

# Military Capital in the Israeli Hi-tech Industry

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## Abstract

The unique relations between the Israeli-armed forces and the local hi-tech industry have been identified as a strong explanatory variable for the Israeli hi-tech boom. This article highlights the role of the military as a socialization institution in those relations. We identify how the accumulation of “military capital” during military in service contributes to soldiers as veterans and employees in the hi-tech sector. Military service brings with it professional training, social ties, and social codes that influence the composition of the hi-tech workforce and hi-tech industry’s organizational and functional culture. Examination of Israeli hi-tech workers’ profiles reveals not only a very high proportion of military capital amongst the employees but also an institutional preference for those who possess it.

## Keywords

military, capital, hi-tech, culture, Israel

## Introduction

Academic literature on the Israeli hi-tech industry has been traditionally linked to its unique relations with the Israeli military. The dominant narrative in the literature illustrates the almost organic relations that facilitate the flow of knowledge, capital, and resources from the military into the private sector and vice versa. In this narrative, the role of the military as agent of socialization has been neglected. In this article, we

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would like to strengthen the cultural explanations for those relations and amalgamate them together in new conceptual framework. We argue that what matters most to veterans' contributions to the hi-tech industry is not the connection between the military and the hi-tech sector but rather the influence of the Israeli Defense Forces (IDF) as a social institution.

In the mid-90s, Israel was a welfare state with a struggling economy and a negligible hi-tech industry. Few years after, while coping with demanding security issues, Israel has developed into a technological giant with a sophisticated and innovative hi-tech sector. Today, Israeli hi-tech companies' representation in the National Association of Securities Dealers Automatic Quotation System outstrips economic and technological superpowers such as Britain, Germany, Japan, and South Korea, and for over a decade now Israel has been one of the leading start-up hotbeds in the world.

The study of the Israeli hi-tech leap forward received a wide attention in professional and pundit literatures. Numerous articles in business newspapers exalt the Israeli hi-tech and venture capital industry bloom. While recognizing the contribution of other variables (e.g., knowledge capital and financial capital), this boom has been often credited to the IDF's role as an incubator for research and development (R&D) and advanced technology.<sup>1</sup>

Despite the wide attention in media and professional literature, relations between the IDF and the Israeli hi-tech industry have not been thoroughly studied in a scholarly context. Current literature's main focus was to answer the question of how did the Israeli hi-tech industry emerge and evolve? The literature presented three predominant explanations: (1) cluster formation,<sup>2</sup> (2) the gradual coevolution of the industry,<sup>3</sup> and (3) the consequences of planned government policy.<sup>4</sup> Historically, the role of the military in the evolution of the hi-tech sector has been identified as critical,<sup>5</sup> and the Israeli case adheres to that model. The military was identified both as a significant source of knowledge transfer<sup>6</sup> and as an eager partner,<sup>7</sup> or as part of governmental investment policy.<sup>8</sup> The military subgroup that drew most attention in the literature was the elite technological units. Honig highlighted those units' veterans' involvement in venture enterprises.<sup>9</sup> Breznitz studied the unintentional fostering of a public space for hi-tech and software innovation by the IDF. He argued that government investment in the creation of the prestigious military software center spilled knowledge and manpower over to the private sector, which turned out to be the keystone of the hi-tech industry.<sup>10</sup> This narrative was bolstered by Perman's description of the elite technological espionage units' contribution to the industry as the principal explanatory variable for the Israeli hi-tech development.<sup>11</sup> Honig, Lerner, and Raban emphasize the social capital transfer between the military and hi-tech companies.<sup>12</sup> Senor and Singer's book named several factors in the development of the Israeli hi-tech sector, albeit the contribution of the technological units was accentuated and described as "the equivalent of Harvard, Stanford, and MIT for the Israeli tech world."<sup>13</sup> Finally, in their description of the history of the Israeli hi-tech sector, Drori et al.'s interview of workers in the industry underscored the elite units' narrative.<sup>14</sup>

In spite of its attention to the relations between the military and hi-tech industry, the literature omits the social role of the military as a socialization agent. For the most part, it treats the military as a partner, client, or patron of the R&D market. While focusing on technological units, scholars did address cultural elements related to the socialization role of the military, such as Honig et al. on social networks, Breznitz on technological skills, and Senor and Singer on cultural capital; yet apart from Senor and Singer, research has focused exclusively on the technological units. The Israeli hi-tech sector is not comprised merely of the graduates of elite espionage units. The Israeli hi-tech industry represents about 9 percent of the entire Israeli work force, an exceptionally high proportion in comparison to global standards. We argue that the IDF socialization, which we identify as the military capital, defines the demography of the workers and by proxy their behavior and performances.

