

THE PROLETARIANIZATION OF PALESTINIANS IN ISRAEL:

A STUDY OF DEVELOPMENT AND CLASS FORMATION

by

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the requirements for the degree of

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ABSTRACT

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This thesis examines the emergence of a Palestinian proletariat in Israel in light of a historically-held commitment by the Zionist movement to an exclusive Jewish proletariat in Palestine. This commitment derives from socialist Zionism, identified here as the ideological/theoretical foundation and plan of action underlying the capitalist settler-colonial social formation that Israel represents.

The study involves identifying the causes underlying the current proletarianization of Palestinians by Israeli capital and the implications this process may have on the class struggle. It hypothesizes that this process creates an objective basis for potential proletarian alliance between Palestinian-Arabs and Israeli-Jews.

The theoretical background for this analysis is the law of uneven development and the method is dialectical materialism.

The starting point of this thesis is the view that development is the outcome of the contradictory unity of the forces of production and the relations of production in which the latter predominates. This unity involves interaction between objective forces (material conditions) and subjective forces (theory, social consciousness, etc.).

The relations of production which predominate the development process are class relations. They are thus relations to economic, political and ideological apparatuses by which the boundaries of social classes are defined.

In Israel today, the proletarianization of Palestinians is an aspect of class formation which was prohibited under the historical domination of socialist Zionist relations of production. It, therefore, involves transformation of these relations in the three spheres (economic, political and ideological). Evidence from this study suggests that this aspect of class formation represents the synthesis of qualitative change in the relations of production and quantitative change in the degree of development of the productive forces characterizing Israel in the aftermath of the 1967 War.

Expressing themselves in the integration and subordination of Palestinian labor to Israeli capital, these changes represent the subordination of the sectarian "laws" of unevenness inherent in the exclusivist nature of Zionism to the secular laws of unevenness inherent in capitalist accumulation on a world scale.

It is concluded that these changes provide an objective basis for Israeli-Palestinian joint class struggle.

#### DEDICATION

To my sister, Amal, who became a wage worker  
in a textile factory and who shares the strug-  
gles and the potential of her emerging class.

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This thesis is a collective product. Not only does it embody the ideas of many people, but it also embraces the direct contributions of many friends and colleagues and for this reason it carries the meaning it does for me.

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CHAPTER I

INTRODUCTION:

RESEARCH PROBLEM AND DESIGN

## Introduction

Since the late sixties, the presence of Palestinian-Arab labor in Jewish work places has become a prominent feature in Israel. The massive penetration of male and female Palestinian workers from Arab villages in Israel and from the West Bank and the Gaza Strip into the Israeli labor market is a quite new phenomenon, even with regard to Palestinian-Arabs who are citizens of Israel. In 1974, 84 percent of the active citizen Palestinian labor force were wage earners, compared with only 39 percent in 1963.<sup>1</sup> The size of Palestinian-Arab employees in Jewish work places almost doubles when workers from the West Bank and the Gaza Strip are included.<sup>2</sup>

Another related and a more strikingly new phenomenon is the penetration of Israeli-Jewish capital itself (including kibbutz capital) into Palestinian-Arab villages and towns seeking employment of cheaper labor, specifically females. This spatial mobility of Jewish capital into Arab residential places contrasted with the daily commuting of Arab labor into Jewish work places is a more recent feature distinctive of the post-1973 period of persistent economic and political crisis.<sup>3</sup>

These two phenomena defy a long history of the "boycott of Arab labor" advocated and practiced by the Zionist movement in Palestine. The "boycott of Arab labor" has been historically rationalized by an explicit commitment to the creation of an exclusive Jewish working class in Palestine. Accordingly, Jewish settlers were to refrain from employing native Palestinian-Arab labor and employ only Jewish labor. In this sense, Zionist settler-colonialism in Palestine (unlike the typical settler-

colonial experiences elsewhere in the world) is characterized by the urge not to exploit the native producers but rather replace them.

This commitment to an exclusive Jewish proletariat derives from Labor-Zionism, the hegemonic ideological foundation underlying Jewish colonial settlement in Palestine. Labor-Zionism, specifically socialist or proletarian Zionism as formulated by Ber Borochov, has identified the imperative of exclusive Jewish proletarianization by Jewish capital and hence, the emergence of Jewish class struggle for the actualization of Zionism -- the foundation of a Jewish nation State.<sup>4</sup>

The massive integration of Palestinian labor into Israeli employment may signify Palestinian proletarianization.\* Palestinian-Arabs penetrating into the Israeli labor market are most likely to occupy proletarian class locations, and therefore increase the number of Jews and Arabs jointly belonging to the working class and sharing a common class interest. If that is the case, Palestinian employment by Israeli-Jewish capital may provide an objective basis for a potential cross-national proletarian alliance among Israeli-Jews and Palestinian-Arabs.

A history of boycott and replacement of Arab labor by Jewish settlers in Palestine makes the current merger of Israeli-Jewish and Palestinian-Arab labor force a first historical opportunity for the potential

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\* Proletarianization refers here to the transformation of pre-capitalist producers into a class of modern wage-workers. This involves the separation of producers from the means of production and their integration into productive, manual, non-supervisory capitalist employment. Proletarianization refers also to the potential development of revolutionary consciousness and hence, the creation of contradictions in the dominant mode of accumulation in the struggle for a socialist alternative. This concept is discussed further in Chapter III,

of joint struggle on class lines to supercede conflicting national aspirations. It is a first opportunity in the sense that joint class struggle among Jewish and Arab toilers in Palestine has been practically impossible owing to the simple fact that their class interests were utterly counterposed under the historical hegemony of proletarian Zionism. Only this phase in Palestinian-Israeli history seems to allow for a growing Arab-Jewish proletariat which has the potential for becoming the leading class (ruling class) in a socialist transformation of the relations of production currently prevalent in "Greater Israel".

In light of the historical commitment to exclusive Jewish proletarianization, the hiring of Palestinian-Arabs by Israeli-Jews confuses the Israeli public. It appears contradictory with the Labor-Zionist ideals they have internalized, and is also believed to seriously endanger the political security of the Jewish State they immigrated from the world over to create and support. The proletarianization of Palestinians in Israel is, therefore, paradoxical.

In this paradoxical context, the question is: What is it that has recently compelled the Israeli ruling class (against its Labor-Zionist ideology and what it historically believed to be a political security risk) to finally remove previously established obstacles and allow for the massive inflow of Palestinian labor into Jewish work places, even inside the kibbutz and the moshav, the strongholds of Labor-Zionism?

One way of treating this question is to simply point out the pool of cheap Palestinian labor made available to the Israeli ruling class in the aftermath of the 1967 war as an explanation for the integration of Palestinians into production organized by Israeli capital.

This interpretation, in fact, coincides with the position expressed by the doves in the Labor Party who therefore advocate the returning of the populated occupied territories, as well as with the Israeli public opinion, as will be demonstrated by this study. A historical review of Palestinian proletarianization since the early years of Jewish settlement in Palestine (Chapter III) illustrates the fact that the non-proletarianization of Palestinians in the past (when the Zionist slogan, "boycott of Arab labor", was fanatically practiced) was associated precisely with the abundance of cheaper native Palestinian labor. Even after the 1948 war, when the majority of Palestinian producers were expelled from what was to become Israel, cheap Arab labor remained abundantly available inside Israel. The Zionist "conquest of land" through purchase and/or expropriation for Jewish settlement before and after the establishment of the Jewish State was constantly associated with the displacement of peasants, creating Palestinian labor surplus.

When West Galilee and the Small Triangle were annexed in 1949, Israel imposed Martial Law and activated the Emergency Regulations to regulate the mobility of Palestinian-Arab populations of these two regions and prevent their employment in Israeli-Jewish work places. These obstacles were only removed in the early sixties during the construction boom. This reservoir of Arab labor was then temporarily, yet massively mobilized into Israeli production.<sup>5</sup>

By contrast, the persisting integration of Palestinians on a massive scale into employment by Israeli-Jewish capital challenges the previous interpretation as too simplistic. It also urges our inquiry to be more directed towards the demand side and less towards the supply side of



Palestinian participation in the Israeli labor market. It is the demand for, not the supply of, Palestinian labor that presents a new yet an ambiguous fact.

A challenge posed by this ambiguity thus far is to identify the major causes underlying the emerging demand for Palestinian labor in Israel, a demand that has become most prominent since the 1967 war. We emphasize, in particular, causes that involve structural changes; i.e., transformation in the relations of production. This emphasis derives from the conviction that changes in the relations of market-exchange, that is, in the sphere of distribution, are determined by changes in the sphere of production. In addition, the emphasis on structural transformation, as opposed to factor analysis, is determined also by the practical objective of this study. This involves the assessment of possible implications of the massive participation of Palestinians in the Israeli labor market on long-term political development.

Focussing on the relations of production may reveal the extent to which the emerging demand for Palestinian labor in Israel today is structural or merely conjunctural. If Palestinian labor in Israel represents merely a transitory labor, it makes no sense to talk about long-term political implications. In this sense, our research problem is necessarily two-fold: practical and explanatory. And although distinct, these two aspects of the study are essentially complementary. Their theoretical methodological treatment tends also to overlap, as illustrated below.

