach to this issue, presented by Cohen and Vaturi, argues social partnership to be a clear result of HISTADRUT's inability to challenge the reality in which it operates. Cohen and Vaturi argue it is based on an 'ad hoc' ideology that explains HISTADRUT's weakness and renders it deterministic; this ideology is the driving force behind Eini's social partnership policy (interview, 2010).

In contrast, Nathanson argues that social partnership is a manifestation of the joint will of the leaderships in both partners to follow a route of negotiations. Nathanson goes further to argue that it is not a matter of how much power HISTADRUT possesses, but of how it's utilized- while confrontations demonstrate power they also erode it, social partnership

on the other hand relies on power but preserves it (interview, 2010). An additional element in explaining the revival of social partnership is the scope of responsibility assumed by HISTADRUT, as put by Teken, it sees itself as responsible for the Israeli economy as a whole (Interview, 2010). The use of the terminology on the broad responsibility of HISTADRUT to the well being of the Israeli economy and society stands in accordance with the roots of the organization as described in the previous chapter, perhaps more than the confrontational terminology used under Peretz. The return to the broad perception of what HISTADRUT's responsibility is might be a positive indicator to union revitalization.

The author's assessment of this issue will be done in the conclusions chapter of this study, when the overall analysis of HISTADRUT's policies will be presented.

Additional issues for examination of the new model of social partnership in Israel as an indicator and an instrument of union revitalization would concern three aspects: the institutional framework, the place of HISTADRUT in it, and the scope of its agenda.

The Institutional Framework

As was made clear earlier the old institutions for consensual industrial relations set by law are rarely used, and the practice of social partnership in recent years is almost completely un-institutionalized, other than the non-binding agreement signed in 2006, it is based mostly on personal conjunctures. This lack of institutional embeddedness raises two questions: the extent of its influence on the social and economic spheres and its endurance in the long-term.

To the issue of its degree of influence, the empirical findings suggest that although completely not embedded institutionally, the framework of social partnership enabled HISTADRUT to increase its capacities to organize workers and strengthen its bargaining power. As the discussion later on concerning political action will show, HISTADRUT was also able to utilize social partnership to extend the degree of influence on society and the economy.

A more contested issue is that of the long-term stability of social partnership. The heavy reliance on personal relationships is viewed as a critical weakens point of the model (Drill, interview, 2010). This issue is also a subject of discussion in Histadrut itself. As referred to

by Teken, the question of social partnership after changes in leadership is constantly discussed in joint fora (Interview, 2010). To Teken the ongoing practice of social partnership will make it culturally engrained (ibid). Teken goes further to argue that the past four years have made a substantial change, projecting on future practices, arguing that the future scale or volume of social partnership might change but it's highly unlikely it would cease completely (ibid).

The Place of HISTADRUT in the Social Partnership

To the question of what role HISTADRUT plays in its cooperation with the employers' organizations- whether it's proactive or reactive and whether or not it succeeds in pursuing its strategic goals through this platform- the empirical findings suggest that although in some cases HISTADRUT was clearly responsive to external developments, in the majority of cases it seems HISTADRUT was able to initiate or push forward actions that were strategically important. Furthermore, the approach of EOCB encouraging employers to engage in negotiations with HISTADRUT- an approach of mutual interest, as more employers organized also means stronger representativeness of EOCB itself- is also beneficial for HISTADRUT in other fields of activity. Though, these achievements might have come with the price of 'weak' collective bargaining agreements, as argues by critics such as Cohen and Vaturi. The strong commitment of both parties to dialogue and cooperation also raises ethical questions on HISTADRUT's function as a trade union in practice. The compromise stemming from this commitment can, in some cases be at the expense of individual disputes, raising a question if the broad responsibility of HISTADRUT ethically justifies giving up in individual cases.

The Scope of the Agenda

From the examples shown here, it is quite evident that steps done through social partnership on the national level are on the one hand restricted to union issues but on the other hand are not restricted only to HISTADRUT members. As stated by Teken, HISTADRUT sees itself unequivocally as the representatives of all the workers in Israel and as a social movement but one but approached these issues from a trade union perspective and trade union 'tools' (Interview 2010)

In sum, social partnership has undeniably gone through changes in recent years; most indicators seem to show it was successfully used by HISTADRUT to revitalize itself. Yet a

more definite conclusion requires assessing the way social partnership interacts with other HISTADRUT strategies and to what extent HISTADRUT has safeguards from stagnating in this framework or to react in case it once again becomes irrelevant. This will be examined in the following sub-sections and the conclusions chapter.

5.2 Political Action

HISTADRUT, as described in chapter 4, enjoyed a long-lasting symbiotic relationship with the Labour party, in its various forms, in which many HISTADRUT officials served as parliament members or held ministerial positions on behalf of the Labour party. This relationship, together with the long-lasting governance of the Labour party both in HISTADRUT and the state, gave the organization a great deal of power and influence in the political sphere. The 1977 general elections and the spread of neo-liberal attitudes in some parts of the Labour party (Margalit, 2000; Harpaz, 2006), meant a gradual decrease of that power. Another significant development in this aspect was a 2005 law passed by parliament, prohibiting unions' chairpersons to serve simultaneously as parliament members (Harpaz, 2006:10).

