

## **Strikes in Israël: The Histadrut in a Sectorial Perspective, 1965-1982**

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Article abstract

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# *Strikes in Israël*

## *The Histadrut in a Sectorial Perspective, 1965-1982*

**Yonathan Reshef  
and  
Yitzhak Fried**

*The paper presents a study of strike activity in Israël through a sectorial approach.*

Few subjects in industrial relations research have attracted as much attention as the study of strike activity. It has been approached from many different angles, but no study places the sectorial dimension at the heart of its analysis. This article is an attempt to partially fill this void.

The Israeli economic system provides an excellent opportunity for analyzing the differences in strike activity among sectors. Israel is probably the only industrialized democracy with an economy based on three large-scale sectors<sup>1</sup>. These sectors are: the public, the private, and a third sector owned by the Histadrut (General Federation of Labor in Israel). Strike activity of workers in Histadrut enterprises is at the center of this analysis. By comparing it to the conflictual activity of the workers in the other sectors, two questions are tested: (a) is there any systematic difference between the workers in the Histadrut industry and the other workers regarding the chosen strike measures, and (b) if so, to what factors can these differences be attributed?

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<sup>1</sup> The phenomenon of a third sector owned by the major federation of labor may be found in other countries like Sweden and West Germany, but not on the same scale as in Israel.

To facilitate the interpretation and explanation of the strike patterns in the three sectors, we discuss briefly the historical development of the Histadrut and its role within the larger society, give a short description of the sectorial structure with emphasis on the qualitative uniqueness of the Histadrut economic sector, analyze the data, and discuss the findings.

## THE HISTADRUT

The Histadrut<sup>2</sup> — currently unionizing some 80 percent of the labor force — was founded by the major labor-oriented parties in 1920. The Histadrut unites all workers in the country including self-employed artisans and professionals, members of co-operatives, and housewives. Membership in the Histadrut is personal and direct. Every member is first of all a member of the Histadrut and only then can he be a member of one trade union or another or, of a cooperative settlement. The membership of the housewives is a special feature of the Histadrut. They too are full members in their own right in the same way as male and female members that work outside of their own homes<sup>3</sup>.

The Histadrut was established as a multifunctional organization, aimed at: (a) representing the interests of Jewish workers as their major union; (b) developing a Jewish working class; (c) creating a just and egalitarian society of working people; and (d) building a new nation of both agricultural and industrial workers.

Prior to 1948, the pre-State period, the Histadrut had strived toward these targets in several ways. In 1923, it created employment opportunities by establishing its own economic sector, Hevrat-Ovdim<sup>4</sup>. It provided the workers with a host of welfare services, and, among other things, represented the workers before the British rulers. Between 1920 and 1948, the Histadrut undertook the role of a state in providing for the necessities of the Jewish population. Without any sovereign rights the Histadrut embodied and furnished the Jewish community with all of those public goods which are needed to maintain a unique culture.

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2 Due to space constraints, we give a very brief account of this historical development of the Histadrut. Oddly enough, there is no one comprehensive resource which tells the story of the Histadrut. Among the numerous resources which touch upon partial parts of that saga are: SHIROM, 1971; 1975, SLUTZKI, 1973, and ZWEIG, 1959.

3 SLUTZKI, 1973, 14.

4 Hevrat-Ovdim is the labor sector holding company. There is much difficulty in giving a precise literal translation since there are a few possibilities like «Workers' Association», «Workers' Company» or «Workers' Society». Therefore we use the Hebrew term for short.

When the State of Israël came into being in 1948, the transfer of some of the Histadrut's functions to the State (known in Israël as State-ism) was set in motion. Among measures taken were the closing down of the workers' system of education and the transfer of the Labor Exchange to the government. At the same time, the status-quo was maintained with respect to the Histadrut's economic enterprises and such mutual aid institutions as the sick and pension funds.

The establishment of the State created new problems for the Histadrut leaders. Functioning concomitantly as economic entrepreneurs, policy-makers, and major labor representatives, these leaders were faced with priority dilemmas unknown before. For example, they were forced to decide upon wages versus capital formation, strikes versus self restraint, immediate economic benefits versus long-term nation-building interests, and so on. In short, they were faced with serving, at the same time, the interests of the State, the nation, and the workers.

The Histadrut has never been a mere umbrella organization of trade unions. Since its very first days it was designated as a political union (Friedman, 1974: 129, 135). It was founded by the primary political bodies and developed under the close supervision of the labor leaders. One of its most important tasks was to integrate Jewish workers and new immigrants into the Labor Movement ranks, in addition to all of the other aforementioned supra-union activities. The historic symbiosis between the two wings of the Jewish Labor Movement (i.e., the political party and trade union organization) has been maintained since 1948 as well. The mutual commitment was too high, the institutional overlap was too big, and the global mission of nation-building was too heavy a burden to allow a divorce from one another.