## II. Practical Aspects of the Study

### A. Rationale

This aspect focuses on the effects Palestinian labor penetrating Israel's labor market may have on objective conditions favoring and opposing the potential for cross-national proletarian alliances among Israeli-Jews and Palestinian-Arabs.

The current controversy within the Palestine liberation movement, the Israeli public, and the international community concerning a Palestinian State in the West Bank and Gaza highlights the relevance of the question posed above. No State or a State and what kind of State will substantially, yet differently, affect the participation of Palestinians in Israel's labor market and the terms of exchange involved. This gives a sense of urgency to this study before the present conditions are seriously altered. Findings may be of some use to political strategy and positions.

A class analysis of Palestinian participation in Israel's labor market may help in identifying criteria for the assessment of whether or not the establishment of a Palestinian State in this conjuncture is a progressive step. The criteria can thus be the extent to which the establishment of a Palestinian State is likely to promote or retard the possibility of Jewish-Arab proletarian alliance as a basis for genuine solution of the Israeli-Palestinian problem.

Our research question is thus political in character. The challenge is how to answer it scientifically. We do not pretend to know how, yet we feel urged to try because most important questions faced in life are political, and avoiding them is ignoring the real world.

Political question, however, can be adequately treated only through the integration of theory and practice. Therefore, our study can only be an attempt to systematize an approach to this kind of question but not to seek an adequate answer. Another serious limitation of this work lies in the fact that it is arbitrarily confined to examining only objective conditions of cross-national proletarian alliances. This leaves out subjective conditions that are indispensable for the actualization of such alliances.

#### B. Objective Conditions for Cross-national Proletarian Alliances

Class alliance is the opposite of class polarization. Both concepts are related to political class positions within society or between classes of different societies. Class society is usually polarized into dominant and dominated classes. Classes within one pole usually form alliances against classes in the other pole. Alliance among the dominant classes is often referred to as the "power bloc" and among the dominated classes as the "people".<sup>6</sup> Classes are often divided into class-fractions.

Fractions of the same class coincide with important economic differentiations and can, therefore, take important and distinct roles as social forces.<sup>7</sup> Alliances can, thus, develop between the fractions of different classes, including the dominant and dominated. When such alliances occur, these classes and fractions do not dissolve into one another.<sup>8</sup>

Classes and fractions in alliance do not dissolve into one another because their boundaries (class locations) are structurally determined by the objective place in the production process and the social formation as a whole. This involves political-ideological domination/subordination. Class alliance denotes political class position which is specific to the

conjuncture; that is, not structurally and objectively determined.

Class position is thus distinguished from the structurally determined class location by which class interest is defined and hence, fixing the horizon of the class' struggle.<sup>9</sup> The class' position and interest may or may not coincide. Class alliance, which is a political class position, may or may not be based on shared class locations and hence, commonality of class interests.

Unlike the objective determination of class interest, class position is subjectively determined by the state of consciousness. Class consciousness depends greatly on political practices of social classes through the ideological and repressive apparatuses of the State. It refers to the ideology guiding classes in their political practices. The class' consciousness is false when it does not correspond with its interest. Alliances between classes may occur on the basis of false consciousness.

It is the dominated class that is likely to be exposed to false consciousness through the ideology of the dominant class, because (using Marx's words):

"...the ideas of the ruling class are in every epoch the ruling ideas, i.e., the class which is the ruling material force for society is at the same time its ruling intellectual force. The class which has the means of material production at its disposal has control at the same time over the means of mental production." 10

This is articulated in the relation of ideological-political domination/subordination materialized particularly in the State apparatuses. Moreover, the ruling class is constantly compelled to ideologically appeal to the producing class in an attempt to postpone the imposition of an alternative to the prevailing order.

Once it touches the masses, false or genuine ideology itself becomes a mobilizing material force and as such it may alter the objective conditions determining the class' location and hence, interest. In this study, Zionism is a case in point. It is conceived as a form of sectarian bourgeois nationalism, class consciousness that corresponds to the class interests of the Jewish bourgeoisie. Once it touched the Jewish, predominantly petty bourgeois masses, it became a mobilizing material force transforming large numbers of them into pioneer settlers for creating new material conditions capable of altering, and not merely restoring, the class origins of those who were mobilized by it.

Even as a false ideology, Zionism (specifically its proletarian postulate, formulated precisely to appeal to the petty bourgeois masses under the displacement effects of monopoly formation) mobilized these masses to act on behalf of the bourgeoisie and create the material foundations of the bourgeois Jewish State.

The alliance between the Jewish bourgeoisie and petty bourgeoisie was by no means based on commonality of class interests. It was, rather, the outcome of the specific conjuncture: material conditions of Jewish life in the metropolis, peculiar to a transitional phase. The transition from competitive capitalism to the age of monopoly capital, characterized rather by monopolistic competition.

Under the conditions specific to the time and place, Jewish big capital needed a State of its own to intervene on its behalf in the face of monopolistic competition, and Jewish petty capital needed security against the displacement effects of monopoly formation. Zionism, as the ideological expression of the Jewish bourgeoisie for a bourgeois nation State,

happened then to be in coincidence with the needs of the Jewish petty bourgeoisie. This coincidence, however, must not be taken to signify commonality of class interests. As a matter of fact, the interests of the two classes were contradictory: the class interest of the Jewish bourgeoisie lay in monopoly formation, while the very survival of the Jewish petty bourgeoisie as a social class threatened to extinction by the formation of monopoly capital. This argument is the subject of Chapter II.

Two points are to be concluded from Zionism: first, that a class alliance which belongs to the sphere of conjunctural class positions can transform the class location which is structurally determined and hence affect the class interest. This seems to contradict a point made earlier regarding the undissolving of class or class fraction into one another through alliance. It may be a feature peculiar to settler-colonialism. This point, however, may be taken to highlight the dialectics of the subjective and the objective forces in the development process: how specific material conditions give rise to particular forms of consciousness and how consciousness can then become a mobilizing material force and transform the initial material conditions from which it arises.

Second, that alliances between classes that do not share common class interests are necessarily conjunctural, as they do not resolve objective contradictions inherent in their distinct class interests which fix the horizon of the class' struggle, given that classes exist only in class struggle.

In other words, alliances of classes that share no commonality of class interests represents necessarily a contradictory unity. The objec-

tively determined contradictions involved in this unity tend to ultimately assert themselves and hence, defy the essentially conjunctural alliances.<sup>11</sup>

The present study seeks to examine objective conditions related to class alliance in a peculiar context: not between different classes of the same nationality but rather between classes of different nationalities with contradictory national aspirations who may share common class interests as the exploited classes. It seeks to examine objective conditions for potential cross-national alliance on proletarian class lines between Israeli-Jewish and Palestinian-Arab producers who are subjected to direct exploitation by one and the same nationally ruling class.

It is a question of alliance between classes from different social formations characterized not only by a relation of domination/subordination, but also by deformation and replacement of one by the other.<sup>12</sup>

Examining the objective conditions for potential cross-national proletarian alliance among Israeli-Jews and Palestinian-Arabs refers, in this study, merely to the terrain of class location. These are distinguished here from the subjective condition indispensable for actual proletarian alliance which rather refers to the terrain of class position and the conjuncture.<sup>13</sup>

Concretely, examining the objective conditions for proletarian alliances in this context is examining the formation of a Palestinian working class by Israeli-Jewish capital, assuming the existence of a Jewish working class exploited by the same ruling class,

Formulated more precisely, Palestinian-Arabs penetrating the Israeli labor market promote the objective conditions for cross-national prole-

tarian alliance if they are actually entering proletariat class locations and are predominantly joining, not replacing, Jews in the social division of labor. Expressed differently, if they represent an increase in the number of Arabs and Jews who jointly belong to the working class and hence, share common class interests. This is examining the possibility of a developing commonality of class interest.

This question may sound irrelevant under other conditions. The whole notion of proletarian internationalism is based on the assumption of commonality of proletarian class interests across national boundaries. This notion is increasingly reinforced by the essential internationalization of capital, including the international socialization of the labor process and the productive forces (the international firm).

Under the concrete and specific conditions of Palestine, the relevance and rationale for the question formulated as such derives from the fact that the class interests of the native Palestinian-Arab producers and Jewish producers have been utterly counterposed under Zionist settler colonialism and more specifically under the hegemony of its proletarian ideology: the commitment for the formation of exclusively Jewish producing classes in Palestine, which in practice meant the deformation and replacement of the native producing classes.

Since the 1920s, much left-Zionist and Communist efforts have been invested in the direction of creating an alliance between Arab and Jewish toilers in Palestine. Not only that these efforts have not materialized in any expressions of actual class solidarity, but also that they could have at best developed class alliance between the two groupings only in the sense of contradictory class unity. Objectively contradictory



class interests do not simply dissolve without structural changes in the social relations of production. It is our basic thesis that such changes have occurred in the 1967 war.

