

has not affected the access of blacks to economic ownership; this is to say, it has not resulted in any structural transformation in the relations of production.

As far as the replacement of the old mechanisms of labor allocation with a modern market mechanism, one cannot promise much change. Studies in the United States, the very center of the world "free" enterprise market system, prove the labor market is not neutral regarding race and ethnicity. Contrary to this claim by neo-classical economic theory, statistical and other forms of discrimination still operate within the labor market, resulting in its very segmentation.<sup>10</sup> In light of these findings, the emergence of Israel's labor market can promise, at best, more subtlety in the use of Arab labor for displaying economic flexibility. This is precisely what the history of demand for black labor in the U.S. shows; such subtlety can take the form of subemployment instead of unemployment.

### C. Internal Segmentation of the Jewish Labor Market

We must be aware of the fact that our previous analysis has related to the Jewish labor force as a homogeneous group with the same occupational structure of employment. This can be very misleading, since the Israeli labor market is segmented, not only on national lines, but also by ethnicity. There is not only one Jewish occupational structure of employment, but rather different demand structures for different Jews in different times.

Table C illustrates this important point. Our previous analysis compared only Column 1 with Column 2, disregarding the differential locations of, and demand for, Israeli-born versus Asia-Africa and Europe-