

taken to imply that large-scale industry did not at all exist in Israel. As we recall from Chapter III, a few large-scale mining industries already existed in the Yishuv (British Mandatory concession industries). Large-scale industry, however, has been the exception not the rule in Israel. Only 2 percent of the enterprises employ from 100-300 and more workers. Moreover, 73, or 0.7 percent, of the factories have over 300 workers. They together employ about 20 percent of the industrial workers. Most of these big factories are foreign-owned.<sup>5</sup>

During the Yishuv, the emphasis on small-scale production derived from a political rationale: the imperative of Jewish capitalization/proletarianization and the requirements of this process. It was, in a sense, determined by the state of development, and the requirements of, the productive forces at the disposal of the Yishuv as an essentially "closed" economy.

In the nation-building phase, a top national development priority was the absorption of masses of Jewish immigrants; their dispersion on the new territorial base acquired in the aftermath of the 1947-48 War. Small-scale production was then encouraged by the Government as it well suited the population dispersal objective and Aliyah absorption needs. Until then, policy requirements were still overriding profitability considerations.

The 1967 War has paved the way for the penetration of foreign investment capital. The well-established nation-state was then to serve the internationalization of capital to encourage penetration of monopoly capital with foreign firms.

The state of development, and requirements of, the productive forces (at the disposal of Greater Israel, so victoriously emerging from only a six-day war) resulted in the indispensable tendency towards concentration.