If it is found that the new material conditions characteristic of the post-1967 war are, in fact, giving rise to commonality of class interest among a substantial number of Palestinian-Arab and Israeli-Jewish producers, we then have a solid objective base for politicization in the direction of cross-national proletarian alliance in the sense of class unity.

It is on this basic thesis that the link between the practical purpose of this research and the imperative of employing dialectical materialism as the method of investigation lies. This link derives from the view that class locations are structurally determined by places in the production process and by ideological-political relations in the social formation at large.

Since this study involves merely the formation of a Palestinian working class and not class formation in general and the objective conditions for proletarian, but not other class, alliance, it is only necessary to identify the criteria for proletarian class locations, defining the boundaries of the working class.

### C. Determination of Proletarian Class Locations: The Boundaries of the Working Class

From an historical materialist perspective, identifying the boundaries of social classes is crucial for interpreting the world and for changing it. Social classes are not mere analytical abstractions or empty

categories. The concept "social class" corresponds to real social forces with distinct interests and thus historical missions. Classes emerge as social forces in the class struggle inherent in the social organization of production. Social classes exist only in class struggle and it is class struggle that makes history. It matters, therefore, a great deal how classes are conceptualized and what social positions are placed within the boundaries of a particular class.

Answering the question posed as such, social classes are groupings of social agents defined principally but not exclusively by their place in the production process, which embraces the labor process, the productive forces and the relations of production. Social class is defined by its place in the social division of labor as a whole. This includes political and ideological relations. Class locations are thus structurally determined by the objective place in the social division of labor; and class interest is defined by the class determination which fixes the horizon of the class' struggle.<sup>14</sup>

The question of who belongs to which class involves identifying criteria defining the boundaries of social classes. The more division of labor there is, the more vague and controversial these boundaries become.<sup>15</sup> The controversy gets especially heated when the proletariat class locations are concerned. Some argue that although not all proletarians are wage-workers, all wage-workers are proletarians.<sup>16</sup> This position derives from the view that it is essentially the separation from the means of production that defines the proletariat.

Others argue that virtually all wage-laborers should be considered members of the working class.<sup>17</sup> Underlying this position is the premise

that it is essentially the coercive "freedom" to sell one's own labor power that defines the proletariat. Accordingly, wage labor is the determining criterion of proletarian class locations.

In contrast with both arguments, still others argue that although all proletarians are wage-workers, not all wage-workers are proletarians.<sup>18</sup> Implicit in this view is that the separation from the means of production and wage-labor are necessary but not sufficient criteria for defining proletarian class locations. Accordingly, the proletariat is defined by specific form(s) of wage-labor. What forms of wage-labor are proletarian is also controversial. Some Marxists argue that only productive (produces surplus value directly) labor is proletarian;<sup>19</sup> other Marxists argue that not only productive labor is proletarian.<sup>20</sup>

Before entering the controversy regarding what wage-labor is proletarian, let us first conclude the initial debate on the more general criteria.

Of course, the three different arguments have different implications on the size of the proletariat. The proletariat is the largest by the first criteria, as it includes all non-owners regardless of whether they perform wage-labor or not. There is a good reason for this criteria in the Third World, where the majority of the population is displaced peasantry with no access to employment, and is maintained this way precisely subject to the logic of capitalist accumulation. They are dispossessed and made free of property relation but not "free" to sell their labor power. This can be more appropriate a criterion in defining proletarian class position than in defining proletarian class location, which is objectively determined by the class antagonism inherent in the very creation

of surplus value.

Moreover, it follows from this argument that the great majority of the Palestinian population has become proletarian since its expulsion from Palestine and that the Palestinian refugee camps have been proletarian communities. The proletariat, however, is the exploited class under capitalist relations. The class exploited within particular dominant relations of production is the class which, under these relations of production, performs what is defined to be productive labor. Under pre-capitalist relations, the performers of productive labor can be owners. Under capitalist relations, however, only non-owners can perform productive labor; all non-owners are not thereby proletarian. Furthermore, exploitation under capitalist relations is the appropriation of surplus labor in the form of surplus value; proletarians are, therefore, only those engaged directly in the production of surplus value, and only by wage-labor can surplus value be created. All wage-earners do not thereby produce surplus value.

Thus far, we identified theoretical reasons against the first and second arguments and in support of the third. According to the third criteria, however, the size of the proletariat shrinks substantially depending on the specificity of the form(s) of wage-labor that defines the working class. At this level, the controversy regarding the defining criteria of proletarian class locations gets more tense.

All Marxists agree that manual workers directly engaged in the production of physical commodities for private capital fall into the working class.<sup>21</sup> There is no such agreement about any other category of wage-earners. Some Marxists argue that only productive manual workers belong to the

proletariat.<sup>22</sup> Others, like A. Szymanski, argue that the proletariat includes low-level, routinized white collar employees as well.<sup>23</sup> Harry Braverman, the advocate of the proletarian location of clerical labor, maintains that "while the working class in production is the result of several centuries of capitalist development, clerical labor is largely the product of the period of monopoly capitalism.... Clerical work as a capitalist labor process and clerical worker as proletariat in new form."<sup>24</sup><sup>25</sup>

At this point, the controversy enters another level of complexity, focusing mainly on why productive labor? What labor is productive? Whether or not the new wage-earning groupings who belong to the mushrooming service sector belong also to the proletariat.

As summed up by Jan Gough:

"In his theories of surplus-value, Marx defined productive labor under capitalism as labor which produces commodity value and hence surplus value for capital; this excludes all labor which is not exchanged against capital, self-employed proprietors-farmers, artisans, handicraftsmen, tradesmen, professionals, all other self-employed -- are according to this definition not productive workers because their labor is not exchanged for capital and does not contribute directly to the increase of capital. Even more, they fall outside of the distinction between productive and unproductive labor, because they are outside the capitalist mode of production." 26

This is, in fact, a distinction between capitalist productive labor and non-capitalist productive labor. This is inadequate. For our purpose, it is equally important to draw the line between productive and unproductive labor under capitalist relations.

Poulantzas argues that in Marx's analysis, the working class is defined not by wage-labor (purchase and sale of labor power) but by productive-labor (which, under capitalism, means labor that directly produces surplus-value). Therefore, it is only those earners who depend on produc-

tive capital that produces surplus-value. Wage-earners who depend on the sphere of the circulation and realization of surplus-value do not form part of the working class, since these forms of capital and the laborer who depends on them do not produce surplus-value.<sup>27</sup>

For Poulantzas, the working class is defined by the fundamental class antagonism within capitalism between direct producers, who are separated from the means of production and produce the social surplus product in the form of surplus-value, and the bourgeoisie, who own the means of production and appropriate surplus-value. Accordingly, unproductive wage-earners while clearly not members of the bourgeoisie, do not contribute to the production of surplus-value. Thus, they are not directly exploited in the form of dominant capitalist relation of exploitation and so, Poulantzas argues, cannot be included in the working class.<sup>28</sup>

The arguments with regard to the boundaries of the working class have focused, thus far, on economic criteria. But social classes are defined not only by economic, but also by political and ideological criteria as well. It is in Poulantzas' analysis that this point is most seriously considered. Perhaps the most distinctive premise underlying Poulantzas' analysis is that classes are structurally determined, not only at the economic level, but at the political and ideological levels as well. While it is true that the economic place of the social agents has a principal role in determining social classes, their position in ideological and political relations of domination and subordination may be equally important. Based on all these theoretical considerations, Poulantzas' basic conclusion is that only manual, non-supervisory workers who produce surplus-value directly (productive labor) should be included in the proletariat.<sup>29</sup>

Productive, manual, and non-supervisory labor categories are the criteria by which Poulantzas defines proletarian locations only in the production process. Agreeing with him, however, classes are determined principally but not exclusively in the production process.<sup>30</sup> Relations of ideological-political domination/subordination outside the production process are included in the objective determination of class location.

In Poulantzas' words:

"The determination of classes involves political and ideological relations....Political and ideological relations are materialized and embodied as material practices in the State apparatuses ....The analysis of social classes can only be undertaken in terms of their relationship with the apparatuses, and with the State apparatuses in particular." 31

This emphasis on the ideological-political relations of domination/subordination in the objective determination of class location is an important innovation in Marxist theory, attributed to the Althusserian Structuralist school from which Poulantzas comes. The significance of this innovation (the structural criteria of the determining of class location) lies in transcending the controversial "class-in-itself"/"class-for-itself" dichotomy, a dichotomy that, although it is often erroneously attributed to Lucas, in fact originated in Marx's writing.<sup>32</sup> Although it contradicts the class struggle paradigm, that classes exist only in class struggle, it is class struggle that makes history.

Despite the importance of this innovation, and in contrast with his criteria of proletarian locations where he is very definite and specific about the labor categories that are and are not proletarian, his structural criteria regarding the political and ideological relations of domination/subordination remains vague and unspecified.

It is not clear, for example, what Poulantzas means by the social

division of labor, how he distinguishes it from the production process, and whether he equates it with the social formation, the site of class struggle and formation.