A substantial development in the 'break' from the Labour party, accrued in 1999. Amir Peretz, then HISTADRUT chairman and MP from the Labour party, split off and formed a new party named 'One Nation' (www.knesset.gov.il). The new party, presenting itself as a workers' party, ran to parliament in the 1999 and 2003 general elections, winning 2 and 3 seats respectively. The identification between 'One Nation' and HISTADRUT was made clear, as it was not only headed by HISTADRUT chairman but many of its officials as well as representatives in local branches and candidates for parliament were also HISTADRUT employees and officials (Alon, 2003). The ties between the two bodies were such that allegations of misuse of HISTADRUT resources to promote 'One Nation' were brought up in court and during the prior to the 2003 general elections the Labour Party accused HISTADRUT of running a campaign on behalf of Am Ehad (www.walla.co.il, 2002; Liebskind, 2006). In 2005, 'One Nation' merged back with the Labour party, and later that year Peretz was elected as head of the party (www.knesset.gov.il). The most notable achievement of Peretz's term in this sphere was the raising of minimum wage after years of stagnation, in 2004 HISTADRUT ran a campaign on the matter (Sharvit, 2004), although successful, Peretz picked it up in the 2006 elections and made the minimum wage raise part of the coalition agreement between Labour and Kadima parties. Regarding the implications

of 'One Nation' on the political action and power of HISTADRUT, it seems that although it was a political party completely aligned with HISTADRUT, its poor results in the elections, making it only a marginal factor in the political sphere, did not assist the organization in restoring its political power.

Upon entering office, Eini promised to run "HISTADRUT without politics", arguing that in the past political parties, and Labour in particular, used HISTADRUT in the service of their interests and untying the connections to parties will allow the organization to turn the situation around and use politics to service HISTADRUT's interests (cited in: Rosenfeld, 2009). In reality, as will be shown later on, the interaction of HISTADRUT, Eini, and political parties does not completely live up to that promise. Although, according to his own statement (Rosenfeld, 2009) and that of Teken (interview, 2010), Eini and Histadrut enjoy a great deal of power in the three major parties in parliament- Kadima, Likud, and Labour- the relationship with Labour bears the most significance to the question at hand.

Intestinally, Eini's stronghold in Labour did not occur during the term of Peretz, his former political patron, as head of the party but rather under his successor- Ehud Barak. After assisting him in the 2007 campaign in the internal primaries, Barak appointed Eini to represent Labour in the budget negotiations with the government. Eini also participated in meetings of Labour ministers (Mu'alem, 2007:3). To the possibility that Eini will become a part of the Labour's leadership in the future, a party official said: "*Ofer is already a part of Labour's leadership*" (in: Mu'alem, 2007:3; translation S.W.). But the most prominent demonstration of Eini's power in Labour was after the 2009 general elections, when he headed the economic negotiations of the 'coalition agreement' under which Labour joined a government led by Netanyahu. Eini himself said on this issue: "*...Barak wouldn't have done this step if I hadn't told him I'll go with him.... If I see in a year that Netanyahu's words and deeds aren't equal I won't hesitate to 'pull' Labour out the government*" (cited in: Rosenfeld, 2009; translation S.W.). Recent evidence to Eini's involvement in the internal politics of Labour occurred in 2009, when Barak intended to make controversial changes to the party's constitution, it was Eini that mediated with party members and MP's giving the proposals the required majority in Labour's convention (Mu'alem and Werter, 2009).

To the issues of legislation and implementation, mentioned in the analytical framework, a significant factor is the aforementioned cooperation of HISTADRUT with the employers' organizations.

The first attempt of both sides to institute a tripartite model on the national policy-making level was made in 2008 when they proposed setting up a 'Social-Economic Council', with the participation of the government, HISTADRUT and the MAI, that will deal with all issues of economic policies, such as government budget and tax policies, the proposal was strongly opposed by Ronny Bar-On, Minister of Finance at the time, who claimed it to be an anti-democratic revolution and a threat to the sovereignty of the government (David et al., 2008). The council was not founded eventually though the model will surface again later on. Other legislation initiatives were the 'New Bank of Israel Act', drafted by HISTADRUT and EOCB, which alters the authority of Bank of Israel's governor so he will be forced to lower interest rates (Stresler, 2008), the act was passed by parliament but only in 2010 (Lavie, 2010), and the "Enhancement of Labour Law Enforcement Act" from 2008, also drafted by both sides after signing an agreement on the matter, the act, that includes sanctions against actual employers of sub-contracted work, will be voted upon in the near future (www.moital.gov.il).

The major progress in the influence HISTADRUT can exercise on governmental policies came after the 2009 general elections; this progress is marked in two main developments: one is the 'coalition agreement' signed between Labour and Likud, and the other is the 'Package Deal' signed before the 2009 government budget proposal.