The three decades of Labor Government created a fertile terrain for the emergence of an intensive, by and large, mutually obligated political exchange system. For the Government this meant a commitment to social-democratic values, such as full employment, economic growth, plus a lasting recognition of the Histadrut's central position in society. For the Histadrut this meant conservative pragmatism in industrial policies and social outlook. (Even after the political upheaval of 1977<sup>5</sup>, national socio-economic policy was subordinated to political considerations<sup>6</sup>, whose main building blocks were commitment to full employment and the maintenance of real wage levels to attract new immigrants and deter Israeli citizens from emigrating).

<sup>5</sup> In May 1977 the Labor Government was voted out for the first time in Israeli history and the rightist Likud party was in office until July 1984.

<sup>6</sup> SHIROM, 1984, and Schwartz GREENWALD, 1973, 6, 16.

## THE SECTORIAL STRUCTURE IN ISRAËL

There is more than one way to discuss the sectorial structure of a country. We have chosen to give a brief structural and institutional account of the public and private sectors and a relatively more detailed account of the economic sector of the Histadrut.

Tables 1 and 2 give a numerical description of a few structural features of the three sectors. The importance of these characteristics to this study's subject-matter is discussed in the following sections.

**TABLE 1**  
**Wage, Salaries, and Other Labor Expenses,**  
**by Major Branch and Sector**

<i>Major Branch and Sector</i>	<i>Wages, Salaries and Other Labor Expenses</i>		
	<i>Average per Man-Day Worker (IS)</i>	<i>Annual Average per Employee (IS thousand)</i>	<i>Total (IS million)</i>
Total	624	155.1	42 112.3
Private	485	121.5	20 557.0
Histadrut	693	173.5	20 557.0
Public	1 063	254.2	12 009.3
Mining and Quarrying	953	247.6	1 395.7
Private	516	142.7	125.7
Histadrut	801	234.7	229.6
Public	1 114	275.3	1 040.4
Food, Beverages and Tobacco	467	113.3	4 512.4
Private	425	104.1	2 753.3
Histadrut and public	550	131.3	1 759.1
Textiles	469	122.9	2 289.5
Private	469	122.3	2 203.9
Histadrut	465	140.2	76.5
Clothing and Made-up Textiles	293	71.7	1 892.2
Private	292	71.5	1 856.7
Histadrut	339	81.4	35.5
Leather and Its Products	496	126.6	422.9
Private	474	123.4	334.4
Histadrut	602	140.6	88.5
Wood and Its Products	475	117.1	1 463.7
Private	437	108.1	1 024.3
Histadrut	596	145.0	439.4
Paper and Its Products	637	166.7	943.1
Private	616	162.9	775.9
Histadrut	760	186.8	167.2

**TABLE 1 (continued)**  
**Wage, Salaries, and Other Labor Expenses,**  
**by Major Branch and Sector**

<i>Major Branch and Sector</i>	<i>Wages, Salaries and Other Labor Expenses</i>		
	<i>Average per Man-Day Worker (IS)</i>	<i>Annual Average per Employee (IS thousand)</i>	<i>Total (IS million)</i>
Printing and Publishing	528	140.6	1 356.9
Private	533	140.6	1 216.9
Histadrut	507	168.4	83.2
Public	476	113.2	56.8
Rubber and Plastic Products	526	132.3	1 482.3
Private	436	109.2	696.7
Histadrut	645	162.8	785.6
Chemical and Oil Products	786	210.1	3 496.8
Private	617	165.3	1 197.1
Histadrut	925	248.3	786.7
Public	912	242.9	1 513.1
Non-Metallic Mineral Products	640	160.3	1 742.1
Private	527	129.3	795.2
Histadrut	780	200.8	946.8
Basic Metal	762	196.5	1 144.2
Private	630	159.0	555.6
Histadrut	951	252.6	588.5
Metal Products	681	165.9	6 416.0
Private	498	123.2	2 222.6
Histadrut	744	181.2	1 172.9
Public	890	213.3	3 020.5
Machinery	636	162.6	1 518.1
Private	611	156.0	986.8
Histadrut and Public	687	176.4	531.4
Electrical & Electronic Equip.	824	201.8	6 155.3
Private	695	170.7	2 683.6
Histadrut	717	182.0	1 692.4
Public	1 421	324.2	1 779.3
Transport Equipment	1 038	239.1	4 933.5
Private	598	147.3	666.7
Histadrut	887	195.5	200.2
Public	1 192	269.6	4 066.6
Miscellaneous	632	152.7	956.7
Private	434	104.9	461.7
Histadrut	639	159.1	145.1
Public	1 572	366.4	349.9

**TABLE 2**  
**A Numerical Account of**  
**Some Sectorial Features**

	SECTOR		
	Public	Histadrut	Private
Share in labor force	32%	22%	46%
<sup>a</sup> Employees (thousands)	428.6	294.7	616.1
<sup>b</sup> Employees in manufacturing (28% of the total labor force)	37.5 10%	52.5 14%	285 76%
<sup>b</sup> Employees in Services (35% of the total labor force)	267.2 57%	60.9 13%	140.7 30%
<sup>b</sup> Relative shares in industrial plants	.5%	4.5%	95%
<sup>c</sup> Annual revenue per employed person (IS <sup>d</sup> millions)	2.6	4.4	2.8

*Sources and Notes*

<sup>a</sup> Based on a total figure of 1 339 400 employees including Kibbutzim and Moshavim members. Central Bureau of Statistics, *Monthly Bulletin of Statistics*, No. 12, Jerusalem, 1984.