Can it possibly mean that relations to the ideological-political apparatus, outside the production process, may in some cases predominate? More concretely, is it likely that productive, manual, non-supervisory employees may belong to different social classes because one segment is ideologically and/or politically dominant and the other segment is subordinate by virtue of their differential relations to the State apparatus? This question remains also unanswered by Poulantzas. It brings to mind the notion of "contradictory class location" developed by Erik Olin Wright; and denoting that social agents can belong simultaneously to different class location. We reject this notion on the basis that it negates the concept of social classes as social forces with distinct interests that are objectively determined by the location and which fixes the horizon of the class' struggle. Classes can take contradictory class positions but contradictory class locations undermine the concept of class and class struggle.

To answer the question posed above, it is our position that the structural criteria (ideological-political relations to the State apparatus) do not affect the objective determination of class location -- the boundaries of social classes as such. It rather affects intra-class differentiation, meaning here the objective determination of class fractions. Furthermore, Poulantzas does not specify what kind of relation to the State apparatuses or degree of political-ideological domination/subordination defines the boundaries of different social classes, specifically the proletariat. Moreover, he does not specify the relation between the objective determina-



tion of proletarian class location in the production process (the economic criteria), on the one hand, and the objective determination of proletarian class location in the social division of labor (the structural criteria), on the other.

What does it concretely mean that classes are determined principally but not exclusively in the production process? The structural criteria of the objective determination of class location is especially significant for studying the formation of a Palestinian working class in Israel. Specifically in determining the class location of Arab and Jewish productive, manual, non-supervisory employees. It is crucial for defining and assessing the development of commonality of class interests as an objective condition for potential cross-national proletarian alliances. This criteria is so important to our analysis precisely for reasons inherent in the peculiar context of this class formation, namely, settler-colonialism. A form of capitalist-foreign domination settler-colonialism involves the transplantation of a dominant social formation in the heart of a dominated one. In this particular case, it involves even the deformation, replacement, and then reintegration of the latter by means of military occupation. Moreover, this is an essentially sectarian settler-colonial social formation, in which the State is Jewish and so are even the economic apparatuses (the Jewish Agency, the Jewish National Fund, and the Histadrut - General Federation of Hebrew Workers).<sup>33</sup>

Initially, these apparatuses came to exist precisely in order to create the economic/material "base" for the Jewish State "superstructure". And they continued to operate as exclusively Jewish economic apparatuses after the creation of the State of Israel.

Poulantzas' emphasis on the structural determination of class location in terms of political and ideological relations which only exist insofar as they are materialized in such apparatuses, is thus most appropriate for this context and indispensable for the class analysis undertaken. This is only one of two reasons underlying our choice of Poulantzas' criteria of the determination of proletarian class location to be employed in this study.

The second reason derives, not from the specificity of the concrete contextual conditions, as in the case in the former reason. It rather derives from the nature of our research question. Given that a main objective of this study is to examine the extent to which Palestinian workers penetrating the Israeli labor market improve the objective conditions in terms of entering proletarian locations and representing an increase in shared proletarian class locations, then it is our research strategy to use the criteria likely to give the most conservative estimates. The validity of our conclusions is greater in the case of underestimation than overestimation of the actual size of shared locations.

Poulantzas' criteria, defining the boundaries of the working class even exclusively in terms of place in the production process, is the most narrow and it is seriously criticized by Marxists, for it substantially reduces the size of the working class.<sup>34</sup> If by this criteria our findings indicate a tendency towards the improvement of the objective conditions for potential proletarian alliances, then findings by any other criteria are likely only to reinforce the validity of this conclusion.

In the case that findings by this criteria prove to the contrary, that Palestinian labor penetrating the Israeli labor market does not repre-

sent an increase in the number of shared proletarian class locations, then the question of what is the most correct criteria becomes imperative.

To summarize, in this study we use Poulantzas' criteria of proletarian class location: only productive, manual, non-supervisory labor categories in the productive process, considering also political and ideological relations.

We do not agree with his conceptualization and use of the relationship between the production process and the social division of labor. We view the division of labor as an outcome, not a determinant, of class struggle and class formation. The production process is more comprehensive than, and is the reproduction site of, the social division of labor. The production process is the unity of the productive forces, the relations of production and the labor process. The labor process refers to the technical division of labor which is, in turn, reproduced in the social division of labor, subject to the interaction between the forces and relations of production. Locations in the social and technical divisions of labor (i.e., in the productive process) are affected by differential locations in the social formation, the site of class struggle, and hence, class formation. In the production process -- the social organization of production, the relations of production predominate. In a sense, the production process depends on the dominant mode or production of social relations of production in the social formation. We employ the structural criteria for examining not class location, but rather the class segmentation into class-fractions subject to differential locations in the social formation as a whole, specifically with regard to ideological-political domination/subordination. This is speaking of the internal structure of the working

class.

#### D. Hypotheses and Further Specifications of the Question

As far as the practical aspects of this study, five hypotheses are examined:

(1) The majority of Palestinian-Arabs penetrating into the Israeli labor market in the post-1967 era enter predominantly proletarian class locations. That is, they are employed in productive, manual, non-supervisory labor categories.

(2) The Palestinian-Arabs penetrating into the Israeli labor market tend to predominantly replace Jews in the technical division of labor (the occupational/industrial structures of employment).

(3) In the social division of labor (the production process), Palestinian-Arabs penetrating the Israeli labor market tend to predominantly join Jews in proletarian class location (a promoting tendency).

(4) Some segments of the proletarian employees in Israel tend to benefit indirectly from surplus-value created by other segments (an impending tendency).

(5) The more Palestinian-Arabs occupy proletarian locations in Israel's social division of labor, the more favorable become the objective conditions for potential cross-national proletarian alliances. This hypothesis is based on the assumption that there is a Jewish working class in Israel and on the fact that the size of the Palestinian labor force employed in Israel is relatively small (in 1974, only 15 percent of total).<sup>35</sup>

For examining these hypotheses, we need to find out where the Palestinians penetrating the Israeli labor market are placed in the production process -- this includes their place in the technical and the social divi-

sions of labor simultaneously; that is, the concrete as well as the social forms of labor they perform: if the trend is predominantly that of Palestinian-Arab labor filling in vacancies in the manual, non-supervisory productive positions, from which Jewish labor is moving upward into mental, supervisory unproductive positions in the same industries and/or economic sectors; also, if Arab labor is replacing Jewish labor, moving horizontally from less into more economically and/or politically strategic sectors and industries; and especially if the less strategic sectors contribute directly to capital accumulation in the more strategic ones. Then, it would be concluded that the absorption of Palestinian labor in Israel promises no possibility for cross-national proletariat alliances.

On the other hand, if the predominant trend is that of joining, or a combination of joining and replacing, it is likely that the more Palestinian labor is absorbed in the Israeli labor market, the greater will be the number of Israelis and Palestinians inside Greater Israel who share proletariat class positions; and thus, the better are the prospects for cross-national class alliances.

The content of our hypotheses can be expressed more concretely in the following empirical questions:

First, through their penetration into the Israeli labor market, are Palestinian-Arab workers joining or replacing Israeli-Jewish workers in the Israeli social division of labor? In other words, is the pattern predominantly that of concentration of Arab wage-earners in manual, non-supervisory productive (produce surplus-value directly) labor categories, and of Jewish wage-earners moving out into non-productive, supervisory, mental labor categories? It is what position in the social division of labor they occupy

rather than in what occupations within what industries or sectors they are absorbed that is the crucial empirical question we seek to answer. This is especially correct in the absence of indirect economic exploitation through inter-industry linkages.

Second: is the penetration of Palestinians into the Israeli labor market associated with a horizontal mobility of Jewish labor across industries? If so, what are the directions of this mobility? Are Palestinian workers predominantly filling vacancies created by Jewish labor mobility or predominantly joining Jewish labor in the same industries? This question must be examined both in periods of economic boom as well as crisis. In what industries do Palestinians seem to concentrate? In mixed industries, where Arabs and Jews are employed, do Arabs and Jews tend to occupy different concrete and social forms of labor? Are there industries that are closed to Palestinian labor? For example, the arms industry is most likely (if for nothing more than security considerations) to prohibit the employment of Arab labor. How does that affect the size of shared proletarian class locations?

Third: it is important to identify the source and forms of capital that employ Arabs. It is not sufficient to examine to what labor category within mixed sectors and industries Arab labor belongs and in which industries it is concentrated and from which it is excluded. It is further important to examine the nature of the linkages prevalent among industries in which Arab labor is absorbed and those closed for Arabs and open for Jews alone. Do Jewish workers in closed sectors benefit directly from surplus-value created by Arab workers in other industries?

It would not be sufficient to find that in the production process Palestinians seem to occupy proletarian places and represent an increase in the size of proletarian locations in the production process that are shared by Jews and Arabs. It is necessary to examine the extent to which these shared locations are internally segmented and by what criteria. For this purpose, we try to identify by what source of capital each population group tends to be employed, and where they are located in relation to ideological-political domination/subordination.