As head of the economic negotiations on behalf of Labour, Eini managed to establish the 'Round Table', a tripartite body that must be consulted on any policy concerning macro-economic issues (Teken, interview, 2010), a version of the 'Social-Economic Council' proposed in 2008. The meaning of this forum, according to Teken, is that no government policies regarding macro-economic issues can be initiated or implemented without consulting HISTADRUT (interview, 2010).

Other achievements made in this case were increasing old-age payments, subsidized daycares, increased severance pay for workers of bankrupt enterprises, and an extension of the eligibility period for unemployment fees (Lior and Regev, 2009).

Prior to passing the 2009 government budget in parliament, a tripartite agreement- termed the 'Package Deal' was signed. Teken describes the negotiations of this agreement in these words:

"...we said: OK, there's a budget and there are restraints and we gave our share, but what will you pay us? ... we said: alright, you don't have any money...so don't pay with money, pay in values, pay in principles... strategically it was important to establish that they need to pay us... and what we wanted was workers' rights, freedom of association... we could have asked for a law to raise HISTADRUT's membership fees and get it... we were in a position where we could get everything we ask for...but we asked for amendments to laws that allow workers to organize..." (interview, 2010; translation S.W.).

HISTADRUT's concessions in the 'Package Deal', mentioned by Teken, were an agreement to structural reforms in the 'Real Land Administration', ports and the 'Israel Electric Company' as well as a deduction in social benefits and a delay in pay rise for workers in the public sector (Nathanson, 2009:11, www.histadrut.org.il). In return to these concessions, HISTADRUT achievements in this agreement were the increasing of the budget framework, and removal of decrees from the budget regarding dismissals in the public sector and privatisation of public enterprises (www.histadrut.org.il). But the most prominent achievement was a series of amendments to labour laws, particularly in regards to freedom of association. These amendments included: an obligation of employers to conduct collective bargaining with the representative workers' organization in when the workers first organize, fines to employers who harm a worker during an attempt to organize, and fines to employers preventing a representative of the workers organization from gaining access to the workplace in order to interact with the employees (www.histadrut.org.il).

Examining the agenda led by HISTADRUT in its negotiations with the government can also be assisted by the terminology used by Teken, although he stated clearly that: *"...Histadrut is first and foremost a trade union..."* (Interview, 2010; translation S.W.), he later on refers to the broader role the organization assumes:

"... we worked with the government to ensure that addition 400 million NIS are budgeted for old-age payments and had an agreement to increase the discount on medicines for the elderly... it has nothing to do with the fact they were or they weren't HISTADRUT members, they are elderly and we thought it was socially just they get an additional 5%

discount, I mean our treatment doesn't end with those issues [workers' rights; S.W.]. Now we work with the students' organizations in their negotiations on a reform in high education...that's not dealing with workers but we definitely do it... first of all we're a workers' organization but one that sees itself not necessarily responsible only to workers..." (ibid; translation S.W.).

The achievements made in the 'Package Deal' did not go without critique in all sides. On the government side- Ramie Balnikov, in charge of budgets in the Ministry of Finance, resigned from office arguing that too many concessions have been made by the government to HISTADRUT and EOCB (Besok, 2009); on the employers' side- The Federation of Israeli Chambers of Commerce split off the EOCB over its opposition to the changes in industrial relations included in the agreement (Goldstein, 2009); and from HISTADRUT's side, although no internal opposition was voiced, Nathanson claims that the concessions it made on its part were too high (interview, 2010).

An interesting factor, in this context, is that this major progress in the ability of HISTADRUT to exercise political action was made with a government led by Netanyahu, the same Netanyahu that as Minister of Finance was responsible for dramatic neo-liberal reforms. Nathanson explains this puzzle as a result of specific circumstances: first the cooperation of HISTADRUT and the employers, and second the threat of the global financial crisis, pushing all sides to compromise in order to prevent the Israeli economy from collapsing (interview, 2010). This analysis brings to the surface a fundamental problem of this demonstration of political action- much like the practice of social partnership; it seems to rely on temporal conjunctures. As also acknowledged by Teken:

"...even this [the 'Round Table'; S.W.], it's a coalition agreement, that's its validity...if the government is overthrown tomorrow and we have elections? Who promises we will still have it? No one.... we tried it with the previous government... its resistance was unfathomable, and now? ... Maybe if Zipi Livni [head of Kadima party; S.W.] would have formed the coalition and that's the price she had to pay to get the Labour party- she also would have agreed. Eventually it's a political question, because HISTADRUT is politically strong, we're a factor, so OK, maybe next time we'll still be a factor but... there are a lot of question marks..." (Interview, 2010; translation S.W.).

Similar to the case of social partnership, Teken goes to argue that although the institutional dimension is absent, a change in the mindset of state officials was achieved:

“...on these issues we constantly engage with the government. The ministers indeed change but the administrative staff, they change as well but in a different frequency, it also trickled there... I can tell you, a year and a half ago we had the ‘Package Deal’...and the administrative staff told us: ‘this is impossible you went too far, it’s unheard of’. This year when we approved the budget it was very natural for them to seat with us... the fact that the budget department set with us...before sitting with the ministers, that seemed very natural for them. So yes, something was rooted, something trickled down...” (ibid)

In sum, the findings suggest that HISTADRUT has successfully managed to restore some of its power in the political sphere, and managed to leverage its political action to strengthen its capacity in the sphere of organizing. However, as these achievements are a result of specific time and personal consequences, it is questionable how long will this progress last, as will be discussed in the conclusions chapter.