<sup>b</sup> Shirom, (1983: 175, 271) indicates only the percentages. The absolute numbers have been calculated from the above total figure.

<sup>c</sup> Central Bureau of Statistics, *Monthly Bulletin of Statistics*, No. 9, Jerusalem, 1984.

<sup>d</sup> IS = Israeli Shekel

**The public Sector**

The public sector includes employees of national and municipal governments, and workers employed in many state- and municipal-owned agencies<sup>7</sup>. A public economic unit is defined as that in which the government holds at least 50 percent of the ownership stock. As table 2 reveals this sector is the chief employer in the service industry. On the other hand, it is the smallest employer in the manufacturing industry and owns the least number of industrial plants. In general it might be safely assumed that this sector together with the Histadrut consists mainly of the larger plants which employ more than 100 employees each.

<sup>7</sup> DUBIN and AHARONY, 1981.

In Israëel the larger economic units are the principal producers and employers in the economy. Most of them, though by no means all, are unionized and comprise the primary labor market. As a consequence, industrial relations in the public sector shows a high level of institutionalization. Collective bargaining is centralized and carried out once every two years. The bargaining process is very complicated. Several pay scales exist each one of which covers several groups of workers (e.g., nurses, physicians, and engineers are covered by the same pay scale). The most comprehensive one, called the uniform pay scale, covers mainly civil servants and municipality workers. Public employers are aware that any concessions made on behalf of one group might generate a chain effect among the other groups.

Unlike the other two sectors, the public sector lacks the profit motive and often the incentives to minimize costs. Market forces that might otherwise limit wage demands and increases are weaker in this sector<sup>8</sup>. Indeed, on average the public sector employees earn higher salaries than other employees as suggested by table 1.

The special nature of the public sector does not provide for «institutionalized» wage drift through plant level transactions and/or productivity bargaining (which to a certain extent has existed in Israëel since the end of 1962). Moreover, public employees are the first to be affected by any national wage restraint policies. On the other side, they enjoy greater industrial power due to the monopolistic nature of their «products» and because of their opportunities to influence the top governmental echelons and affect national policy making<sup>9</sup>.

All this brought us to hypothesize that the public sector employees are the most frequent users of the strike weapon. However, their strikes are generally political in nature designed to draw the larger public attention to problems and hence not likely to last or to be allowed by the political leaders to last long. In short, we expect public sector strikes to be shorter than strikes in the other sectors of the Israeli economy.

### **The Private Sector**

All of the enterprises and services which are not a part of the public sector or the Histadrut comprise the private sector. This sector is divided into two sub-sectors, one that is for profit and the other, which is much smaller, that is not-for-profit. The former employs 43 percent of the Israeli labor

<sup>8</sup> CHERMESH, 1981; EHRENBURG, 1979, 8.

<sup>9</sup> WELLINGTON and WINTER, 1971, 18.



force, while the latter employs about 5 percent. The not-for-profit segment includes, among other organizations, private education and cultural institutes.

As demonstrated by table 2, the private sector is the major employer in the manufacturing industry. Also, it is the main owner of industrial plants. This sector's economic units are comprised of many medium- (36-99 employees) and small-sized (5-30 employees) establishments and of some of the larger (100+ employees) plants.

The private sector includes both primary and secondary labor markets. Although the exact rates of unionization in this sector are not known, it can be safely assumed that most of the medium- and small-size plant workers (about 20 percent of the industrial labor force)<sup>10</sup> are not unionized. They have low job security, no seniority rights or welfare benefits, and lack almost any promotion opportunities. Alongside these plants are a few larger plants where workers are rewarded for their skill and education but not all of them are unionized. In large firms like IBM and Elsinco employees are employed by individual contracts. They are well rewarded for their work but might suffer from low job security. Generally, the nonunionized private sector workers are subject to layoffs due to fluctuations in the business cycle to a greater extent in comparison with the unionized employees.

In the unionized segment collective bargaining is a multilevel, decentralized activity and its cycle varies between the different levels. At the industry level there is a two-year cycle, while at the plant level it is hard to talk about a definite process because of the usually informal nature of the activity<sup>11</sup>.

The effect of market forces, profit calculations and economic rationalization on the employment level seems to be very strong in the private sector. Therefore, it is assumed that workers in this sector tend to strike less often than their public sector counter-parts. However, given the existence of a strike, it is impossible to predict any definite pattern of it according to the aforementioned information.