We postulate that the military socialization process cultivates new skills (human capital), new social networks (social capital), and new social norms and codes of behavior (cultural capital). Those three together are what we identify as military capital. We assert that conscripts absorb the military capital, or part of it, while in service and “export” it into the civil sphere where it converts well, especially in the hi-tech sector.

### *The Military as Agent of Socialization and the Military Capital*

So as to understand the Israeli hi-tech industry performances, it is imperative to comprehend what the contribution of IDF service to this industry’s employees is prior to their employment and after. Studies on the role of the IDF in the context of Israeli society have traditionally treated the IDF as an institute of socialization.<sup>15</sup> Azmon and Izraeli describe the military service as a formative period that contributes to personal status and the decipherment of cultural codes.<sup>16</sup> In his description of the IDF’s evolution, Levy addressed the socialization function as part of the IDF’s roles.<sup>17</sup> Tamdor-Shimony follows through that notion as she explains the IDF’s part in the socialization of the waves of immigrants during the 50s and 60s.<sup>18</sup>

Civilian engagement with the IDF starts with mandatory conscription. The initial stage of this relationship is the passage of the recruit through a socialization process, which transforms a citizen into a soldier and a professional in the military system. It thus takes high school students and converts them into infantry soldiers, technicians, gunship pilot, medics, and other occupations. This official professionalization process is merely the beginning; the process is more profound and spreads to cultural and social aspects as well. The collection of characteristics this socialization process produces is what we refer to as the military capital.

To answer the army’s professional needs, novices go through a particular type of filtering and training. The recruits are categorized according to their physical features, socioeconomic background, health, level of education, among other criteria. Equipped with this information, the IDF assigns the conscripts to a location or unit according to its needs and their suitability. After the first liminal phase of basic

training where the breaking and reshaping of the recruits into becoming soldiers takes place, professional training commences.

In their training, conscripts do not only gain a new profession, they gain a new identity. The process is intrinsic in nature and refers to knowledge, tastes, values, and abilities. It refers to the IDF's culture which includes several elements, among them the official and unofficial values. The IDF was formed not merely as armed forces; it was design to be the Israeli melting pot,<sup>19</sup> a significant socialization apparatus that would mold a new united society out of the cultural concoction of its recruits. The melting pot notion ceased to exist with the breakdown of the republican equation<sup>20</sup> and the assumption of the postmodern army model.<sup>21</sup> Nevertheless, the socialization mechanism was never abolished, and those who passing through its system were reeducated and socialized in accordance with the IDF's culture and dominant political agendas. Contemporary discussion identifies the IDF as a political arena for intercultural conflict<sup>22</sup> as all actors presuppose the IDF's significance as a socialization instrument that possesses socialization power in the Israeli context.

The military has long been perceived by the administration as the best instrument for integration and socialization of immigrants and minorities, and therefore education and socialization of the Israeli youth were included under the IDF's mandate.<sup>23</sup> The IDF employs the Education and Youth Corps (EYC) to address the predicaments raised in the meeting between immigrants' society and a Nation Army.<sup>24</sup> For many, conscription is their first encounter with other parts of society, and the need for a common ground, values and set of beliefs becomes crucial.<sup>25</sup> The Corps provides the conceptual idea which constructs the new identity and believes the new conscripts adapt after the liminal phase. Those conceptual ideas, or at least parts of them, travel through the military system and assimilate in the discourse on all military levels and units.<sup>26</sup>

The theoretical frame for this article focuses on three types of capital bundled together under the title "military capital:" human capital (professional training), social capital (social ties), and cultural capital (social codes). Though the military capital is the amalgamation of the three types of capital, it is centered on the military institution and culture and is thus distinct from other types of capital in society and literature. The socialization process of the IDF soldiers, which fosters this capital, translates later into work skills, networks, and ethics in the hi-tech industry when those veterans become employed. In this article, we will refer to human capital in accordance with the Organization for Economic Cooperation and Development definition as the productive wealth embodied in labor, skills, and knowledge. Both social and cultural capital definitions build on Bourdieu.<sup>27</sup>