5.3 Organizing

Organizing workers is a necessary function of trade unions, rising from their status as members’ organizations, but it is also a central part in any effort of union revitalization (Turner, 2005). As pointed out by Heery and Adler (2004), the centrality given to recruiting new members, the targets set and the approaches used to do so are of great importance to point out such efforts and assess their chances for success. The examination of HISTADRUT in this area would be done first by reviewing organizing patterns in the past and the present concerning resource allocation, targets of organizing and methods organizing; this will be followed by an examination of the internal political tension surrounding the newly established organization department.

Prior to the events following the 1994 elections, described in chapter 4, recruitment of new members to HISTADRUT was not a necessity, as the accessibility to services provided by HISTADRUT, particularly those concerning healthcare, required becoming a member of the organization, high membership rates were practically guaranteed. With the sharp decline in membership and the deep financial crisis that followed the 1994 reforms, recruiting new membership became an urgent need to ensure HISTADRUT’s existence, as pointed out by Teken (interview, 2010), the simple fact that it still exists and has

dramatically increased its number of members since, are evidence that the organization has indeed engaged in such activities.

The questions on its organizing efforts are therefore: *who*- what workers were targeted and organized by HISTADRUT? And *how*- what methods were practiced in organizing them?

The first clue to answering these questions is in the fact that HISTADRUT, as mentioned by Harpaz (2006) is predominantly strong in the public sector and the traditional industries, suggesting that HISTADRUT concentrated on strengthening their membership base in places where it's already present, what Heery and Adler term 'consolidation'. This practice was also confirmed in the words of Dvir: "...in recent years, the districts were busy turning the 0.8% [treatment fees'- paid by non-union workers covered by collective bargaining agreements; S.W] to 0.95% [full membership fees; S.W.], and those are people that don't always know they're HISTADRUT members..." (Interview, 2010; translation S.W.). A class action suit filed against HISTADRUT in 2008 raises allegations of unlawful practices in this regard; including deduction of membership fees from non-members and retaining membership status despite direct request to leave the organization (Spitzen, 2008).

The changing labour market has brought about new forms of employment and new needs of workers. Yet, as pointed out by Nathanson, HISTADRUT did not answer those needs, leading to a greater involvement of NGO's in the field of workers' rights (interview, 2010). HISTADRUT's disregard of the new needs in the labour market is well demonstrated in its approach to sub-contracted work. Although, as mentioned previously, the share of workers employed through a third party in the labour force is rapidly growing, for many years HISTADRUT's official position was that since their employers are active in variety of places, no 'bargaining unit' can be obtained and these workers are simply 'unorganizable' so it cannot service them, it even refused recognizing organizations of such workers for that reason (Svirsky, letter to HISTADRUT, 2007).

An additional method for recruiting new members was done through setting up of 'Members and Buyers', a loyalty program for HISTADRUT members giving them discounts in various retail shops and services (Doner, 2001), this program was shut down later on due to its limited success. This method of organizing, in the terms Heery and Adler 'diffused organizing'- making the union available to those that wish to join (2004:48), is in accordance with the tradition of servicing deeply rooted in HISTADRUT's history.

In sum, stemming from its historical culture and its financial problems HISTADRUT seems to have relied on 'old familiar ways', organizing where it already had strongholds and aiming at increasing its available financial sources.

Upon entering office, Eini stated that the recruitment of new members to HISTADRUT, especially from the private sector is one of his main goals (HISTADRUT Leadership, minute, 26.12.2006).

The first sign of attempting to organize new types of workplaces occurred in 2008, when 11 employees at a branch of the coffee shop chain 'The Coffee Bean and Tea Leaf', joined the HISTADRUT and demanded to start negotiations for a collective agreement, upon the refusal of management to do so and the dismissal of the worker that began the organization, HISTADRUT started a campaign against the coffee shop, including a three weeks protest outside all branches, in which according to Teken, HISTADRUT invested over a million NIS, an unusual sum for such activities (interview, 2010). Eventually, a collective bargaining was signed. Dvir and Teken refer to this campaign as the 'flagship' of HISTADRUT's organizing campaigns and consider it to be a turning point in its approach to the matter (interviews, 2010). In the years to follow a few other organizing efforts were made in the private sector, such as "Sonol"- a chain of gas stations, and "Hot"- cable TV provider (HISTADRUT Leadership, minute, 21.2.2010).

The most significant development in this field was made with the establishment of the 'Department for Association of Workers', the internal tension surrounding this title will be touched upon later, in February 2010. According to Teken, the focus on organizing workers is the result of a strategic decision: "...*first of HISTADRUT's chairman, later of course of the Leadership, and later of course in the House of Representatives and its final institutionalization is the establishment of the department...*" (Interview, 2010; translation S.W.). To the place organizing takes in the organizations priorities he claims: "...*at the moment, the strategic decision places this activity at the top of HISTADRUT's activity. At the moment, this is how we view it...*" (ibid; translation S.W.).