### **The Histadrut Sector**

Legally, all the economic units for which at least 50 percent of their stock is held by the Histadrut belong to Hevrat-Ovdim. However, if 50 percent of the stock is held by the Histadrut and 50 percent is held by the government, then the unit is said to belong to the public sector.

<sup>10</sup> *Survey of Industry and Craft — 1981/81, 1983, 1-3.*

<sup>11</sup> SHIROM, 1983, 210-217.

The main purpose behind the establishment of Hevrat-Ovdim in 1923 was the creation of a co-operative sector, owned by its workers, upon whose foundations a national economy would be able to emerge. Economic objectives such as building and construction, development of new technologies, and accumulation of capital should have been subjugated to social aims like full employment, worker training, and geographical decentralization of the economic activity in underdeveloped regions.

However, in the last three decades or so it has become clear to the Histadrut policy-makers that unless they want to be left with an insignificant economic sector, they must react to the fast economic proliferation of the other two sectors. As a result, an economic catch-up race has been set in motion some results of which are demonstrated in tables 1 and 2. As these tables indicate, the Histadrut is an important employer in both service and manufacturing industries. Its economic sector constitutes a primary labor market whose workers are all automatically unionized and enjoy relatively high salaries and fringe benefits and very high job security<sup>12</sup>. Seniority, for example, is one of the factors that account for the high wages of the Histadrut workers since it is an important component of their salary. All these rights and other working conditions are regulated by a «traditional reserved contract»<sup>13</sup> which is usually signed with no special problems every two years. At the same time, as table 2 suggests, the annual revenue per employed person in the Histadrut sector is the highest in Israël.

The major catalysts of this economic renaissance have been the new top managers of Hevrat-Ovdim, who have succeeded the founding fathers during the last 30 years. Their appointment is made by an «Appointment Committee» headed by the Histadrut Secretary General who is Hevrat-Ovdim's chairperson as well. This committee is one of the vehicles with which the political apparatus within the Histadrut tries to control the economic executives of Hevrat-Ovdim. Throughout the last three decades most of the Committee's appointees have been young, high ranking army officers, highly educated and politically identified with the Labor Party. These executives, in order to cope with the demands of economic modernization and development, have developed a professional outlook and a rather economic approach to the problems of the Histadrut economic establishment<sup>14</sup>. This has resulted in a clash between the economic rationalization goals of the executives and the social tenets of the Histadrut political leaders. As a result, the Histadrut economic sector is, at one and the same time, similar to and different from the other sectors economic organizations; a compromise between the historic social cause and the modern economic exigencies.

12 *Industry and Craft Survey — 1981/739*, 1984, 124-126.

13 CHERMESH, *op. cit.*, note 7.

14 GALIN and TABB, 1978, 27.

Hevrat-Ovdim's large concerns enjoy almost absolute freedom in their daily operation. The Histadrut factories and services resemble the other sectors in the hiring of new employees, the differentiation of wages according to skill levels, and in the ultimate aim of achieving maximum profit<sup>15</sup>. On the other hand, the large concerns try to avoid firing employees as much as possible. Every such action must have the consent of the strong workers' committees which in most cases succeed in preventing the action. Moreover, the huge economic bodies, like Kur (the holding company of more than a hundred factories) or Sollel-Boneh (a building and construction company) can afford to take losses at some of their plants in the short run in order to avoid firing workers. The resources available to these huge multi-firm economic units makes the risk factor for the individual firms much smaller than for their counterparts in the private sector<sup>16</sup>.

The last noteworthy point pertains to the relationship between the Histadrut workers and their «own» plants. In theory and ideology, these workers are the owners of Hevrat-Ovdim enterprises. In practice, Derber (1963a, b), Tabb (1970: 198), Rosenstein (1970; 1977), and Galin and Tabb (1978: 27-28) have found that the introduction of technical experts, modern technology, and bureaucratic structure have produced a strong resemblance between the Histadrut and the private sector workers in regard to their pragmatic industrial perceptions and low ability to affect decision-making processes. The Histadrut workers do not possess a unique ideology nor special intrinsic expectations with respect to their working life. Since the Histadrut's very first days the workers have been attracted to it by a host of economic incentives such as jobs and cheap food. Even nowadays, newcomers are still recruited through immediate selective benefits such as the sick fund, or in the case of new immigrants, by a free six-month membership.

The unique blend of economic and social consideration which constrain Hevrat-Ovdim leaders' economic choices brought us to hypothesize that the Histadrut workers would use the strike weapon least. However, as has been argued before regarding the private sector, given a decision to strike it is impossible to predict a specific pattern of that strike.

To sum up, three hypotheses have been postulated:

- (1) The Histadrut workers will use the strike weapon least;
- (2) The public sector workers will use the strike weapon most;

and

- (3) The public sector strikes will be the shortest in duration.

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<sup>15</sup> BARKAI, 1982.