### *The Profile of the Israeli Hi-tech Worker*

The military capital might convert well into the private market, but how is it related to the hi-tech industry? What is the representation of the military capital in the hi-tech sector? Examination of the data from two surveys on the hi-tech sector, the Israeli

Central Bureau of Statistics (ICBS, 2007) and the Ethosia (2013),<sup>28</sup> and the ICBS database delineate the profile of the Israeli hi-tech worker. While the ICBS survey sample encompasses 4,000 respondents from the hi-tech industry, communication, and teleprocessing industry, the Ethosia survey of 500 respondents focused exclusively on the three core elements of the hi-tech sector. The result shows a homogeneous industry: the worker is Jewish (95.4 percent), male (65 percent), young (75 percent <40), educated (49 percent), and a veteran (90 percent). It is a homogeneous profile that emphasizes the significance of the military capital. We assert that military capital is the best explanatory variable for this profile.

Regardless of the Israeli mandatory draft, a proportion of 90 percent veteran in any given sector is rare. The mandatory draft enlistment proportion tells a more complicated story than we would assume. Not everyone joins the army; in 2008, a media announcement by the head of IDF's Personnel Administration and Planning stated that about 50 percent of Israeli teenagers are drafted to the army.<sup>29</sup>

Table 1 indicates that exemptions are given according to the army's criteria and discretion. The exemption categories are suitability, physical and mental health reasons, criminal record, death, staying abroad, or *Torato Omanuto* (תורת אומנות), which is the title for religious studies exemption. It also illustrates that about 40 percent of the female candidates for conscript in any given year are exempt. These data do not include the Israeli Arab population, that comprises about 20 percent of the general population and are automatically exempt apart from few volunteering minority groups. Also, the data do not include conscripts who immigrate or who were not drafted in their scheduled year. According to these data, over 50 percent of the 2008 age cohorts did not enlist due to exemption or other reasons.

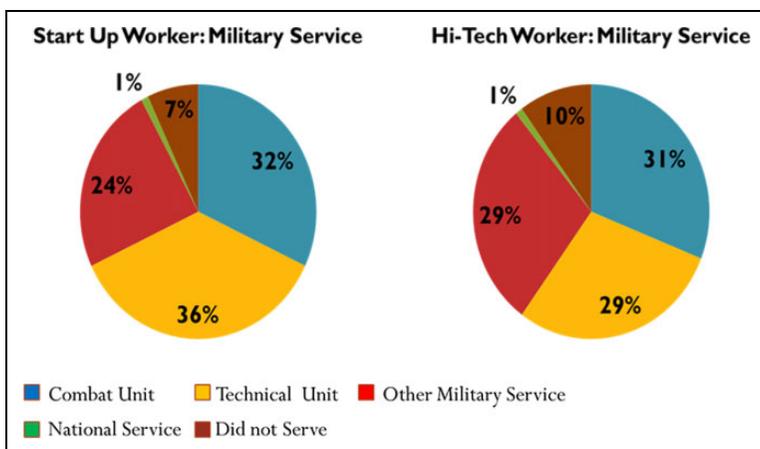
We can see that about 50 percent of the entire population is subjected to the IDF socialization system. Yet, the numbers in the general population are higher since the table applies to the 2008 conscription cohort alone and ignores former cohorts. For over two decades, the numbers have been declining, due to numerous reasons, thus the figures need to be adjusted. ICBS surveys reveal that the percentages of citizens with IDF service history are closer to 60 percent<sup>30</sup> of the general population.

Representation of 60 percent veterans in the general population does not explain the 90 percent veterans in the hi-tech sector. Furthermore, the workers' young age (75 percent <40) reduces those numbers even more since it refers to later cohorts with lower levels of enrollment. A more detailed dissection of the military background of the worker shows that about 60 percent of the workers served in combat or technological units (Figure 1). Those two types of units, which incorporate merely 20 percent of the general IDF servicemen, demonstrate very high representation in the industry. Units with central roles in the IDF operations enjoy higher military capital than others, as the military invests in them additional resources and effort. Research conducted on entrepreneurship and military background by Honig et al. divulges that 85.4 percent of the entrepreneurs are veterans. In addition, a significant number of the entrepreneurs served in excess of the mandatory three years, and, in over half of the start-ups at least one of the entrepreneurs was an officer, both are indicators for high level of military capital.<sup>31</sup>