By answering these five questions posed above, we illustrate the formation of a Palestinian working class in Israel. Unless the forces underlying this process are identified, it remains unclear whether what appears to be class formation is, in fact, a structural change and therefore permanent, not temporary.

### III. Explanatory Aspects of the Study

#### A. Theory and Method:

As a study of development and class formation, dialectical materialism is the most appropriate theoretical/methodological frame of analysis. Dialectical materialism is the method which identifies the laws of motion as ones that lay in the unity of materially-contradictory tendencies inherent in the essence of phenomenon, both social and natural.<sup>35</sup>

From this perspective, development is conceived to be not a linear process, but rather as the successive disclosure of objective (not logical) contradictions. Dialectical materialism, thus, rejects both the notion of linearity and the notion of equilibrium.

Class formation may denote reproduction, expansion, liquidation, or

ascendency of class or class fraction. Class formation takes place in class struggle, the motor force of history. Class formation, therefore, necessarily involves change in both quantitative and qualitative terms. It involves quantitative change in the degree of development of the productive forces at the disposal of society, and qualitative change in the relations of production dominant in society. The interaction between the forces of production and the relations of production is thus the context in which class formation occurs. This interaction represents necessarily a contradictory unity of materially opposing tendencies in which the relations of production predominate. The formation of classes as social forces in class struggle signifies a new balance of forces, the emergence of new historical phases.

The development of a new historical phase means change in the conditions of the material life of a social formation ("society"). These conditions are essentially determined by the way people go about procuring their means of subsistence (food, clothing, housing, and instruments of production, etc.), i.e., by the method used for maintaining and reproducing their existence; that is, the dominant mode of production. Each successive historical phase is characterized by the dominance of a new form in the existing mode of production, or of a new mode. A mode of production consists of two components: the productive forces (labor, instruments of labor, skill, technology, etc.) and relations of production (the way in which people and things are related (as expressed in the patterns of ownership and the division of labor, etc.)). Expressed in these terms, development can be said to be the byproduct of the interaction of the productive forces and relations of production. For social formation to re-



produce itself, it is imperative that its productive forces constantly grow. But the self-reproduction of a social formation is essentially the reproduction of the existing relations of production characterizing the prevailing social order. An essential incompatibility, therefore, emerges between the state of development and the requirements of society's productive forces, on the one hand, and on the other, its existing relations of production. It follows that in the necessary course of production and class struggle, the relations of production and the state of development of the productive forces change, culminating in the emergence of new epochs. Put differently, in G. Arrighi's words:

"It is by focussing on relations of production and the degree of development of the productive forces that we can show the differentia specifica of different epochs." 36

It is our central thesis that the year 1967 represents the beginning of a new epoch in terms of transformation in the relations of production and the state of development of Israel's productive forces. The emergence of this new epoch denotes class formation of which the proletarianization of Palestinians in Israel is only an aspect. It is in this context that we place the subject of our analysis.

To elaborate, in Israel, the 1965 recession, lasting until the eve of the 1967 war, represents the point beyond which Israel's productive forces could no longer develop within the constraint of the existing relationships of production governed by the rules of Labor-Zionism, rules designed to lead towards competitive capitalism based on Jewish capital and labor, and hence to appeal to the Jewish petty bourgeoisie as vanguards of Zionism. This period represented a deep structural crisis in the relations of production. Along with the development of the State

and by virtue of relations to its apparatuses' new bourgeois, class fractions were emerging, yet fettered by the fact that Israel could no longer provide for capital accumulation and reproduction of the newly dominant relations of production within the constraints of her existing material base. The fetter had to burst out, Israel had to integrate and subordinate less developed forms of production, pre-capitalist economic formations. The Six Day War represented the unfettering of the fetter: it gave a progressive outlet to an absolutely ripened contradiction. This outlet was progressive in the sense of transforming the relations of production, promising further development of the productive forces and hence, the emergence of a new epoch. The 1967 war was thus the expression of interaction between the relations and the forces of production in the transition into a new historical phase. The emerging phase was new in terms of the change in the relation of production and the quantitative change in the degree of development of the productive forces it embodied. The higher degree of development of the productive forces which were at the disposal of Israel's ruling classes in the aftermath of only a six-day war was in territorial expansion (embracing commodity and capital market as well as a reservoir of cheap labor); accumulation of high level technological know-how, specifically in military-related research and development; massive inflow of investment capital accompanied by massive inflow of scientifically-trained Jewish immigrants. It is the very requirements for further development of these productive forces under the transformed relations of production that can explain the proletarianization of Palestinians in Israel. It is not accidental, therefore, that the proletarianization of Palestinians historically

cross-wound by Zionist practices in Palestine, unwinds precisely following the 1967 war. It is neither accidental that the war itself had also occurred in that particular conjuncture. The association between the 1967 war and the unfolding of Palestinian proletarianization by Israeli capital is not one of cause and effect. This association rather denotes that the causes underlying both the burst of the war and the proletarianization of Palestinians lie in the specificity of the relationship of the productive forces and the relations of production in that particular time and space.

An explanation of the proletarianization of Palestinians in Israel today requires that forces underlying the emerging demand for Palestinian labor in the Israeli economy be identified and examined against forces that seem to have had historically impeded this process.

Such an explanation is sought in the logic of capitalist accumulation, specifically the essentially uneven development of capitalism inherent in the fundamental tendency of the organic composition of capital to rise.<sup>37</sup> The rising tendency of the organic composition of capital involves the intrinsically contradictory relationship between capital and labor. It also denotes the contradictory unity of the forces and the relations of production under capitalism and clearly presents capital as essentially a relation, not a thing. It is this tendency, accompanied by the necessary competition involved in capitalist accumulation that explains why capitalist development is intrinsically uneven: leads towards concentration and centralization, speeds up class formation, and requires the integration of less developed economic formations and their subordination to more developed ones, which the essential international-

ization of capital is all about.<sup>38</sup>

### B. Labor-Zionism

This is one postulate in Zionism which embodies the rationale for prohibiting the employment of Palestinian-Arab labor by Jewish capital in times past.<sup>39</sup> This rationale being an explicit ideological commitment to self-labor and exclusive Jewish proletarianization by Jewish capital in Palestine.

Labor-Zionism was also the guiding ideological/theoretical foundation of Jewish settlement in Palestine, as expressed in the actual historical practices of the Zionist movement; its slogans, specifically the "conquest of Hebrew labor" and the "boycott of Arab labor"; the constitutions of its institutions, specifically the Histadrut and the Jewish National Fund. The Labor-Zionist ideology also became hegemonic after the establishment of the State, embodied in the ruling Labor Party and remained hegemonic until post-1967, reflecting itself in deepening crisis -- an internal "dovish"/"hawkish" polarization over the controversy of integrating the occupied territories and Palestinian labor. A polarization that finally culminated in the descendancy of the Labor Party from the power bloc and the ascendancy of the annexationist Likud Party.<sup>40</sup>

Labor-Zionism is thus of immense relevance to our study of the present proletarianization of Palestinians by Israeli-Jewish capital.

To be more precise, it was Ber Borochov who pointed out the imperative of exclusive Jewish proletarianization or colonization through class struggle in Palestine for the actualization of Zionism. Borochovism is known in the Zionist tradition as the Marxist theory of Zionism;

it is referred to as the socialist or the proletarian left of Labor-Zionism. As put by Arthur Hertzberg: "A theory of Zionism that was expressed solely in terms of dialectical materialism was still lacking, and it was provided by Ber Borochov."<sup>41</sup> We argue that this is quite accurate as far as the strategy Borochov formulates.

Viewed as such, uneven development becomes the unifying theme in the study of the proletarianization of Palestinians in Israel. It involves not only the forces underlying the present demand for Palestinian labor in Israel, but also the forces underlying the "boycott of Arab labor", hence the non-proletarianization of Palestinians in the past, namely, Labor-Zionism. This is one postulate of Zionism that emphasizes the imperative of self-labor for the implementation of Zionism: the foundation of a bourgeois nation-state, and that it is precisely this strategy that constitutes the yeast of what is culminating today, among other things, in the proletarianization of Palestinians.

In this study, Borochovism is analyzed in the context of uneven development: as a consciousness or theory arising from material conditions subject to the uneven development of capitalism, on the one hand, and on the other, as a development strategy implementable only on uneven capitalist development lines, because Borochovism is bourgeois in character. It is a development strategy aimed at the formation of Jewish social classes and, hence, Jewish class struggle, i.e., Jewish relations of production as a material "base" for a bourgeois Jewish State "superstructure". In this sense, Borochovism is perhaps the most comprehensive development plan in history. Furthermore, it incorporates dialectical materialism in the formulation of an objectively capitalist development

strategy. This reinterpretation of Borochovism is the subject of the following chapter. We outline it here only to point out the methodological rationale. Underlying our choice of the Borochovist Labor-Zionist formulation are the following:

(1) We wish to argue that Labor-Zionism is essentially bourgeois and implementable only on capitalist development lines, and it is our research strategy, therefore, to show that Borochovism, the very extreme left, which in fact incorporates dialectical materialist methods, is itself bourgeois in character.

