

Israeli Mothers May Bring Down Netanyahu

by Dean Andromidas

One morning in July, Vicki Knafo, a single mother of three, decided to walk 200 kilometers to Jerusalem to demand that Israeli Finance Minister Benjamin Netanyahu rescind cuts in welfare payments, which threaten her family with starvation. Within hours, she had sparked a social protest movement that could bring down the government of Prime Minister Ariel Sharon. Since the Road Map for a Middle East peace has created a diminution in the bitter Palestinian-Israeli conflict, the catastrophic collapse of the Israeli economy is once again at the center of the political stage. Front-page headlines such as “Single Moms Scorn New Netanyahu Plan” and “Single Moms’ March Is Growing Steadily” have replaced reports of suicide bomb attacks.

Social ferment is spreading, as Netanyahu’s brutal budget cuts are inflicting tremendous harm on the country’s poorest sectors, while the Israel economy sinks deeper into depression. Knafo started her struggle, when she found that her monthly income supplement had been cut by two-thirds. Although she she holds a job, the cut represented the loss of half her income. Knafo is among 50,000 single parents, the majority of whom work at very low-wage jobs, who have suffered similar cuts in their benefits. Also in July, the benefits of 50,000 welfare recipients were cut drastically, while at the same time they were forced to sign up at the national employment agencies. The great majority of these recipients are virtually unemployable, disabled by age and ill health. Furthermore, the move forced the employment agency’s employees to go on strike, because of the sudden jump in their workload; the agency personnel are already overstretched trying to process Israel’s ever-growing army of unemployed, which has reach over 300,000, or 11% of the workforce.

The latest figures show that one-third of the Israeli population live under the poverty line.

Gigantic budget deficits and heavy debt have left public hospitals unable to pay for medicines, forcing them to turn away patients, postpone major surgeries, and curtail cancer treatments. In the second week of July alone, 12 hospitals announced cutbacks in services. The deficit for the entire health system is 2 billion shekels, or over \$200 million. Netanyahu has rejected the Health Ministry’s demands that the Treasury cover the deficits. He wants the hospitals to increase their “efficiency” by reducing doctors’ wages, and

is seeking to close at least one hospital.

Despite the budget cuts and “reforms,” Netanyahu told the Knesset (parliament) on July 15 that this year’s budget deficit will top 6% of Gross Domestic Product, exactly where it was prior to the cuts. This is way above the planned 3%, which was demanded by the international financial institutions. Its primary cause was that government revenues have collapsed, including a 12% fall in income tax collections. The Finance Ministry had planned for a worst-case budget deficit of 30 billion shekels for all of 2003; but in the first six months, it has already reached 94% of that target.

The situation is endangering the \$9 billion U.S. loan guarantees, which are contingent on the government closing its budget deficit for 2004 and 2005.

Moms Take to the Highways

Soon after Knafo started her 200 kilometer trek, she was joined by Ilana Azoulay, who took to the highway pushing her wheelchair-bound 17-year-old son, who suffers from cerebral palsy. Then she was joined by other single parents, and by workers who had just lost their jobs at a national archeological site.

Knafo has erected a tent in front of the Finance Ministry, where she is demanding to see Netanyahu, who has so far refused. Instead, he sent out his cronies with the absurd offer to set up government committees to investigate her demands—which she rejected out of hand. Netanyahu then announced a special program aimed at providing incentives and cash benefits for mothers who seek employment, but this did not satisfy the protesters, since everyone knows there are no jobs.

Azoulay and her son addressed a meeting of the Labor Party Knesset faction, at the invitation of acting party chairman Shimon Peres. She asked the MKs, “How much longer do we have to ask for handouts? How can I look my grandchildren in the face, when they say their grandmother is poor? I don’t even have bamba [candy] to give them.”

Soon after, 60 mothers were forcibly removed from the Knesset, when had hurled verbal abuse at Netanyahu, during a Knesset hearing on their situation.

Labor Ferment Growing

This struggle is just the latest one reflecting the social ferment. A few weeks earlier, the Histadrut labor federation staged general strikes, protesting legislation being pushed as part of Netanyahu’s reforms, which would curtail strike action and abrogate collective-bargaining agreements between the government and the trade unions.

One prominent action, has been the struggle at Haifa Chemicals Company to organize a union. The owner of Haifa Chemicals is none other than Ari Genger, the top financier and confidant of Sharon. The plant is located in a development town in the south, and many of its workers voted for the Likud party’s Sharon and Netanyahu, including Shlomi Pinto, the

head of the union organizing committee. The company has thrown everything at Pinto and his collaborators, including dismissals, physical assaults by company guards, and court battles. Pinto says that he will now be voting for Histadrut Chairman Amir Peretz, leader of the One Nation party, because only the Histadrut has provided any support, such as a strike fund and security protection.