**Table 1.** The Ratio of Not-serving According to Distribution of Year of Birth.

Year of birth	Sex	Reason for exemption										Total (%)
		Do not fit (%)	Medical exemption (%)	Mental exemption (%)	Staying abroad	Torato Omanuto (%)	Deceased (%)	Criminal record (%)	Married (%)	Other (%)		
1983	M	2.8	1.4	4.9	4.1	7.3	0.0	1.4	0.0	0.1	22.0	
	F	3.9	0.8	1.1	3.6	27.5	0.0	0.0	1.3	0.0	38.4	
1984	M	2.5	1.4	5.1	4.2	7.6	0.0	1.4	0.0	0.1	22.3	
	F	4.1	0.9	1.2	3.6	28.5	0.0	0.0	1.3	0.0	39.5	
1985	M	2.5	1.5	5.2	4.0	7.8	0.1	1.7	0.0	0.1	23.0	
	F	3.7	0.9	1.4	1.4	28.9	0.1	0.0	1.1	0.0	39.8	

Source: M. Barda, *Longitude Data on IDF Conscription* (Jerusalem, Israel: The Knesset Center of Research and Information, 2007; The Israeli Arab population is excluded from the data since the mandatory decree does not occur on them).

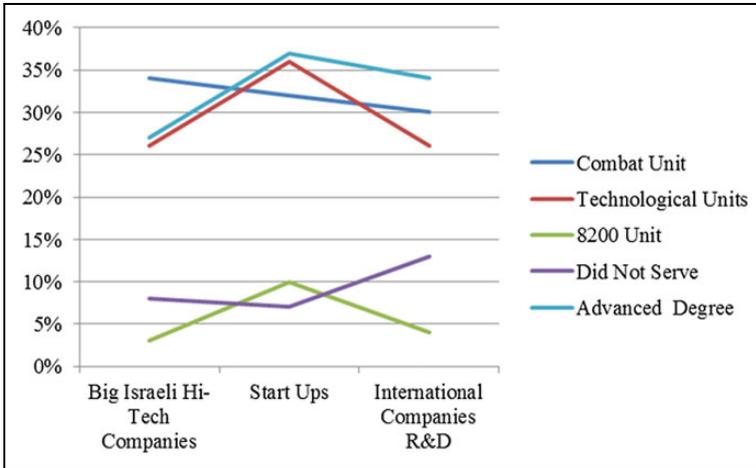


**Figure 1.** Employees' military background in Israeli the hi-tech industry.

Populations that do not participate in the IDF service are practically not represented in the industry. Only 3 percent of salaried employees in the hi-tech industry are Israeli Arabs.<sup>32</sup> For the Haredim, the ultrareligious population that exempt from service, the figures are even less significant and stand on 2.4 percent.<sup>33</sup> Those who do participate, like the Haredim start-up company IME, were frequently educated abroad and not in Israel.<sup>34</sup> The two subgroups together comprised about 30 percent of the general population and are represented in most economy's divisions; yet, they are nearly excluded from the hi-tech industry.

The hi-tech environment is traditionally considered as masculine bastion where women are welcome mostly as surrogate men;<sup>35</sup> yet, female representation in Israeli industry (35 percent) considered exceptionally high (for comparison in the US hi-tech industry, it is about 25 percent).<sup>36</sup> Examination of the profile's data reveals that the majority of female employees possess military capital. It is an extremely high representation of military capital since the female conscriptions percentages in the general population estimated as 30 percent. It can be that possessing this capital opens the industry's door for women.<sup>37</sup> This corresponds with Frenkel's study on the Israeli female hi-tech workers' success, not only with answering the masculine demands of the industry but also to reshape them into a new model of hi-tech worker.<sup>38</sup>

The Ethosia survey divided the industry to three major components: big Israeli companies, start-ups, and international companies' R&D centers (Figure 2). The distribution of military capital among the workers population shows that it is higher in big Israeli companies and start-ups and lower in international centers. We would assume that international centers would be more flexible in their screening process and would value the military capital less in comparison to their Israeli colleagues, explaining the increase of about 4 percent in the representation of nonveteran employees.