A question of what led to this strategic focus on organizing rises. Vaturi argues it to be a response to the direct threat posed by KLO:

“...my natural suspicion, and the feeling on the ground level as well, is that some of these actions, especially that of organizing, happen because there’s some kind of external challenge and the day it goes away- this thing will also dissolve. And that bothers me, because a ‘hungry’ organization is naturally, independently ‘hungry’... I think mainly, and hopefully that doesn’t come across to arrogant, HISTADRUT knows we’re right...that’s the threat. There’s a lot of bad conscience in HISTADRUT, a lot of understanding that a lot of things there are rotten...and KLO is an alternative...” (Interview, 2010; translation S.W.).

Cohen complements this argument by claiming that the sympathetic media coverage of KLO also contributed to this shift: *“...this aspect of publicity, of being humiliated by a small organization, very limited in numbers but very ‘alive and kicking’ in its work, that bothers them a great deal...”* (Interview, 2010; translation S.W.).

Both Teken and Dvir acknowledge the influence KLO had on HISTADRUT. First as a catalyst to engage in organizing new sectors; second, in the decision to staff the new department with external personal with activism background; and third as put by Dvir: *“...they positioned HISTADRUT as the rational, responsible, stable organization. They’re considered very ‘radical’, very violent in their conduct...”* (Interview, 2010; translation S.W.). Yet the two, naturally present a different explanation. The decision to focus on organizing workers, as argued by Teken, serves two purposes: the first is to restore organized labour in Israel as means of generating social change:

“...we inherited organized labour, but we’re going to inherit to our children, unless we change it, unorganized labour... the working poor are not organized workers, so the more organized workers we have, the more workers’ committees, the more collective agreements...an organized worker isn’t very rich but he can live in dignity... so for us, the view of why it’s good for HISTADRUT and why in strengthen HISTADRUT, it’s true and clear, but our view is much deeper, much broader, a social view that Israel needs this change’ it’s a sort of social revolution. I mean, if we manage, for example, to increase the number of organized workers in Israel by, let’s say, 50%, than we made a social change in Israel not just strengthened HISTADRUT...” (Interview, 2010; translation S.W.).

A second reason given by Teken, goes to the power of HISTADRUT in the day after the concept of social partnership goes away or weakens: *“... a law is something parliament passes;*

tomorrow parliament changes and it can cancel that law. The power should be in real representation, from the bottom, that you have power on the ground from workers..." (ibid; translation S.W.).

The language used by HISTADRUT on this issue is evidently very clear on the authentic motives behind its organizing efforts. Dvir is slightly more skeptical on the issue: "...I hope and also believe that that direction is to create industrial democracy or different employer-employee relationships in Israel... the thinking here is usually more of structures and forms, less on content. So I wonder if it's only structural change..." (Interview, 2010; translation S.W.).

At the time of the interviews the department was rather small in scale, with a staff of 6 persons: Adv. Shay Teken was appointed as head of the department, parallel to heading HISTADRUT's legal bureau, Adv. Hanital Levy was appointed as CEO, and four other staff members act as 'team leaders' dealing with organizing drives on the ground level, all four came from outside of HISTADRUT, either from activism in social movements or political activism (Dvir, interview, 2010). According to Dvir, though future plans for additional manpower are not clear, the intention is to staff the department only from outside HISTADRUT (ibid). The department was budgeted in 2010 with 2 million NIS (HISTADRUT Leadership, minute, 21.2.2010) and currently runs approximately 30 organization drives, majority of which initiated by workers approaching HISTADRUT. Assessing the issue of the size, place, and resources allocated to the department, these findings suggest, that although limited, considering the fact it is still in its early stages, it is to play a major role in HISTADRUT's practices.

The language used on the subject of the department's target population, is very clearly that of 'field enlargement', as can be seen in Teken's words:

"First of all, everything goes. All fields are open, and we run in all fields... if you look at the organizing done in the last two, two and a half years, their main characteristic, for me, is that it's not HISTADRUT's traditional audience, it's new audiences, it's places HISTADRUT has never been in... its young people, ages 20-30... it's unequivocally new things, new sectors, now it's credit card and transportation companies, before that it was coffee shops... it's not the classic place in the public sector or the traditional industries..."
(Interview, 2010; translation S.W.).