<sup>16</sup> *Ibid.*

## METHOD

This study compares strike activity among sectors which employ different segments of the labor force which varied significantly from year to year between 1965 and 1982. Hence a statistical adjustment reflecting that variance should be made. For that reason, although frequently used in strike studies, raw count measures of strike behavior are excluded. Instead, following Stern's (1978) recommendations, three facets of strike activity are chosen, each of which is standardized by the size of the relevant labor force (except for the duration measure, which is already weighted by the number of strikers). The measures used are: (1) *Relative Frequency* — the number of strikes per 1 000 employees, (2) *Relative Involvement* — the number of strikers per 1 000 employees, and (3) *Duration* — man-days-lost per striker.

The strike data used here have been gathered by the Histadrut research unit and the government's Labor and Welfare Department in cooperation with one another. These data, plus some structural characteristics of the three sectors, pose a few methodological shortcomings. First, there is always the possibility that the Histadrut does not report all the strikes which occur in its domain since it has a political incentive to show an industrially peaceful facade. Second, those who are part of the *Working Settlement* segment of Hevrat-Ovdim do not take part in strike activity since, by and large, most of them are self employed in their Kibbutzim and Moshavim (i.e., the agricultural segment of this sector). In order to remove them from the analysis we use data which pertain to wage earners only<sup>17</sup> and not to the entire labor force. This in its turn brings us to the third methodological drawback. In all the sectors there are people in managerial positions who are counted by the Central Bureau of Statistics as wage earners. Moreover, in the Histadrut sector, all employees are defined as wage earners. It is hoped that these managers (who do not take part in strikes) offset each other across all the sectors so that the strike measures are not biased. Finally, there may be certain industrial branches which have higher or lower strike activity and are distributed disproportionately among the three sectors. That could be overcome by analyzing separately the service and manufacturing industries; however, such a cross-tabulation is not available at this time.

In addition to these methodological deficiencies there is a major theoretical problem which evolves from the fact that economic theories of strike behavior do not hold water when applied to the Histadrut sector. For

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<sup>17</sup> According to the General Bureau of Statistics, employess/wage earners are persons employed by another person in return for daily wages, monthly salary, piece work, or any other kind of remuneration.

example, theories suggest that primary sector workers tend to strike more often than those in the secondary sector, that employees in larger enterprises tend to voice their industrial dissatisfaction more than those in smaller plants, and that strike waves correspond to the business cycle. All this would put the Histadrut workers in the first place regarding the relative frequency measure even during economic downturns. However, we hypothesize that given the threshold of the generally good welfare and economic conditions enjoyed by the Histadrut workers, there exist other, noneconomic factors, which cause these workers to strike less than other workers in Israël. Problems of this kind prevent us from employing such strike theories here and to hypothesize any supposition beyond the former three.

## RESULTS

The following three figures graphically depict the three chosen dimensions of strike activity. Figure 1 demonstrates the *relative frequency* trends which are the consequence of macro-economic conditions<sup>18</sup>. It highlights three things: First, except for the years 1976-78, there is a systematic rank order of the use of the strike weapon. The public sector plays the leading role, while the Histadrut is the least affected sector. Second, the relative «ups and downs» of this measure are very sharp in the public sector, less sharp in the private one, and relatively mild in the Histadrut sector. Third, two major strike waves are identified, 1965-66 and 1970-72. Both correspond to a period of economic growth, and both are followed by economic downturns.

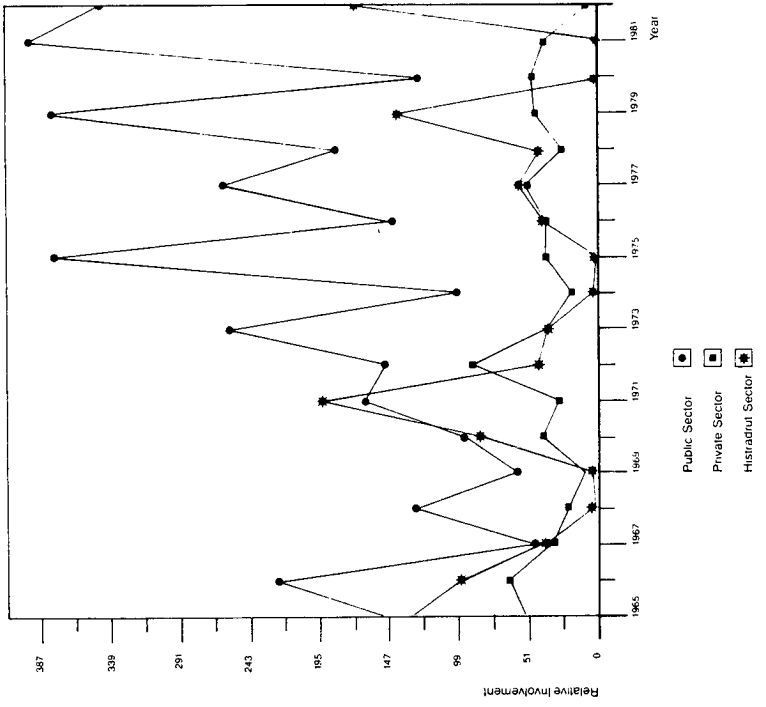
Figure 2 shows the *relative involvement* measure. It is shown that the public sector has «succeeded» systematically in mobilizing the highest number of strikers, except in 1971. However, no definite difference can be traced between the private and the Histadrut trends. Their trends have generally the same pattern except in the years 1971, 1972, 1980, and 1982.

