

## Cooperation between major players in the labor market – unique events or the start of a trend?

**There are two new developments in Israeli labor relations. Labor unions and the employers' associations have been cooperating, and the beginnings of inter-sectoral partnership are visible.**

The ability to secure a long standing leapfrog depends on creating partnership, a mechanism in which the government takes the lead in continuous cooperation between the government, employers and employees. Partnership allows decision makers to steer the labor market and the economy based on long term planning. Partnership improves governance and binds all sectors to a common future vision. Countries like Denmark and Ireland have institutionalized mechanisms supporting partnership for discussing issues related to developing the labor market and the economy.

This issue of ReViews identifies two developments characterizing the Israeli labor market. Firstly, **cooperation between the new Histadrut (the main labor union) and employers' organizations during labor disputes**. The heads of the representative organizations of employees and employers, Ofer Eini and Shraga Brosh both believe that dialogue is the best method to settle labor disputes.

Secondly, **the beginnings of partnership** are visible. In situations in which major issues of concern to all employees in Israel are on the agenda, the government, employers and employees succeed in cooperating and reaching agreement that serves the public interest. Nevertheless, their cooperation does not yet amount to partnership. While the three key players are involved, the government has not taken the lead through formal mechanisms that permit long-term dialogue.

### **Cooperation between the Histadrut and employers based on their natural preference for dialogue**

#### Preference for dialogue

- The president of the Manufacturers' Association of Israel and chairman of the Federation of Israeli Economic Organizations, Shraga Brosh, said: "The cooperation between me and Eini has completely proven itself... Thanks to the cooperation between me and Eini, the reform in the ports proceeded smoothly as did the privatization of the oil refineries that only suffered from a one day strike" (Haim Bior, [The Marker](#), 07/20/2007, Hebrew only)
- The chairman of the Histadrut, Ofer Eini, said: "The alliance between me and Brosh is good, even excellent". "My relationship with employers has lead to better agreements than the adversarial relationship that reigned before." "I could have acted militantly and declared a strike in reaction to every minor problem. As a result, everyone would have paid the price, including the employees. Instead it is better that Brosh and I cooperated. It is not only beneficial to the Histadrut and the employers but also to the economy" (Haim Bior, [The Marker](#), 07/20/2007, Hebrew only).

### Cooperation in local labor disputes

- Dispute at the First International Bank of Israel: "Following the ruling, the head of the Histadrut, Ofer Eini, the owner of the international bank, Zadik Bino, and the President of Manufacturers' Association of Israel and chairman of the Federation of Israeli Economic Organizations, Shraga Brosh met last night in order to reach agreement to promote a solution to the labor dispute that has lasted for almost two years". (Avi Shauli, [Ynet](#), 11/21/2006, Hebrew only).
- Dispute in 'Coffee bean & Tea Leaf chain: "At long last, Eini and the CEO of 'Coffee Bean' have met under the auspices of the President of self-employed businesses, Yehuda Talmon, and agreed that the strike would stop". (Haim Bior, [The Marker](#), 3/11/2008, Hebrew only. For a related article, [click here](#))

### The beginnings of partnership regarding important strategic issues

- "An historic step was made today when Eli Yishai, Minister of Industry, Trade and Labor signed the expanded mandatory pension agreement, based on an agreement signed by the head of the Histadrut, Ofer Eini, and the Chairman of the Federation of Israeli Economic Organizations, Shraga Brosh" (Naama Sikoler, [Ynet](#), 12/30/2007. Hebrew only. For a related article, [click here](#))
- "This morning, the Government approved a resolution on the enforcement of labor laws. The resolution is based on an agreement between the Ministries of Finance, Justice and Industry, Trade and Labor and coordinated with the Histadrut and the Federation of Israeli Economic Organizations ([The Finance Ministry's Spokesman Department](#), 2/03/2008, Hebrew only)
- "The private employers, the Histadrut and the Finance ministry are designing a package deal regarding the 150,000 workers who are employed as temps or through outsourcing companies" (Haim Bior, [The Marker](#), 3/10/2008. Hebrew only. For a related article, [click here](#))