An additional element to the aspect of what targets HISTADRUT purses in organizing, is what Heery and Adler term the 'depth' of organizing, as mentioned in the analytical framework, this element refers to the question whether it seeks to simply increase membership or engages in 'union building'. This point relates to one of the central critiques of HISTADRUT along the years. As argued by Vaturi (2007), the internal structure of power, giving the elected leadership the complete authority to act without consulting its membership and the fact that, formally, according to its constitution unions can sign collective bargaining agreements without the consent of the workers' committees in the workplaces, result in a situation where workers themselves have little or no say in their union. It follows than that increasing membership will only go to serve the purpose of strengthening the base of HISTADRUT. Clues to a different approach can be seen in the words of Eini himself, both in the outlining the motives behind its organization efforts and the distinction made between 'recruitment' and 'organizing':

"...HISTADRUT signs industry-level agreements and we need to go down and reach those workers. It's not enough to have an agreement on top but we need to start trickle it down and organize the workers, to get to a state where maximum people and maximum workplaces become organized not with membership fees or treatment fees, but by the mere establishment of a workers' committee. The words 'recruiting members' have meaning A and the words 'organizing workers' have meaning B. eventually, we want to have workers' committees..."
(HISTADRUT Leadership, minute, 21.2.2010; translation S.W.).

Additional evidence to the intended 'depth' of organizing is the emphasis put by Teken on the empowerment of workers' leadership in the workplace:

"...in the bottom line, you go through a process of empowerment with these people, you basically make them leaders in the workplace. They're inexperienced, they know nothing about trade unions, they know nothing about labour relations, they haven't ran negotiations in their lives, and they also take a personal risk. Eventually you have to make them make decisions..." (interview, 2010; translation S.W.).

This terminology and these intentions relate directly to the notions of empowerment and 'union building' mentioned by Heery (2002:27-28).

To the question of the methods used, the new pattern of organization seems to shift from a diffused approach to a much more planned and concentrated effort on specific places

(Teken, interview, 2010). Dvir also relates to another substantial change in the methods utilized, the fact that organizing today begins with workers, whether they turn to HISTADRUT or it approaches them, and only when the process of organizing is complete on that level HISTADRUT addresses the employer (Interview, 2010).

The apparent change in HISTADRUT's organizing pattern does not in itself imply a fundamental organizational change. In order to assess what sort of change it represents and how deep it goes, necessary to understand whether or not it can actually contribute to a process of union revitalization in HISTADRUT, the issue of internal union politics and the way they are managed must be addressed. Fletcher and Hurd (2001 in: Behrens and Hurd 2003), point out that a comprehensive structural change in trade unions is likely to face resistance from union members concerned about being disenfranchised, union leadership concerned over potential loss of political power, and union staff unsure whether they would fit in the new organization, as was indeed confirmed by some of the data reviewed for the purpose of this study.

The internal tension surrounding the new department can be seen even in the title given to it, as a department titled the 'Department of Districts and Organizing' is already in existence, the new department was titled 'Department for Association of Workers'. The need to openly clarify the issue can be seen in the words by Eini himself in the HISTADRUT Leadership:

"...make no mistakes; this department doesn't replace the Trade Union Department or the Districts Departments. Those are three departments, and we're talking about three people that know how to work with one another. HISTADRUT's chairman will be on top and he knows how to make it work. Everyone has his part in the issue... in the bottom line there's a goal...in sum, we're talking about three departments working like a well oiled machine- Districts Department, Trade Union Department and the Department for Association of Workers- departments to work together..." (Minute, 21.2.2010; translation S.W.).

Teken doesn't give the issue of resistance to the new practices from staff members much importance:

"...we're currently trying to implement it inside the organization, for example, I make weekly visits to the districts, sit with the people, introduce the department, explain... I do the same with the heads of the unions and I plan on doing the same with the big workers'

committees...there's the internal process, so we actually established a new department, recruited people, those are people we brought from outside, young people with a different approach and there is the ability to harness the existing people, some more-some less. Some are maybe used to do things in a certain way after 30 years, but I think basically we have a core of people that at least have the ability, in will and ideology, to connect to this thing... we won't be able to recruit everyone, we won't succeed in turning everyone around, we won't succeed in making everyone act differently. But in my opinion there's certainly a chance to generate change in this issue..." (Interview, 2010; translation S.W.).

A second aspect of internal resistance comes from unions and workers' committees. Though Teken acknowledges this type of resistance he claims it's not taken into consideration:

"...I won't go into details, but there can be a situation that you handle organizing in a location connected to a certain company or group, and a situation might occur, and already occurred, that pressures from different directions and in high volumes, comes from managements and workers' committees: 'no, don't set up a committee there', and I'm telling you we simply ignore it. Including major workers' committee saying: 'if you do it there, I'm leaving HISTADRUT', we responded: 'then leave', it didn't but it's allowed to. That's the answer he gets. I'm talking about actual events..." (ibid).

To conclude this sub-section, the empirical findings suggest that HISTADRUT has indeed undergone a change in the field of organizing, driven by a strategic decision and leveraging its power in the social partnership and the political arena. However the issue of internal democracy and the spaces given to members enabling them to have a voice in the organization is still not quite clear, as is the issue of internal union politics and its management. These two are of vital importance for the chances of successfully revitalizing HISTADRUT, as will be discussed in the following chapter.

Chapter 6

Conclusions

Previous chapters have outlined the crisis of HISTADRUT and reviewed the changes it made over the past four years in the examined spheres of activity individual. The aim of this chapter is to analyze these changes, and the interaction between them, in a comprehensive manner. Doing so will assist in examining the validity of the hypothesis presented in chapter 3, and answer the research questions driving this study, in addition this will provide insights helpful to assessing the future outcomes of these developments.