Figure 3 indicates the strike *duration measure* which represents the time it takes the parties to settle the dispute. The three curves vary widely, thus making it impossible to talk about systematic trends and/or differences or to draw definite conclusions. Very generally, it seems that the public sector strikers tend to end their conflicts more quickly than other strikers. The private sector strikers, on the other hand, tend to strike longer, while nothing of the sort can be argued about the Histadrut strikers.

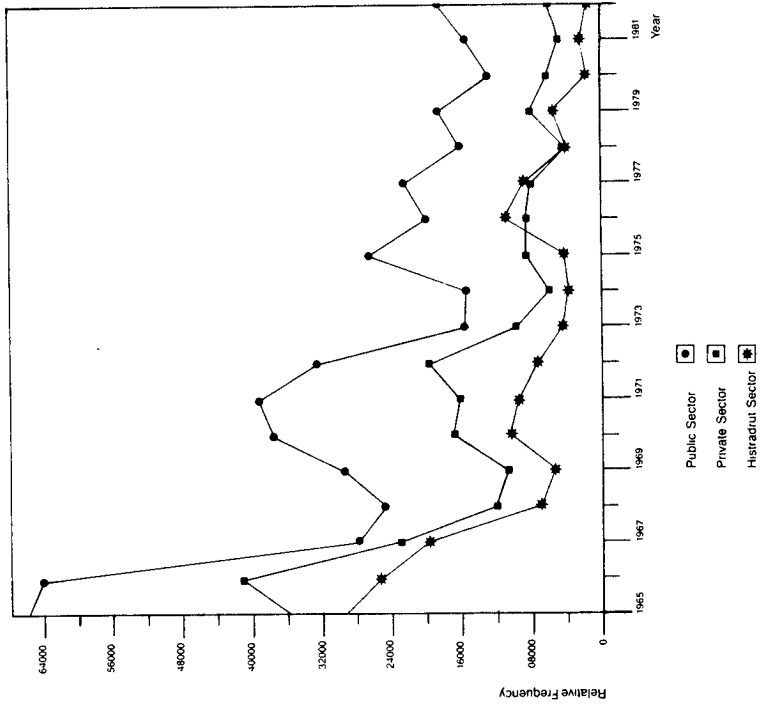
The following Table 3 sums up the study's results:

<sup>18</sup> STERN, 1978.

