

A. Transformation in the Kibbutz Economy

Most striking is the emergence of "Regional Factories" of all the kibbutzim. A "Regional Factory" is a factory belonging to several kibbutzim in partnership, sometimes together with the Government or a private investor in addition. Such a factory is built outside the boundaries of any of the kibbutzim that own it, probably in order to "resolve" the contradiction of "hired" labor within the kibbutz by transferring it outside its boundaries.¹⁰ According to Yediot Aharonot (April 13, 1977), the "Regional Factories" of all the kibbutzim consist of ten groups with 165 subsidiary factories, employing 5,000 workers, of which only 1,000 are members of kibbutzim.

On the emergence of this phenomenon, Davar (April 22, 1977) reports: the "kibbutz organization of industry" has decided, with the approval of the Histadrut, to subcontract the work "which is not appropriate to the character of the kibbutz" to special factories, which will be situated in Arab villages of Israel, and which will not be allowed to become complete plants, but which will be limited only to such work of subcontracting as will be given to them by the kibbutz industries.

This innovative idea of Regional Factories of the kibbutzim must be seen in the context not only of furthering the reliance of Palestinian-Arab labor to replace, hence release, kibbutznik labor into managerial or productive labor categories in more strategic kibbutz and non-kibbutz industry. Rather, it must be also seen in the context of adaptation of utopian socialist forms to the capitalist transformation of the economy-at-large and in the midst of concentration and centralization processes.

Of course, the use of these Regional Factories makes invisible the violation of Labor-Zionist ideals, specifically the principle of Hebrew labor. These Regional Factories are indicative of the kibbutz' transformation