Reviewing the empirical findings presented in the previous chapter, I would argue that the choice made by HISTADRUT's current chairman, and therefore of HISTADRUT itself, to shift to practices of social partnership and the following choice to extend this partnership to the political sphere, should be viewed as a step not necessarily of a strong union seeking new means to utilize its power, as suggested by Nathanson (Interview, 2010), but rather that of a union harnessing cooperative, albeit temporal or personal, tendencies on the employers side to take one side of the industrial relations system 'out of the competition' and in combination with whatever power it still possesses, symbolically and otherwise, leverages it to generate further empowerment and successfully circumvent hostile governmental attitudes. The rationale or ideology driving this shift bears, in my opinion a twofold nature: first, the responsibility HISTADRUT assumes to the well-being of the Israeli society and economy, deeply rooted in its history; second, the choice to join forces with the MAI (the largest member organization in EOCB) in a society going through a process of de-industrialization, as was also pointed out by Dvir (Interview, 2010), also suggests a strategic choice to strengthen what could be termed the 'manufacturing capital', as opposed to the 'financial capital'. Evidence to that notion could be seen in the legislation promoted by both parties to forcing the Bank of Israel to lower its interest rates and in the increasing of the government budget framework achieved in the 2009 'Package Deal'. This analysis also complies with the concept of 'political exchange' mentioned in chapter 2.

The second step in analyzing the interaction of social partnership and political action as indicators of union revitalization and if so to what extent was it successful is to be done by assessing the nature of its outcomes and their implications on the capacities of HISTADRUT. The aforementioned 'Employees' Privacy at Work Agreement', presents an interesting example. Though clearly a reactive step to developments in the judicial sphere,

the attempt to regulate an issue outside the traditional scope of unions by consensual agreement can be viewed counteracting to the growing power of legislated norms and repositioning of the social partners in the industrial relations system both 'de facto' and 'de jure'. Other achievements made on the national level raise additional relevant arguments:

First, the establishment of the 'Round Table' and the 2009 'Package Deal' seem to represent substantial empowerment of HISTADRUT in setting the macro-economic agenda of the government, making it a factor that needs to be taken into account..

Second, the goals pursued by HISTADRUT, whether in its interface with the state, in regards to welfare policies and legislation, or in national pacts such as the 'National Mandatory Pension Agreement', though clearly contributing to its power seem to represent a broad social agenda not necessarily confined to the interests of HISTADRUT members or even HISTADRUT itself.

And third, the favourable, or at the very least neutral, approach of employers towards organized labour, stemming from the cooperation between the two sides, and the labour law amendments on freedom of association achieved through the 2009 'Package Deal' inevitably enhance the capacity of HISTADRUT to engage in organizing workers.

This examination, however, should be 'taken with a pinch of salt'. Although achieved while a seemingly hostile government is in power, and despite Teken's claims to a qualitative change in the mindset of policy makers, one must bear in mind the specific context in which this process has occurred. First, the concrete need of Prime Minister Netanyahu to include Labour in his government to ensure a stable coalition and the threat posed by the global financial crisis, have made all sides inclined to make essential concessions. A complimenting explanation, can rely on Hassel's (2007) analysis of the corporatist mode, mentioned in the literature review, if in the corporatist model unions hold a strong position to ensure a stable economy, the apparent return to corporatist practices in a pluralist framework, that is the regulatory power given to HISTADRUT, can be understood as an attempt to achieve 'industrial peace' by empowering large actors, although not monopolistic in their representation. Finally, it requires noting that the brand of unionism practiced by HISTADRUT in these spheres is one that does not challenge the fundamentals of neo-liberal capitalism but rather one that deals with redistribution of wealth within it.

Adding to the analysis HISTADRUT's actions in the sphere of organizing raises, perhaps, the most intriguing questions. On the theoretical level, as presented in the literature review, the underlying assumptions driving practices of social partnership and political action are contradictory to those driving the organizing approach, and furthermore the choice of partnership and political practices can be theorized as means to compensate for weakness in enlarging the membership base. On the practical level, as presented earlier, organizing members has historically been a weak point of HISTADRUT and the principles of the organizing approach seem contradictory to its identity as a trade union.

Referring to what Hassel (2007), in his study on German unionism, terms as 'the curse of institutional security' could be helpful in formulating the argument on how organizing 'fits in' with the other strategies examined here. To Hassel, the institutional security given to unions in corporatist settings of the German industrial relations system, alleviates their worries of active membership recruitment and contributes to their neglect of new groups in the labour market (2007:179). In other words, the guaranteed power given to unions through the institutional setting curtailed the need of unions to adjust to changing circumstances and might therefore render them highly dependent on the preservation of this institutional power rather than ensuring it through a broad membership base. Although it was already established that contrary to the German case, the Israeli industrial relations system has transformed to a pluralist model, the aforementioned attempts to roll back to corporatist practices, make this concept applicable to the case in question. Based on the notion expressed by Dvir and Teken (Interviews, 2010), one can argue that engaging in organizing drives, enabled by the relatively lenient conditions created in other spheres, utilizes the temporal 'window of opportunity' presented by these conditions and aims to serve as guarantees for the day this 'window' closes. Simply put, if changes in personal and temporal conjunctures will limit HISTADRUT's capacity to exercise power through partnership or politics, the existence of broad and active membership might be able to counteract these changes. In theoretical terms, these notions are compatible with Heery's aforementioned concept of 'representational cycle' (2002). The question whether or not the focus on organizing represents an essential change in HISTADRUT will play a key role in assessing the future prospects of these processes later on.