Because of the crisis, Netanyahu cancelled a trip to Washington, where he had been invited to speak on his economic reforms, by Congressmen who want to implement similar reforms in the United States!

Sharon Government Shaky

Ephraim Zhilony, the head of the Social and Economic Affairs Department of the Histadrut, thinks that the social crisis could bring down the Sharon government. "When Netanyahu saw the potentially explosive effect of the struggle of these two mothers, he cancelled his trip to Washington," Zhilony told *EIR*. "He was told that the political danger posed by the effect of their struggle is more important than any benefit he can gain from being received by U.S. Senators in Washington."

Zhilony pointed out that the calming of the Palestinian-Israeli conflict has allowed the social-economic crisis to erupt. "The struggle these two women have initiated is expanding every day. By next week, we could see 1,000 people camping out in front of the offices of the Finance Minister and Prime Minister." He said that budget cuts are hitting hardest at those who come from the development towns, which are the political base of Sharon's Likud. The party did very poorly in the recent elections for mayor of Jerusalem and Haifa, and now they are expected to lose in the municipal elections in November. "If that happens, then Sharon could be in trouble," Zhilony remarked.

His assessment is even shared by Likud activists, many of whom have been Netanyahu supporters, and who are now worrying that the political fallout from the economic reforms will jeopardize Netanyahu's chances of becoming the party's leader. Many fear that the party as a whole could be facing a political disaster. "Likud voters have been hit very hard by the economic plan and they are furious," said Ashkelon City Councilman Haim Barda, who also leads the Likud branch in the city. "I intend to fight against Netanyahu and everyone in the party who harmed the people who have supported us so long. The Likud depends on the people in the poor neighborhoods, who have been targeted by the plan. I think they will think twice about voting Likud in the future."

Ashdod city Likud branch head Shlomo Portal said, "I don't understand why, when the Likud comes to power, it hurts the poor sectors that elected it. I am embarrassed to walk the street as a Likud man. The Likud will pay politically for its anti-social policies. This nation is not stupid, and when you hurt them in the pocket, they know how to take revenge." Already, 20 Likud mayors who are up for re-

election in November, have decided to leave Likud and run as independents.

Zhilony added that if the United States keeps pressure on Sharon to implement the Road Map, the right-wing extremist parties could leave the government, which would force Sharon to approach the Labor Party as a coalition partner. If Labor refuses, there might be general elections. And, if the economy gets worse, it is very unlikely that the Likud will get the 40 mandates it received in the last election.

Zhilony underscored the need to link the solution to the economic and social crisis to achieving a political settlement with the Palestinians. He said that former Prime Minister Ehud Barak (Labor) had done this in the 1999 elections, with great success. He said that Barak could do it again, but the problem is, he agrees too much with Netanyahu's economic policies. This is the big paradox in Israel: Those in the peace camp, many of whom are middle-class professionals, share too much of the economic neo-liberal, free-market thinking of the hawks like Netanyahu. The attitude can be seen in the editorial pages of pro-peace newspapers like *Ha'aretz*, which call for a withdrawal from the territory of the Palestinian National Authority, and point to the billions it would save Israeli society as a solution; but they still see Netanyahu's economic policies as "necessary reforms," which should just be administered with a little more care.

These attitudes have split the peace parties, especially the Labor Party and Meretz. But an exception is the One Nation party. Its leader, Histadrut chairman Amir Peretz, has a very strong social agenda, for which he has growing support among workers. He supports a compromise with the Palestinians, but he still lacks a broad following on national issues. Furthermore, with only three Knesset seats, it could take some time before his party could take on national leadership.

"We need someone who can become the voice of the people, all the people, on social and political issues," Zhilony said. "In these dark days there is no political leader that can give hope to Israel."

While the Bush Administration's Road Map has the potential to rescue both Israelis and Palestinians from suicidal confrontation, it lacks the economic dimension that could save both the Israeli and Palestinian economies from certain destruction. And, as *EIR* has documented, the chicken-hawks in the Bush Administration such as Richard Perle, who sits on the Defense Policy Board, and Undersecretary of Defense Doug Feith, are authors of the radical free-market policies now being pushed by Netanyahu. These were first articulated in the infamous "Clean Break" policy paper drafted in 1996 by Feith and Perle, among others, for Netanyahu, when he was Prime Minister.

Lyndon H. LaRouche's "Oasis Plan" for Middle East peace is precisely the policy now required. Only through the development of the region's water resources and transportation infrastructure, can a strong foundation for regional economic development be promised.