

more important to focus on the place of this segment of the labor force within Israel's employment structure, and how its integration into this national entity, in turn, affects Israel's economy and place in international trade. It is argued here that this portion of the labor force leads the economy and ultimately determines the nature of the relations of production and the development level of the productive forces. It is this population group that made possible the shift into high technology production, through its contributions to Israel Research and Development. Unlike the settler-Sabra Jewish population, whose contribution focused mainly on nation-building, this group has its principal effect on the advancement of Israel capitalist accumulation.

Like the Western early settlers, the recent Western immigrants form together the core of Israel's "labor aristocracy".¹¹ In recent years, since the sixties, Jewish immigration into Israel has been almost exclusively from highly industrialized countries. This is also expected to be true in the foreseeable future, as projected by Israel Manpower Planning Authority.¹² These immigrants represent that segment of the Israel labor force whose labor power is the most costly to reproduce, and whose reproduction cost falls not on Israel but mainly on the country of origin. These Jewish citizens of advanced countries have acquired their skills and training experience at the expense of the economies of their origin. They put these skills into use in the Israeli economy, and hence develop the productive forces of Israel as well as the U.S. (as this highly skilled labor is employed mainly by Israel-based American subsidiaries).

It is by virtue of this inflow of European-American immigrants that it is possible for Israel to have and sustain an international comparative