**Figure 2.** Proportion of military units with high military capital in the high-tech sector.

Comparison between the two groups with high levels of military capital, veterans of combat and technological units, shows that combat unit veterans rely more on military capital than their counterparts. We can assume that technological unit veterans mostly depend on their human capital in job placement. This assumption is consistent with these data as technological unit veteran representation in positions that permit the maximization of their human capital or building on strong personal ties, such as start-ups, is the highest.<sup>39</sup> For combat unit veterans, we see a reverse trend of non-veterans. In the big Israeli hi-tech companies that enjoy a setting with high levels of military capital, their representation is the highest. In start-ups that are Israeli and have high levels of military capital, their representation is lower due to the emphasis on technological skill and the social network of technological unit veterans. In international companies, where the military capital is less valued, their representation has declined while those of nonveteran increase.

The effect of education on job attainment in the industry is limited. According to the ICBS survey, only 49 percent of the industry workers have any kind of academic degree.<sup>40</sup> The significance of education, measured via the percentages of advanced degrees, shows that in big Israeli hi-tech companies, where the levels of military capital are high, education is less valuable in comparison to military capital (Figure 2). Examination of advanced degrees among the three groups (with the exclusion of non-technical professions) augments the trend. The percentage in big Israeli companies declines to 23 percent while in the two other cases it remains the same. This notion is also supported with the examination of the Israeli-Arabs and Haredim with relevant academic education representation in the industry. In other words, these data are inconsistent with the dominant narrative on the correlation between education and job attainment. Education seems to be less a predictor for job attainment in the Israeli hi-tech than military capital.

### *Military Capital in Action*

Military service has been considered as a valuable element in the process of nation-building<sup>41</sup> that connects and commits individuals to the country's ethos.<sup>42</sup> The nation's profit from this relation is obvious yet what about those who enrolled? Do they gain something out of this arrangement? Literature on the effect of military service on veterans' life course suggests diverse and sometime contradicting answers. For some, military service hinders mobility and damages job attainment; it presents negative, or at best mixed, correlation with income.<sup>43</sup> On the other hand, others find a positive correlation, identifying a "veteran premium."<sup>44</sup> In the Israeli case, in particular in the hi-tech industry, military service shows positive impact.

The data presented demonstrate high proportion of employees with military capital in the hi-tech industry. It seems that the most significant feature of the military capital is its convertibility—"the ability of groups to convert the power they acquire within, and owing to, military service into valuable social positions in the civilian sphere."<sup>45</sup> This convertibility comes in many levels and forms and certainly does not have to reproduce the exact status individual enjoyed inside the military sphere. ICBS data support that claim as veterans' representation in white-collar professions is significantly higher than those who did not serve or served in national service.

*Human Capital.* Though it may seem natural that civilian employers will prefer veterans with professional skill and experience suitable to their needs, the market does not necessarily responds that way. Would you hire an individual without a degree to run your business as junior manager if his or her only qualifications are being an officer in the military? The market needs to appreciate the experience in order for it to be converted. It is common to see in hi-tech job ads in the Israeli media under requirements "degree in computer science **or** a graduate of a technological unit." In some cases, the IDF profession is the only requirement. For those employers converting cyber espionage and warfare into information technology services seems reasonable. In Drori et al., a manager in the industry explains that "I consciously decided that the first batch of employees would come from my military unit...we recruited every person who had served in the unit regardless of the expertise...The people from the unit are not only talented, but they learn fast, can master various technologies, and are loyal. They think in terms of production and effectiveness." This strategy does not always work: in another interview, a start-up founder complains that "Their (technological units veterans) relative advantage in a start-up became a liability when we became a more established, larger firm."<sup>46</sup>

As an expanding market with growing demands for some of the unique skills that IDF experience provides, the hi-tech industry is one of the great beneficiaries of this convertibility.<sup>47</sup> Experts in optics, aviation, communication, security, software, and hardware, fields of expertise which are prevalent in the army, were able to continue their work in the private market.<sup>48</sup> This was confirmed in Honig et al. study that

shows the overrepresentation of veterans of the military R&D and technological units in start-ups and the hi-tech industry.<sup>49</sup>