(2) This way, we try to expose the apparent and misleading logical contradiction that the proletarianization of Palestinians in Israel against the historically ideological commitment for exclusive Jewish proletarianization presents to the Israeli public and other observers of this process. We try to expose it as an objective contradiction emerging precisely from the implementation of Borochovism. That is, treating from a dialectical materialist perspective the classical development planning question: the question of disparities between planning objectives and consequences. In planning theory, this question is treated mechanically, in terms either of logical contradiction (inconsistency in the theory and/or plan), or of implementation error. At best, explanations are sought in incongruities between the theory and the environmental world in which the theory was practiced.<sup>42</sup> The possibility of objective contradiction emerging from the unity of materially opposing tendencies suggested by the dialectical materialist method is not subject of consideration.

Our analysis of Borochovism focuses precisely on identifying the materially contradictory tendencies, the unity of which it objectively

embodies. The objective materially contradictory tendencies inherent in socialist Zionism (Borochovism) lie in its simultaneously capitalist and sectarian character, that it embodies capitalist relations of production which are also exclusively Jewish. This is quite different from the radical critique of Borochovism, which points out inconsistencies between theory and reality and, at best, the logical contradiction and objective infeasibility of the essential unity of Zionism and socialism, which it is claimed to embody.<sup>43</sup> We argue that the underlined, however, are not the materially contradictory tendencies objectively embodied in socialist Zionism; no socialist element or tendency is embodied in "socialist" Zionism. Socialist Zionism is objectively bourgeois.

This is to indicate the methodological value for development theory that can be derived from the analysis of Borochovism in this study: this is applying the dialectical materialist method to a case study of a development plan (or theory of action) which, itself, incorporates the dialectical materialist method.

(3) Furthermore, this is also an exercise in class-analysis of the content of development plans/theories independently of the planner's intention.

(4) Borochovism is an appropriate case for illustrating the rotation and unity of the economic, the political, and the ideological in the development process, or, using Engel's words, that:

"...political, religious, philosophical, etc., development is based on economic development. But all these interact upon one another and also upon the economic bases. It is not that the economic situation is cause solely active, while everything else is only passive effect, there is rather interaction on the basis of economic necessity, which ultimately always asserts itself," 44

(5) Finally, the analysis of Borochovism in the context of this study clearly exposes the relations between objective forces and subjective forces in the development process: how specific material conditions give rise to a particular form of consciousness, in turn affects material conditions. Concretely, this will illustrate how the inevitable consolidation of capitalism on a world-scale gives birth to Labor-Zionism in Diaspora, and in Israel puts an end to it. From illustrating the latter, it would follow that the story of the proletarianization of Palestinians in Israel and the story of the rise and decline of Labor-Zionism are two faces of the same coin.

All the points mentioned above as the underlying methodological rationale for the choice of Borochovism are imperative for comprehending causes and implications of the proletarianization of Palestinians in Israel today.

#### IV. The Limits of the Study

##### A. Limits of Subject

Transplanted as a sectarian settler-colonial formation in Palestine, Israel represents a unique capitalist development case. Development literature based on the analysis of concrete development processes in Third World countries, advanced capitalist countries, or socialist countries, has, if any, very little relevance to the Israeli case. The uniqueness of Israel's development, in turn, limits the extent to which generalizations can be validly made from this study. This problem, however, is offset by the essentially practical purpose of the study. Any practical use that this study may have depends largely on the extent to which it captures the specificity of the concrete conditions involved.



In advance, we emphasize that as a study of only one aspect of class formation, namely, the formation of a Palestinian working class, this research, despite its practical orientation, is of little value to political practice unless complemented by an up-to-date analysis of other aspects of class formation in Israel and of the class distribution of Palestinians in Israel and exile.<sup>45</sup>

#### B. Limits of method

The theoretical background for this study is dialectical materialism, a paradigm which is universally applicable. Despite this, our task presents a methodological problem, namely, the theoretical concepts available in relevant literature have not been developed in analysis of the novel settler-colonial formation which Israel represents. Therefore, these concepts must be reworked for the concrete case being studied. While this is necessary in any concrete case, the settler-colonial social formation is not one which has been analyzed elsewhere.

In the literature developed in the analysis of the Palestinian-Israeli context we are unaware of an adequate treatment of this problem and the attempt to provide more appropriate concepts. The fact that this study is, itself, done abroad in a context alien to its content, does not allow for development of such concepts.

These limits of method may, yet, involve a positive effect in the sense that only in the context of the general or universal can the specific be more adequately comprehended. Further, it is only when the specific is analyzed in terms of generalizable concepts that it may become of value to general theory.

### C. Limits of Data

Along with the previous methodological problems is one associated with the empirical task necessarily undertaken. Namely, that the available data is not gathered and organized under the guidance of Marxist theory. Its content and structure is bourgeois-empiricist. Therefore, principles of selection must be generated, limits of data for the purpose of argument must be defined throughout this study, and methodological adaptations to these limits may be invented.

The first empirical task that flows from this question is to locate the sites of class transformation involved and to identify the populations moving into and out of these sites.

Of the usually-available empiricist data, most appropriate for this task are detailed cross-tabulations of population groups and an industry-by-occupation matrix for years before and after 1967. This data item is not available in Israeli statistical sources.<sup>46</sup> We thus try to compensate for this item by using a variety of less appropriate employment figures and reliance on qualitative analysis.

The fact that information on the military industry is by-and-large classified imposes a serious limitation on the analysis of the most influential sector of the economy, which is expected to have special, although indirect, bearing on the proletarianization of Palestinians in Israel.

Because of the limitations of the empirical data, we have to be innovative in reconstructing it so that it reveals information relevant to class analysis. An example is a scale system (Chapter VI) that reveals the internal structure of the working class. This is also a method of identifying the possibility of indirect economic exploitation among prole-

tarian workers. It is developed precisely for the Israeli context and on the basis of its specificity incorporating, however, aspects of the general Marxist theory.

## V. Organization of the Study

### Chapter II:

Introduces the reader to the rise of Labor-Zionism in the context of settler-colonialism in general, in response to the development of capitalism. We examine the socialist Zionist theory as conceptualized by Ber Borochov, exposing the bourgeois objective of its "proletarian" face and identifying the instrumentality of labor in furthering the aspirations of a faction of the Jewish petty bourgeoisie to become, itself, a national bourgeoisie. The point of this chapter is to demonstrate that Borochovist socialist Zionism is essentially a theoretical model for the formation of Jewish class, not classless, society in Palestine. Specifically, Jewish class struggle, which theoretically provides for the Jewish definition of the State and for its emergence as an organic manifestation of this class struggle.

The essence of this chapter is, therefore, to outline the ideological and political peculiarity of the context in which Palestinian proletarianization, the subject of this study, is occurring.

### Chapter III:

As the first chapter sheds light on Labor-Zionism in theory, this chapter sheds light on Labor-Zionism in practice, providing an historical overview of three phases of Palestinian proletarianization since the beginning of Jewish colonial settlement in Palestine.

In the first and second phases, Palestinian proletarianization is impeded mainly by ideological and political mechanisms, respectively. In phase three, Palestinian proletarianization unfolds, subject to uneven development, defying previous ideological and political considerations.

Chapters IV, V, VI, and VII are the core chapters of the thesis. Each, in a different way, carries forward the analysis at its explanatory level (identifying the forces generating demand for Palestinian labor) and simultaneously, at its practical level (assessing the objective conditions promoting and impeding cross-national proletarian alliance).

#### Chapter IV:

Characterizes the nature of Israel's labor force, its sources, ethnic composition, sites of reproduction of its labor power, how the different segments affect the development of the productive forces and transform the relations of production.

Central to this chapter is an account of the merging of the military and civilian and the shift into high technology production. We describe how the overdevelopment of the military productive forces in 1967 resulted in the militarization of the entire economy; how productivity requirements and effects increased the division of labor, and the urge for intensive exploitation (relative rate of surplus value); and how the shift into arms industry was determined by the type of labor in supply and how it was, in turn, to determine the type of labor in demand. We also describe the relation between militarization and the growing demand for Arab labor in the manual, non-supervisory, productive labor categories. Attention is also given to the growing contradictions; the conflicting investment versus Aliyah incentives; and how these contradictions, in effect, promote and impede commonality of class interest among Jews and Palestinian-Arabs in Israel.

#### Chapter V:

Examines the differential location of the various segments of Israel's

labor force in the technical and the social divisions of labor, with the objective of determining their class locations; the extent to which Palestinian employees in Israel are actually entering proletarian class locations jointly with, or replacing, Jewish proletariat; how they respond to economic crisis and boom and the extent to which their current locations in Israel's employment and class structures are transitory or permanent; and finally, the extent to which the number of Palestinian-Arabs and Israeli-Jews sharing proletarian class location is increasing in the last decade, hence increasing the prospects for cross-national ethnic alliance.