**FIGURE 2**  
Relative Involvement



**FIGURE 1**  
Relative Frequency



**FIGURE 3**  
**Strike Duration**

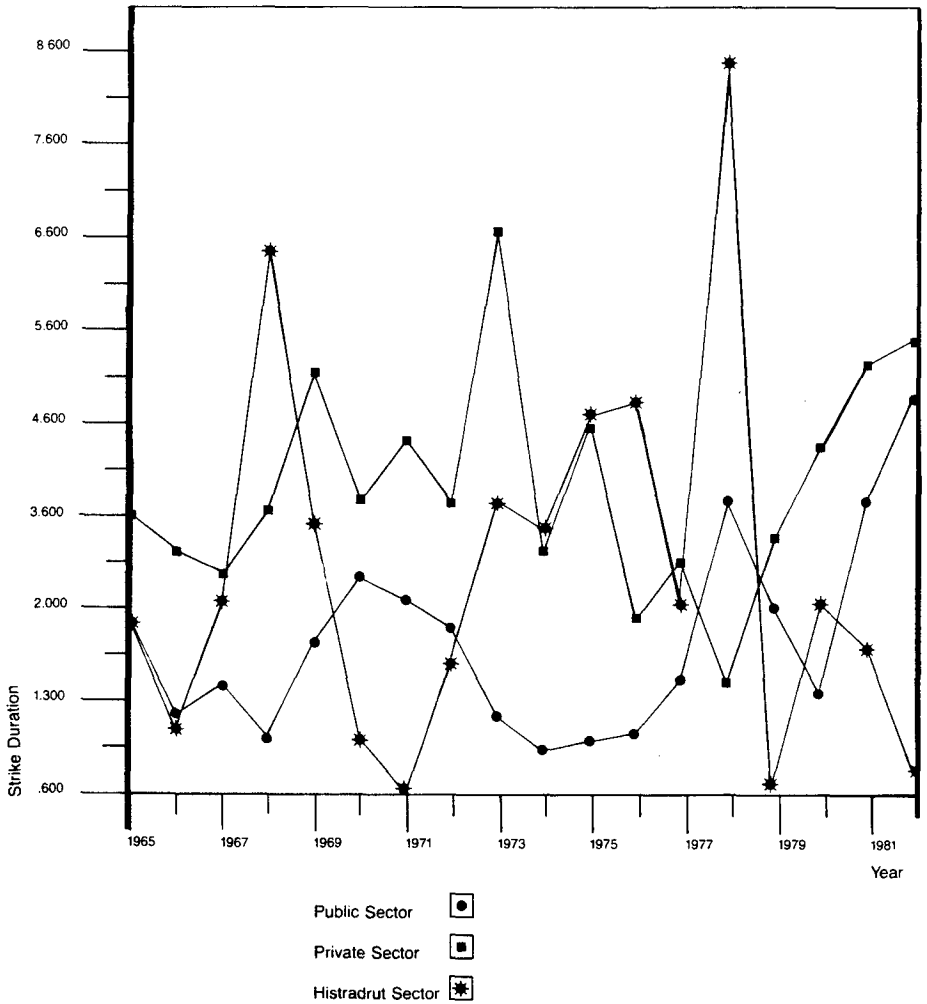


TABLE 3  
Results of the Data Analysis

<i>Measure</i> \ <i>Sector</i>	<i>Public</i>	<i>Private</i>	<i>Histadrut</i>
Relative Frequency	High	Medium	Low
Relative Involvement	High	Inconclusive	Inconclusive
Duration	Generally Low	Generally High	Inconclusive

## DISCUSSION

This study has succeeded to corroborate two of its three hypotheses and to highlight a trend which is in accord with the third hypothesis. It has been shown that there is a systematic difference among the sectors regarding the relative frequency measure. The public sector workers use the strike most frequently while the Histadrut workers use this weapon least. However, in relation to the other two measures, duration and relative involvement, only general trends have been discerned — public sector strikes tend to encompass a larger number of participants and to be shorter in duration relative to strikes in the other sectors. The following section is an attempt to briefly explain these findings.

The decision to call a strike — represented here by the relative frequency measure<sup>19</sup> — relates to several conditions. The argument advanced here is that a blend of economic, organizational, institutional, and political factors should help to account for the shape of figure 1, the relative frequency measure, as well as for the two general trends.

Economically, while all of the Israeli workers are exposed to the same macro-economic powers, they are affected by them at different levels of intensity. The relative monotonic nature (i.e., small differences between upswings and downswings) of the Histadrut frequency curve together with its lower rank order suggest that the Histadrut workers' strike behavior is the least affected by those factors. On the other hand, the public employees' strike behavior is the most affected by the macro-economic factors. Given

<sup>19</sup> SKEELS, 1971.



the fact that wages and fringe benefits are usually the major cause of strikes in Israël<sup>20</sup>, it is assumed that the good overall economic conditions enjoyed by the Histadrut workers are a major incentive inducing these workers to strike less than other Israeli workers. This does not mean that the Histadrut workers enjoy the best economic conditions in Israël. As reported in table 1, the total annual wage per employee is the highest in the public sector. Nevertheless, there may exist a certain income threshold above which economic factors play a less important role in the decision of whether or not to call a strike. This threshold varies among work groups within and between sectors. Since, as table 1 indicates, in most of the major branches of the Israeli industry the Histadrut workers are better off than workers in other sectors, it might be that most of the Histadrut workers perceive their compensation package as being above this threshold. Hence, their economic drive to strike is weaker than that of other workers. Unfortunately, the distribution of employees by industrial branch and by sector which is needed to test this hypothesis is not known.

Another possible explanatory factor for the shape of figure 1 is the special ownership structure of Hevrat-Ovdim together with its unique institutional arrangements (e.g., automatic unionization of all workers, smoothly regulated collective bargaining, and a good relationship between management and the strong workers' committees). Being members in one huge holding company, Hevrat-Ovdim, enables managers to nicely compensate their workers in both pecuniary and nonpecuniary manners irrespective of fluctuations in the business cycle. As a consequence, highly regulated and peaceful industrial relations have been established in the Histadrut sector. In contrast, the public sector organizational and institutional characteristics mentioned before (e.g., close links among bargaining units, monopolistic nature of the public services, and tight control of the government over employee wages in case of an income policy) might have rendered the public workers the main users of the strike weapon.

Politically, until the 1977 political change, the Histadrut had maintained a close relationship with the Labor Government. As a rule, it might be said that the Histadrut and the Government had maintained a balanced exchange relationship. Commitment to full employment, real wages, and the central place of the Histadrut in the larger societal system on the part of the Government had been exchanged for the Histadrut's compliance with national socio-economic policies. National industrial peace was part of that «package deal», and it is probable that in its own sector the Histadrut could better control and, thus, decrease industrial militancy.

<sup>20</sup> For example, in 1979 through 1982 wages and fringe benefits were the major reason of 46, 36, 53, and 65 percent of the total amount of strikes respectively. *Reports on Industrial Relations in Israel, 1983* (Two issues).