Breznitz refers to the IDF's professionalization process as more than an assembly line for new professionals. He views it also as a latent function of market innovation. He argues that the IDF is "...a mechanism for producing highly-trained professionals..." and moreover, it functions "...as a source of new technologies via various spin-offs, but also as one of the main nodes in the national innovation system that diffuses information, spurs collective learning, and creates standards for the whole industry."<sup>50</sup> Thanks to its advanced R&D, the IDF is de facto the playground for new technologies and innovations. Training period varies from one occupation to another, however, right after the training phase, the fresh specialist expected to perform in actual field, sometime as the only expert in the area. The extent of responsibility and resources delegated to those professionals are extensive and further contribute to their professionalization by gaining experience they could not acquire in equivalent position in the private market.<sup>51</sup>

*Social capital* refers to the combined position of an individual on the grid of the IDF's social network along with the relative importance of this position and the individual's qualities. This corresponds with Bourdieu's definition and bears the actual or potential resources the network possesses. The position of a soldier on the military grid can potentially yield hundreds of ties on various levels, professionally or socially related. The better the connection and the individual's influence on the grid, the more actual or potential resources, that is, social capital, he possess.

Though the core of the social network consists of the IDF service immediate social network, the network has expansion potential based on existing military capital. It is common that the IDF service camaraderie traverses to the civil sphere, usually in the shape of civil organizations. Official societies, forums, and groups founded by veterans act as social hubs linking different generations and transcending the confinement of immediate army comradeship.

Another option for network expansion is the military reserve service. The service is mandatory; yet, according to the IDF Manpower Directorate, the annual participation percentages are less than 50 percent in the relevant population.<sup>52</sup> In spite of that, the army reserve service provides a significant expansion of the network since it is a duplication of the regular service and its social network, operating in cooperation with the regular army and on the same grids. It also operates as unofficial link between the private sector and military, as employers and employees exploit this network for job recruitment or knowledge exchange.<sup>53</sup>

Social network's effectiveness can be measured not only by its size but also by its quality. A considerable body of literature points to the positive correlation between strong social ties and job attainment or increased wages.<sup>54</sup> The social network gained in the course of the IDF service connects individuals from diverse localities, socio-economic backgrounds, and ethnicities.<sup>55</sup> The network's diversity offers accesses and opportunities in fields which are usually out of reach.<sup>56</sup>

Association between military service and personal relations is considered strong among Israelis. Over 70 percent of the general population believes military service contributes to personal connections. ICBS survey's database shows that over 68 percent of the population believes that IDF service increases the chances of being hired. Those two stances dominate among nonveterans as well. This strong connection exploited by the hi-tech sector that launches recurring referral programs among their employees as means of recruitment.<sup>57</sup>

The network provides job opportunities and entrance to sectors, groups, and markets. Though other organizations provide the same support, probably the most organized and influential group is the 8200 association. The name 8200 become hallmark since its graduates were the local hi-tech and venture capital industry vanguards. In comparison to other military veterans, 8200 graduates' military capital convertibility is among the highest. Currently, their network includes private Internet social network and annual networking conventions which serves as recruiting events or "Networking Events" where the presence of the leading hi-tech businesses and companies is noticeable.<sup>58</sup>

*Cultural Capital.* The IDF has long been a principal producer of cultural capital. It played a crucial part in the design of the hegemonic model image of the Pioneer, during the Israeli settlement period. IDF Soldier became synonym with the ideal of the Tzabar, the Israeli native.<sup>59</sup> Several studies indicated the IDF's role as socialization agent in the integration process of the Israeli adolescence into the Israeli society, building their sense of maturation and casting their gender identities and definitions.<sup>60</sup>

The military culture translates into the general Israeli discourse and culture and its implications can be identified in the hi-tech context. Senor and Singer described cultural characteristics such as *Chutzpah*, spirit of improvisation, and creativity, all military-cultivated characteristics associated today with the Israeli entrepreneurial culture or capital predominates the hi-tech sector.<sup>61</sup> In her study on masculine and feminine identities in the industry, Frenkel highlighted the role of the embodied cultural capital that buttresses the masculine environment with military jargon and work norms.<sup>62</sup> The significance of the military cultural capital in its institutional and embodied forms is also evident in Drori et al. interviews.<sup>63</sup>

