

Israel. In addition to the effects of militarization and the immigration crisis, another factor that may contribute to decline in the construction employment-multiplier is the increased privatization of housing, promoted by the emergence of the finance-capital market and the land market. The subjection of land (the so-called national land, once the inalienable property of the State of Israel) to speculation by private developers is increasingly accepted by the Israeli public as a legacy of the 1967 War.

One of the implications of the above is the increased transfer of housing from the public (mainly co-operative: Histadrut, Jewish Agency, and other absorption institutions) into the private sector. The profit imperative for the private sector implies the optimization of productivity through technological innovation, possibly at the expense of employment-multiplier effect. An interview with Robert Logcher, the head of a project undertaken by the MIT Center for Policy Alternatives on the housing industry in Israel, verifies the point regarding the shift from housing primarily for Aliyah absorption into housing primarily for profit, for capital accumulation. According to Logcher, the purpose of the project is identifying alternatives of technical innovation to improve the efficiency of the construction industry upon the request of American investors in, or indirect contributors to, this branch of Israel's economy.²⁴ In effect, the introduction of technological innovation is likely to reduce (as in the case of agriculture, also) the employment-multiplier effect of a future growth in this industry. This development project emphasizes the fundamental problem in Israel's housing industry as being