From May 1977 until July 1984, Israël was governed by a rightist administration which strived to alter the commitment of the previous Labor Government to the political nature of the Histadrut and the historic relationship between the latter and its economic sector. One of this new Government's targets was to divorce the Histadrut from Hevrat-Ovdim, and thus, make the latter sector part of the private sector. In consequence, as one Israeli scholar suggests, in the last five years of the studied period, Hevrat-Ovdim executives had a special incentive to press the Histadrut leaders to restrain the Histadrut workers' wage demands and strike activity as a *quid pro quo* to this Government for leaving Hevrat-Ovdim in peace both economically and politically<sup>21</sup>. This might account for the especially low level of strike activity in the Histadrut sector since 1977.

No definite conclusion can be drawn about the relative involvement and duration measures. The three curves of each measure vary too much to enable a discrimination among the sectors. Nevertheless, generally speaking, two trends can be detected — public sector strikes tend to be shorter in duration and tend to encompass a higher number of participants. The former trend might be a corollary of the political nature of this sector's strikes, while the latter trend might be due to the relatively larger bargaining units of this sector and to their interlink.

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<sup>21</sup> We are thankful to Michael Shalev for bringing Abraham Friedman's argument to our attention.

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## *Les grèves en Israël:*

### *l'Histadrut vue dans une perspective sectorielle 1965-1982*

Le système économique israélien fournit une occasion sur mesure pour analyser les différences dans l'exercice de la grève parmi les secteurs. Israël est probablement la seule démocratie industrialisée dont l'économie soit fondée sur trois grands secteurs. Ces secteurs sont les suivants: le secteur public, le secteur privé et un troisième secteur qui appartient à l'Histadrut (La Fédération générale du travail d'Israël). Le recours à la grève parmi les travailleurs des entreprises de l'Histadrut est au coeur de la présente analyse. En le comparant aux conflits de travail des autres secteurs, il a été possible de vérifier deux points: a) y-a-t-il quelque différence de principe entre les travailleurs des entreprises de l'Histadrut et ceux des deux autres secteurs concernant les moyens de grève qu'on y choisit et b) si tel est le cas, à quels facteurs faut-il attribuer ces différences?

Pour faciliter l'interprétation et l'explication des types de grève dans les trois secteurs, l'auteur traite brièvement du développement historique de l'Histadrut et de son rôle dans la société globale, donne une courte description de la structure sectorielle en mettant l'accent sur le caractère unique du secteur économique de l'Histadrut, analyse les statistiques et expose les résultats.

D'un point de vue général, on a posé trois hypothèses: 1) les travailleurs de l'Histadrut seront ceux qui auront le moins recours à la grève parmi les salariés des trois secteurs; 2) les employés du secteur public sont ceux qui y recourent davantage; 3) les grèves du secteur public seront les plus courtes.

Pour vérifier l'exercice de la grève, l'étude utilise trois mesures, chacune d'entre elles étant normalisée par le volume de la main-d'oeuvre s'y rapportant (sauf pour la mesure de la durée qui est déjà comprise dans le calcul du nombre des grévistes). Elles sont les suivantes: 1) *la fréquence relative*, c'est-à-dire le nombre de grèves par 1 000 employés, 2) *la participation relative*, c'est-à-dire le nombre de grévistes par 1 000 employés et 3) *la durée*, c'est-à-dire le nombre de jours-personne perdus par gréviste. On a comparé l'exercice de la grève dans les trois secteurs au moyen de ces trois mesures d'une façon descriptive (voir les graphiques 1 et 2).

Cette étude réussit à confirmer trois de ces hypothèses et met en lumière une tendance qui s'accorde avec la troisième. On y a démontré qu'il y a différence de principe parmi les secteurs concernant les mesures de fréquence relative. Les travailleurs du secteur public recourent à la grève plus fréquemment alors que les salariés de l'Histadrut utilisent cette arme moins souvent. Cependant, en ce qui a trait aux deux autres mesures, on n'a discerné que des orientations générales: les grèves du secteur public tendant à comprendre un plus grand nombre de participants et à être plus courtes que celles des autres secteurs.

On peut affirmer qu'un ensemble de facteurs économiques, organisationnels, institutionnels et politiques devrait aider à expliquer la forme du graphique 1, la mesure de fréquence relative tout comme les deux tendances générales précitées. Par exemple, le fait que les grèves dans le secteur public aient tendance à être plus courtes que les grèves dans les autres secteurs peut être attribuable à la nature politique des grèves du secteur public. De plus, que ce dernier secteur soit celui qui comprend le plus grand nombre de grévistes peut résulter de l'existence d'unités de négociation relativement plus grandes dans le secteur public ainsi que des interrelations qu'on y retrouve. Au point de vue économique, on peut présumer que les bonnes conditions générales dont jouissent les travailleurs de l'Histadrut sont une des raisons pour lesquelles ceux-ci font moins la grève que les autres salariés d'Israël.