As functional and bureaucratic institution, the IDF cultivate several behavioral traits it find useful. Some of these traits are embedded in the formal educational system (The IDF Spirit). Others are unwritten and tacitly encouraged by the IDF's culture and environment. Thus, aggressiveness, which labels the individual as an "Alpha Dog" or "Go Getter"—all positive labels, receives encouragement in the IDF setting.<sup>64</sup>

As mentioned, the official body responsible for socialization in the IDF is the EYC. The principal set of ideas it conveys is the IDF Spirit, a set of values it considers as the core of IDF soldiers behavior and example. The IDF spokesman describes it as: "the identity card of the IDF values, which should stand as the foundation of all of the activities of every IDF soldier."<sup>65</sup> This set of values does not conclude with abstract notions strengthening the sense of belonging such as "Defending the state" or "Love

the homeland” but has raised the banner for practical notions such as “Tenacity of purpose in performing missions and drive to victory/success,” “Professionalism,” “Sense of Vocation,” or “Responsibility;” all utilitarian concepts that enhance the individual performances in any given setting, military or private. Full internalization of this code coincides with the ideal type of the employee; one that is responsible, diligent, and credible. Those traits do not translate exclusively into the hi-tech sector; yet, the high proportion of military capital in the industry indicates the prevalence of this discourse.

The other set of values embedded in the IDF soldiers is the tacit behavior and rules encouraged by the environment. Those traits were discussed in Senor and Singer as entrepreneurial capital. For instance, improvisation valued as a problem-solving skill in a resource poor and uncertain environment and therefore cultivated by the IDF system; yet, it is not part of the official IDF code. The unique IDF structure of nation army, which is more informal than professional armies,<sup>66</sup> allows individuals to find the set of values suit them and utilize it in their immediate setting.

The cycle that reproduces the high convertibility of the military capital starts with middle management. Many ex-generals are incorporated in management positions of major companies.<sup>67</sup> ICBS statistics shows that 87.4 percent of the manager population in the Israeli market comprises of veterans. Since company managers are veteran officers, they design the company environment in their image; “In the firm, we use our army model.”<sup>68</sup> Knowingly or unknowingly, they prefer to recruit employees who possess high levels of military capital since it is their dominant cultural perspective.<sup>69</sup> The company operates on the same values and codes as the IDF is with the proper adjustments to the civil sphere. Managers will ask for “tenacity of purpose in performing missions” and workers accept the tone and perform accordingly.

## Conclusion

In a society where the cultural and social role the military is significant, notwithstanding it will influence the demographics and culture of the local hi-tech industry. This article continues the dominant research narrative on the relations between the IDF and the hi-tech sector while connecting it to the literature on the IDF as socialization institution.

Examination of the relation of the three forms of capital, mediated by military culture, with the hi-tech sector underlines their contribution to the identity, culture, and skills of the hi-tech employees and industry. The three are interconnected and therefore referring to them as military capital seems proper. The high proportions of military capital in the hi-tech industry come to effect in three ways: (1) reproduction of the military capital in the industry, (2) a link to military resources and knowledge, and (3) importing the military organizational and practical culture into the industry.

The prevalence of the military capital in the hi-tech industry produces a homogeneous cluster that trumps education and gender boundaries and even challenges the notion of technological units’ dominance in the industry. It is a unique model of

veteran reintegration. In most countries, veteran reintegration in the job market considered a challenge managed by the state.<sup>70</sup> In the United States, the phenomenon of homeless veterans precipitated the assignment of a federal task force that its role is to deal with the challenges of reintegration. Literature on the topic examined physical and mental health issues, social ties, combat experience, age, and others as explanatory variables for reintegration's difficulties.<sup>71</sup> The Israeli case presents a different model of reintegration where military service perceived as advantage. The state entices veterans, which it identifies as strong population, into professions it views essential yet unpopular by offering monetary benefits. These relations correspond with the social role of the IDF in the Israeli context and the mandatory draft. There are reasons to believe that a cluster of military capital ease reintegration and allow veteran to fulfill their potential; yet, future study on this correlation is required.

This article raises questions on the nature and effect of the military capital. What is the measurable contribution of the military capital in the industry? Is it favored in other sectors? Is the Israeli model exportable? The model of military as significant socialization agent is relevant to South Korea and Switzerland as well. Both countries have introduced a mandatory draft and there is a reason to believe military service plays similar societal role. Future study that will compare the three countries' hi-tech sector and connections with local military may explain the nature of these relations from a new angle.

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