As we examine the dynamics of the employment structure of the various segments of the labor force in different periods of time, specifically before and after the 1967 War, and prior to and after the 1973 War, we get a sense of what has affected the growth and decline of demand for Palestinian labor in Israel.

#### Chapter VI:

A tentative rough model of the social organization of production, consumption, and reproduction peculiar to Israel. This chapter, therefore, focuses on the structural determination of class location beyond the social division of labor (as seen in the previous chapter) in the social formation as a whole. Here, we are examining the internal segmentation of the working class, subject to differential locations in the social formation. This chapter points out objective conditions that, in the present conjuncture, retard and reduce the prospects for cross-national ethnic proletarian alliance.

#### Chapter VII:

This chapter points out transformations in the relation of production

in response to the essential internationalization of capital and concomitant with the penetration of Palestinian labor. It focuses on the concentration of industrial capital and transformations in the rural frontiers. These transformations are likely to offset the effect of proletariat segmentation with regard to the material prerequisites for proletarian alliance. They signify secularization of the relations of production were dictated by the sectarian Labor-Zionist ideology. Secularization can only affect more favorably the material prerequisites for cross-national proletarian alliance.

#### Chapter VIII:

Conclusions of thesis. What was and was not achieved of the objectives we set for ourselves in this study. The findings regarding the determinants of the current proletarianization of Palestinians in Israel, and the objective conditions promoting and impeding cross-national proletarian alliance. Emerging questions for future research.

## FOOTNOTES

## Chapter I

1. The significance of these figures gets more exposed when we consider the following:
  - (a) That 1963 was the peak of the construction boom during which Arab citizens were mobilized for the first time into productive employment and on a massive scale.
  - (b) That in 1974, only 39.5 percent of the Arab citizens belonged to the labor force, owing to high birth rates which kept the population young, as well as to the relatively low rates of female participation. This may indicate potential surplus labor.
  - (c) We must also take note of the fact that Arabs do not control their sources of employment. They are almost invariably dependent on employment by Jewish capital. The growing size of Palestinian-Arab employees in Israel is, therefore, an expression of growing demand for Arab labor among Jewish employers.
2. 78,400 citizen Palestinian wage earners computed by subtracting Jewish employees from total employees, as appears in Statistical Abstract of Israel, 1975. And 68,000 non-citizen Palestinian wage-earners in Israel. This figure includes only the officially registered workers. It excludes illegally smuggled labor totalling around 15,000, as documented in Chapters III and V.
3. Kibbutz and private capital in Arab villages in Israel are analyzed in Chapter VII.
 

For confirming the penetration of Israeli investment capital into the occupied territories, see, for example, a recent study by Brian Van Arkadie, Benefits and Burdens: A Report on the West Bank and Gaza Strip Economies Since 1967, Carnegie Endowment for International Peace, Washington, 1977.
4. This is my own interpretation of the Borochovist formulation of Zionism, fully explicated in Chapter II.
5. For references, see, for example:
  - . Yoram Ben-Porath, The Arab Labor Force in Israel, Jerusalem, 1960.
  - . Sabri Jiryi, The Arabs in Israel, Monthly Review Press, 1976.
  - . Henry Rosenfeld, Hiam Hayoo Falahim, 1964.
6. Nicos Poulantzas, Classes in Contemporary Capitalism, N.L.B., London, 1975, p. 24. In Marx's and Engel's political analysis, the concept of "power bloc" indicates the particular contradictory unity of the politically dominant classes or fractions of classes as related to a particular form of the capitalist state (from N. Poulantzas, Political Power and Social Classes, 1975, p. 234.).



7. N. Poulantzas, "On Social Classes," New Left Review, No. 78, 1973, p. 38.
8. Poulantzas, Classes... op.cit., p. 24.
9. Ibid.
10. Karl Marx, "The German Ideology," in Selected Works, Vol. 1, London, Lawrence and Wishart, 1962, p. 47. Quoted from Vicente Navarro, The Political Economy of Social Security and Medical Care in the USSR, Unpublished Manuscript, 1975.
11. Examples from history are abundant. A classical example is the alliance between the Kuo Ming Tang, representing feudalism, and the peasant and proletariat in the early stages of China's Revolution.
12. "A social formation is dominated and dependent when the articulation of its specific economic, political, and ideological structure expresses constitutive and asymmetrical relationships with one or more other social formations which enjoy a position of power over it." Manuel Castells, La Question Urbane, Paris, 1972, pp. 62 ff. Quoted by Poulantzas, op.cit., p. 43.
13. The subjective conditions for actual proletarian alliances involves revolutionary proletarian consciousness (ideology) and an autonomous party of class struggle.
14. Poulantzas, op.cit., p. 24.
15. This problematique is very concretely illustrated in a study of the boundaries of social classes in the United States by Erik Olin Wright, "Class Boundaries in Advanced Capitalist Societies," in New Left Review, No. 98, August, pp. 3-42.
16. For an example, see Jomo Sundaram, Class Formation in Malaya: Capital, the State and Uneven Development (Unpublished Ph.D. Thesis, Harvard University, Department of Sociology, December, 1977).
17. For example, Francesca Freedman, "The Internal Structure of the Proletariat," Socialist Revolution, No. 26.
18. Poulantzas, Classes...op.cit., and "On Social Classes," op.cit.
19. Ibid.
20. Harry Braverman, (3) Labor and Monopoly Capital - the Degregation of Work in the Twentieth Century, Monthly Review Press, New York, 1974.
21. Based on the review of the various Marxist positions by Wright, op.cit.

22. Poulantzas, op.cit.
23. For example, A.L. Szymanski, "Trends in the American Working Class," Socialist Revolution, No. 10.
24. Braverman, op.cit., p. 348.
25. Ibid., p. 355.
26. Ian Gough, "Marx's Theory of Productive and Unproductive Labor," in New Left Review, No. 76, November-December, 1977. Quoted in Braverman, ibid., p. 411.
27. Poulantzas, op.cit., p. 94.
28. Ibid.
29. Ibid., p. 14.
30. Ibid., p. 25.
31. Ibid.
32. In Marx's words:
 

"Economic conditions had at first transformed the mass of the people of the country into workers. The combination of capital has created for this mass a common situation, common interests. This mass is thus already a class as against capital, but not yet for itself. In the struggle, of which we have noted only a few phases, this mass becomes united, and constitutes itself as a class for itself. The interests it defends become class interests. But the struggle of class against class is a political struggle."

From Karl Marx, The Poverty of Philosophy, quoted by Poulantzas, Political Power...op.cit., p. 59.
33. In 1959, Arab citizens were allowed access to membership in the Histadrut, mainly for access to Kupat Holim (Sik Fund), the nationwide health care system over which the Histadrut exercises full monopoly. Arabs, however, are not likely to become partners in the Histadrut as capital.
34. One example of a serious opponent is given in Wright, op.cit.
35. For a reference, see, for example, Henry Lefebvre, Dialectical Materialism.

36. G. Arrighi, "The Relationship between the Colonial and the Class Structures: A Critique of A.G. Frank's Theory of the Development of Underdevelopment" (U.N. African Institute for Economic Development and Planning, Dakar, Senegal; Mimeograph, 1971). Quoted by Sundaram, op.cit., p. 365.
37. In neo-classical economic theory the rising tendency of the organic composition of capital is referred to as increase in the ratio of constant to variable capital,  $\frac{C}{v}$ . This is further elaborated in the following chapter.
38. Concentration, centralization, and internationalization of capital as manifestation of the essential unevenness of capitalist development are treated in Chapter VII and thesis conclusions.
39. Other postulates of Zionism are known as spiritual or religious Zionism, represented in Chaim N. Bialik poetry and in Achad Ha'am, "Shalosh Matanot" story, etc. It is interesting that only this part of Zionism was included in the curriculum of Arab schooling in Israel. Probably the explicitly political postulates of Zionism were avoided by the Israeli Ministry of Education and/or the Minorities Department of the Ministry of Interior, in order not to raise the question of teaching modern Palestinian history, which was absolutely prohibited, hoping that the "Israeli-Arabs" would soon forget and become "good" citizens.

Other postulates of Zionism are referred to as bourgeois Zionism (Herzl) to distinguish them from Labor-Zionism. For a reference on the various postulates, see for an example, Arthur Hertzberg, ed., The Zionist Idea: A Historical Analysis and Reader, Atheneum, New York, 1971.

40. The concept of "hegemony" was introduced by Gramsci to account for the political practices of dominant classes in developed capitalist formations. The field of this concept is the political class struggle in a capitalist formation. Thus, in locating the relation of the capitalist state to the politically dominant classes, we can say that it is a state with a hegemonic class leadership (direzione). The concept of hegemony can be applied to one class or to a fraction of a class within the power bloc; this hegemonic class or fraction is, in fact, the dominant element of the contradictory unity of the politically "dominant" classes or fractions forming the power bloc. When Marx speaks of the "exclusively dominant" fraction, while at the same time admitting the political domination of several fractions, he precisely attempts to isolate within the power bloc the hegemonic fraction.

