Israel's "Unlikely Unionists"

Organising white collar workers in the ICT sector

Histradut's efforts to organise tech workers shows that even highly-skilled, well-paid, in-demand workers cannot avoid the impact of digital disruption – and that even the most unlikely groups of workers can be unionised.

By Joel Schalit [1]

These days, Israel is world-renowned for its information and communications technology (ICT) sector. Not just any technology, but mobile applications – such as Google's ubiquitous navigation tool Waze, and the popular messaging app Viber – as well as fintech and security software. It never used to be that way. Until the early 2000s, the only industries Israel was associated with were agriculture, defense and diamond cutting.

Heavy state investment in the defence and security industries laid the foundations for breakthroughs in the civilian ICT sector. Israel Defence Forces famed signal intelligence arm, Unit 8200, in particular, is credited with incubating the high-tech explosion.

Today, more Israeli companies are listed on the NASDAQ than any other European country, and nearly all of them are technology ventures. Their predominance reflects the economic importance attached to the tech sector by the government: Israel spends approximately 4 per cent of its GDP on R&D (research and development); by comparison, the U.S. spent just 2.83 per cent of GDP on R&D in 2017. This level of state investment places it at the top of all OECD countries.
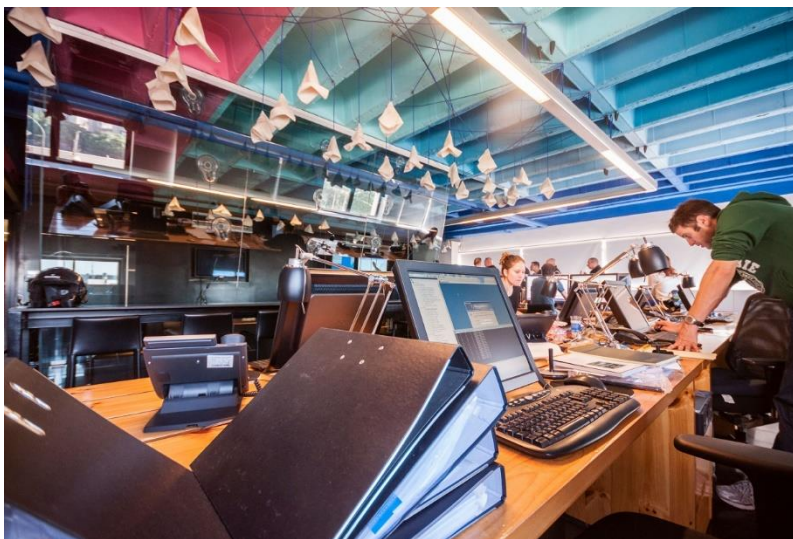
In 2019, 307,000 workers were employed by tech firms, or 9.2 per cent of all Israeli workers, as Ben Fisher explains in his report, _Unlikely Unionists – Organised labour in the Israeli ICT sector,_ for Germany's Friedrich-Ebert-Stiftung (FES). It was a perfect opportunity

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for Israel's once-dominant Histadrut union to take the lead; in the wake of the <u>2011 social</u> <u>justice protests</u> against the high cost of living and calling for better wages, Histadrut forged a plan to organise technology workers by founding the Cellular, Internet and High-Tech Workers Union (CIHT).

According to Fisher, Histadrut's 2014 decision to create the CIHT was controversial, as the union had historically been focused on organising public, not private, sector workers. Not only that: Israel's trade unions had, like other developed economies, faced years of declining membership – as many as 80 per cent of Israeli workers were members of a trade union in the late 1970s, by 2012, according to Fisher's report, union density stood at just 23 per cent. In addition, unions were alien to Israeli high-tech's labour culture.

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(Yagil Henkin/Images of Israel/Alamy Stock Photo)

"You're facing workers who think organised labour is something archaic, something that hinders the economy, something corrupt," he says. Like tech sector workers in other Western countries, many of Israel's ICT workers enjoy high salaries and decent benefits. In 2017, the average salary for a software developer was 26,644 Israel Shekels (approximately €6,150), more than 2.5 times the average salary in Israel. "They belong to a new labour market, with a libertarian ethos," Fisher adds. "When we talk about unions, people in the tech sector think of socialism. They think unions are bad for the economy."

But given the growing number of Israelis employed by the tech sector, the CIHT was the right idea at the right time. The ground for its creation was laid in three parts: firstly, through the introduction in 2009 of labour law amendments which forced companies to negotiate with their workers regarding collective bargaining agreements (CBAs) whenever work councils were founded. Then with the establishment, in 2010, of a new Histadrut department focused solely on organising new workplaces and workers, particularly in the private sector. This was followed by the success of Histadrut campaigns in the year prior to

CIHT's formation to unionise workers at mobile carriers such as Bezeq and Pelephone.

Given the typical neoliberal labour issues of the tech industry, such as "untraditional employment relations," poor job security, project-based contracts and high levels of migration between companies, there was an obvious need for labour organising – even highly-skilled, well-paid, in-demand workers cannot avoid the impact of digital disruption. Following a wave of mass dismissals, the offshoring of jobs and increased job insecurity, workers at several ICT firms approached Histadrut about forming works councils in their workplaces.

Building workers' power by changing legislation and revitalising organising approaches

So how did Histadrut go about building workers' power in the ICT sector? As a first step, the union built and utilised institutional power by promoting successful legislative campaigns that made it possible for tech workers to organise in their sector. In Israel, workers are represented in the workplace through works councils that are affiliated to sectoral unions, which have a mandate to negotiate with employers collectively. "The strategy of the Histadrut was to take the four, five or six biggest employers and get them [to agree to collective bargaining agreements]," Fisher explains. "Once you've got them on board, you can go to the Ministry of Economy with the employers and ask them to extend whatever agreements you've reached to other workers."

These efforts had corresponding benefits for Histadrut, insofar as it had found a way to integrate high-tech labour advocacy in its repertoire and make the union more receptive to the needs of the digital economy. The results of this new and reinvigorated power have been positive for Israel's national labour centre. Fisher writes: "Between 2010 and 2017, some 100,000 new members [from all sectors, not just ICT] joined the Histadrut, after establishing a work council in their workplaces. By 2016, union density grew to 27.1 per cent - meaning a 17 per cent increase in membership since 2012."

With just several thousand members in an industry of more than 300,000 workers, the CIHT effort has had mixed results. At a workplace level, of the six worker groups that led unionising efforts in their ICT companies between 2014 and 2016, five managed to form a work council, three successfully negotiated CBAs, while two won some improvements for workers after work disruptions. But looking at the bigger picture, CIHT's success discredits industry warnings that unionising efforts would lead to even more job losses in the sector as ICT companies would relocate abroad in search of cheaper labour:

"When a work council was founded, employer's discretion was somehow restrained; dismissals were postponed or cancelled, workers gained prolonged due notice periods and better compensation plans upon dismissal, and were sometimes offered voluntary retirement schemes," Fisher's report states. The CIHT experience provides a successful template for other sectoral unionisation drives, particularly in sectors with very low union membership rates. Given the Netanyahu government's ongoing privatisation roll-out, the inspiration and strategies provided by such examples are of key importance to the Israel union movement.