

Opinion: Naftali Bennett, Protect Vulnerable Workers.

The Minister of the Economy and the head of the cost of living cabinet can immediately institute automatic biannual minimum wage updates.

By Hedva Yissahar

As mid-term elections for the US Congress approach, the Democratic Party declared that raising minimum wage will be central to their platform.

In the State of the Union Address, President Obama called out to raise federal minimum wage from \$7.27 to \$10.10 an hour to fight poverty. This is on the backdrop of social protests such as Occupy Wall Street, public poles pointing to broad public support, and research showing that a minimum wage hike will bring about more economic growth than unemployment.

Nearly 30 million workers will be raised just above the poverty level, among them college graduates that were formerly middle class. Although their buying power will grow slightly, their bargaining power will not grow. In an economy controlled by capitalists, the power will remain in the hands of the politicians who control the labor market at a level of hunger but not starvation, which would endanger the system.

In Israel, the minimum wage became a political issue in the 2006 Seventeenth Knesset elections when the Labor Party's Amir Peretz succeeded in securing a significant minimum wage increase through coalition negotiations with Olmert's government. In January 2011, the Treasury Ministry and the Union of Private Employers signed an agreement that gradually raised the minimum wage until stabilization in October 2012 upon reaching 4,300 ILS a month for a full time job (23.12 ILS an hour).

The minimum has not been raised since that time. It is expected to be updated on April 1 to the level relative to the cost of living increase of the average monthly income at that time. It is reasonable to assume that the today's average income of 9000 per month will not change so we do not expect a significant minimum wage adjustment. This is a pitiful report for hundreds of thousands of workers in Israel, including migrant workers working around the clock, who are stuck at minimum wage.



Minister of the Economy, Naftali Bennett
Photo by: Olivia Pitusi

Israel can be proud that the minimum wage is 47.5% of the average wage, which is relatively high compared to other countries. But this means nothing to workers for whom it is a poverty wage, and is no help for 38% of the families in Israel, who according to a social survey by the Institute of Statistics from January this year, are unable to cover their monthly living expenses.

How many full time minimum wage jobs must parents hold down if a four person family needs 16,000 ILS a month in order to live respectably? What solution does the government offer to protect against inflation in the face of the cost of living increases?

The Minister of Economy and the head of the cost of living cabinet responsible for employment, Naftali Bennett, can immediately establish a process for automatic biannual minimum wage updates. He can develop cooperation between employers and labor unions, as in the agreement to raise wages for public sector maintenance and security worker. This agreement was expanded to include the business sector with minimum a wage increase to 4,600 ILS per month and greater social benefits.

The problem is that many of the contract workers are part time or hourly workers who constantly suffer from violations of their rights. Without enforcement of the law, which is the responsibility of the Minister of the Economy, this agreement does not promise a real change for the working poor.

From the perspective of the workers, the best way to protection their labor rights are through labor unions. The fact that in 2013, 21,000 mostly middle class workers organized into 40 new professional unions testifies to the expanding awareness of the effectiveness of organized labor.

We hope labor unions will work towards achieving better labor agreements and direct employment, and will relate with solidarity to vulnerable workers and the non-organized by including them in their activities.

The author is an active volunteer of Kav LaOved.

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