Inter-union rivalry as an alternative explanation to the above needs addressing as well. The fact that HISTADRUT began engaging in organizing sectors it previously overlooked in

close proximity to the emergence of KLO, cannot be dismissed as a mere coincidence. As was indeed acknowledged by Dvir Teken (Interviews, 2010), and rises from the fact it was mentioned in all the interviews conducted for the purpose of this study, KLO undoubtedly played a role in the new practices of HISTADRUT. However, the extent of change presented by the empirical findings suggest that the militant opposition posed by the newly founded union acted more as catalyst or secondary pressure than a major factor generating change.

The future viability and prospects of the processes presented here greatly depend, in my assessment, on the degree in which HISTADRUT will address several issues, already mentioned along this study: institutionalization, internal union politics, and internal democracy.

With fear of repetition, the issue of institutionalizing changed practices, or rather lack of, and the almost complete reliance on the temporal conditions promoting change bears great importance to preserving these changes. Given the dependence of HISTADRUT's and the employers' organizations orientations on the persons leading it, and given that stability is not a dominant character trait of Israeli politics in the past three decades, the lack of institutional embeddedness means that a change in any or all of the parties involved can easily roll back the progress made. Despite claims, such as Teken's, that in the Israeli context a cultural change, and changes in the mindset of all actors are more viable than institutional change, the current balance of power has not yet been put to a test. The existence and demise of HISTADRUT's power in the past, suggests that anchoring its power in formal and stable structures as well as shaping the mindset of all actors involves, although not a guarantee, is very much needed.

The most profound, and therefore most promising, change is presented in the sphere of organizing. The vocabulary used by HISTADRUT, that of social change and the distinction between 'recruiting' and 'organizing', as well as initial developments in this field, suggests an attempt modify the 'union identity' of HISTADRUT. As already argued, a change of such depth will inevitably encounter internal resistance. Although the existence of such resistance was partially acknowledged by interviewees, it seems, at least on the surface of things, to be slightly overlooked. In an organization of scale and history such as

HISTADRUT, the ability to effectively implement comprehensive change is highly dependent on the way this resistance is managed.

The issues of internal democracy, participatory nature, and internal power structure, closely related to that of internal politics, are outside the scope of this study and were therefore not examined in detail, yet the significance they hold to the question of union revitalization require consideration. The overarching power given to HISTADRUT's chairman in setting the agenda of the organization creates a great capacity to generate change but also serves a specific brand of unionism and a specific nature of the relationship between HISTADRUT and its membership. Reforms regarding these aspects, though perhaps meaning a slower pace of change, are therefore a necessity to a substantial change in HISTADRUT's identity.

To the issues of institutionalization and internal politics, the empirical findings suggest that a will and intentions to address them in some degree are already present in HISTADRUT. As for the subject of internal democracy, given the amount of power held by HISTADRUT's chairman, the chances that any person holding that seat would be inclined to surrender it completely seems somewhat unlikely.

Three central practices of HISTADRUT were the focus of this study. Taken from the conceptual framework of union revitalization, it set out to examine change processes in these practices- regarding their rationale, nature, and consequences- to determine whether or not they indicate revitalization efforts and if so, to what extent were these efforts effective. The hypothesis leading this study assumed a cycle of mutual effect between the change processes in each of the practices examined. Drawing on the data gathered for the purpose of this study, the analysis it presents seem to confirm that hypothesis and suggests a positive answer to the question of union revitalization processes. Although not completely compatible to the 'ideal type' of revitalization, and considering the provisions presented in the previous paragraphs, in regards to the conceptualization made by the terms of Behrens, Hamann, and Hurd (2004), HISTADRUT seemed to have strengthen its position in terms of economic power, political power, and to a lesser extent- it's institutional vitality. A more concessive conclusion to the state of revitalization in

HISTADRUT, require further, and later research on these issues, as concluded by Nathanson:

“...compared to what I knew in HISTADRUT in previous years, and I served in HISTADRUT during the time of the traditional leadership, here, at least on the level of understanding, there is indeed, at least in the personal aspect, of the leadership and central officials, guys with an open mind that definitely understand what’s happening. And that’s already an important stage... can they actually be a more open trade union...less alienated, cynical, political, one that serves not only strong, well based groups from inside the system?...it will be very interesting to see where these developments go in the future, because I wouldn’t say there’s no chance they’ll succeed...” (Interview, 2010; translation S.W.).

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I herewith formally declare that I myself have written the submitted dissertation independently. I did not use any outside support except for the quoted literature and other sources mentioned at the end of this paper.

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