As it applies to the political practices of the dominant classes, the concept of hegemony further indicates how, in their relations to the capitalist state, the political interests of these classes are

constituted as representatives of the "general interest" of the body politic, i.e., the people/nation, which is based on the effect of isolation on the economic. (Based on Poulantzas, ibid., pp. 137, 140, 141, 237.)

41. Hertzberg, op.cit., p. 353.
42. This is how I was exposed to the treatment of this question during my training in development planning in the Department of Urban Studies and Planning at MIT. Especially so in the Ph.D. Seminar on Research and Methodology (1974-1975).
43. An example of the radical critique I am referring to is Arie Bober, The Other Israel: The Radical Case Against Zionism, New York, 1972, pp. 148-149; 154-155.
44. Letters from F. Engels to J. Bloch, 21 September, 1890, in Karl Marx and Frederick Engel's Selected Correspondence, Moscow, 1963, p. 498, quoted from Navarro, op.cit.
45. H. Hanegbi, M. Machover, and A. Orr, "The Class Nature of Israel," in Bober, op.cit., is a good beginning, raising an issue of great importance but as it stands is an extremely inadequate analysis of class formation in Israel.
46. Except for an aggregate industry-by-occupation matrix in Labor Force Survey (1972 and 1974) but even this is not cross-tabulated by population groups.

CHAPTER II  
LABOR-ZIONISM/SETTLER-COLONIALISM  
AND  
THE UNEVEN DEVELOPMENT OF CAPITALISM

## Introduction

In this chapter we wish to argue that Zionism is a Jewish consciousness arising from material conditions of Jewish life in Diaspora subject to uneven development of capitalism. This consciousness corresponds to the class interest and aspirations of the Jewish bourgeoisie in the transitional phase of capitalism in the metropolis from its stage of competition to the stage of monopoly: the need for a Jewish State to intervene on its behalf in the face of monopolistic competition.

The rise of Zionism coincides with the rise of capitalist settler-colonialism that emerged from the process of monopoly formation in the late nineteenth century, specifically from the displacement effects of capital combination, swallowing small capital and hence, undermining the material conditions of the petty bourgeoisie as a social class.

Capitalist settler-colonialism, as in the case of Rhodesia, for example, is distinguished here from pre-capitalist settler and non-settler colonialism during mercantilism (as was the case in white settler America and Australia). Capitalist settler colonialism is seen as one of three forms of foreign domination that emerged subject to the logic of capitalist accumulation on a world scale. The other forms are colonialism, featuring the age of competitive capitalism and neo-colonialism, featuring the age of monopoly. Settler-colonialism is a form featuring the transitional phase in-between the two stages of capitalism.

That Israel constitutes a settler-colonial social formation is not the subject of our debate but its starting point. This essentially settler-colonial character is the necessary context for understanding Zionism

as a territorial solution to the Jewish question defined in terms of landlessness. The essentially settler-colonial character of Zionism was explicitly identified even by Ber Borochov, the founding father of "socialist" Zionism. From Borochov's Selected Writings:

"The Jewish problem migrates with the Jews....Emigration alone does not solve the Jewish problem....For that reason, Jewish immigration and any other national immigration tend towards compact settlements....The Jewish petty bourgeoisie and working masses are confronted by two needs. The impossibility of penetrating into higher levels of production creates the need for concentrated immigration into undeveloped country. Instead of being limited to the final levels of production, as is the case in all other countries, the Jews could, in a short time, assume the leading positions in the economy of the new land. Jewish migration must be transformed from immigration into colonization. This means a territorial solution of the Jewish problem." (emphasis mine)

Moreover, indicating the imperative of colonial settlement for the realization of Zionism, Borochov adds:

"From a political point of view, propaganda is less productive than action. Create facts and more facts -- that is the cornerstone of political strategy....The practical colonization work in Palestine...has created those facts which have paved the road for our present status. No matter how small and weak the Jewish colonies might be, no matter how great the shortcomings in their system of colonization -- they did more towards enlightening the Jewish nation than a thousand beautifully-worded programs and diplomatic negotiations. A fallen shomer plays a greater role in the realization of Zionism than all declaration." 1

The review of settler-colonialism in this chapter is thus not to demonstrate Israel's settler-colonial character, but rather to put Israel as a settler-colonial phenomenon in the proper and more general historical context of uneven development of capitalism on a world scale. Placing the theoretical/ideological foundation of Israel in the context of monopoly formation as a manifestation of uneven development, of the rising tendency of the organic composition of capital, is also identifying the material

conditions under which Zionism becomes a mobilizing material force capable of creating new material conditions, the transplantation of Israel in Palestine.

We argue, however, that only one postulate of Zionism that proved to become a mobilizing material force, namely Labor-Zionism, became so only in the Borochovist formulation. (Recall from the previous chapter our methodological rationale for selecting Borochovism out of all other postulates of Zionism.)

It is our purpose in this chapter to identify the reasons that made Borochovism a mobilizing material force: the material conditions from which it rose, the materialist approach it embodied and the material conditions it was formulated to create. In this kind of analysis we intend to illustrate and highlight the interaction between objective forces (material conditions) and subjective forces (theory, ideology) in the development of Borochovism and, accordingly, Israel.

Before entering the analysis of Borochovism itself, let us make a few points:

(a) That Zionism in all its postulates is essentially political. The distinction between spiritual/religious Zionism versus political Zionism is a false distinction. From its inception, the Zionist idea was the idea of a Jewish State. This point is best documented by Maxime Rodinson, Israel: A Colonial Settler State? The distinction between political and religious Zionism is a tactical and pragmatic one, regarding what appeals more to the Jewish masses who were to be mobilized for actualizing the idea.

(b) That Zionism in all its postulates is essentially bourgeois con-



sciousness; the idea of a bourgeois Jewish State. In this sense, the distinction between bourgeois Zionism and Labor, socialist or proletarian Zionism is false also. The difference between the socialist/proletarian Zionism and other formulas is a strategic one, concerning the implementation strategy by which the Zionist idea - bourgeois Jewish State - can be actualized.

We also try to demonstrate that the distinction between left-wing and right-wing Labor-Zionism is irrelevant in the sense that Borochovism, the extreme left of Labor-Zionism, is objectively bourgeois.

(c) We argue further that the only development strategy for the implementation of the Zionist idea was Borochovism. There were proposals regarding the territory in which the Jewish State was to be established (Herzl) but none other than Borochov provided a theory of action, a development strategy based on a systematic understanding of the material prerequisites for the existence of a State which is essentially bourgeois and Jewish.

(d) That the Borochovist strategy was bourgeois in character, it can lead only to development on capitalist lines. This can be so independently of its architect's intention and for that matter of his class origin and position subject to class struggle, not to metaphysical determinants.

Further, it can be so independently of the paradigm to which it explicitly adheres. Also, independently of the terminology and methodology incorporated in its formulation. It can also be bourgeois independently of the fact that it had a petty bourgeois appearance and thus appealed to and mobilized the petty bourgeoisie, not the bourgeoisie. By the latter, we mean that the Jewish petty bourgeoisie had falsely adopted Zionism and

internalized it as its own consciousness or ideological "sub-ensemble". Zionism does not represent the genuine consciousness of the petty bourgeoisie. Borochovism, however, is a formulation of a bourgeois strategy in terms that appeal to the petty bourgeois tendencies and class interest, specifically reproduction of the past or bourgeois transformation of its petty bourgeois origins.

In The Jewish Question: A Marxist Interpretation, Abram Leon makes a strong case for Zionism as being the class consciousness of the Jewish petty bourgeoisie.

Although agreeing with him in the past, now after completing the analysis of Borochovism in the preceding chapter, we come to realize that this view is imprecise. It is hard not to be misled by Borochov that his represents the class interests of the "proletarizing" Jewish petty bourgeois masses, although it is much easier to realize that it is not proletarian. It helps to clarify here some confusion awaiting the reader in our argument on this point: although Zionism in all its forms originates in the class consciousness of the bourgeoisie, in all its postulates it appeals to the fraction of the petty bourgeoisie aspiring to become bourgeois. However, the Borochovist formula coincides with and appeals to the aspiration of a wider range of the petty bourgeoisie, including those aspiring to restore their class origins or simply to seek secure proletarian employment.

The novel interpretation of Borochovism that is to be presented here identifies the role of self-labor in his strategy for actualizing the Jewish State. We see the essence of Borochovism and its distinctive feature as being the imperative of Jewish proletarianization by Jewish capi-

tal, namely, Jewish capitalist relations of production; i.e., Jewish class struggle, specifically Jewish antagonism between a Jewish proletariat and a Jewish bourgeoisie as the material prerequisites for a State which is Jewish and bourgeois. It is for this emphasis on exclusive Jewish proletarianization and class struggle that it is often interpreted as proletarian in character, and we argue that it is precisely for these reasons that it is bourgeois in character.

We further argue that it is precisely in this task that it is precisely this strategy that derives from dialectical materialism. From the formal structure of the Marxist conception of the rise of the bourgeois State, but transposed to utterly different conditions from those depicted in the historical materialist account of the rise of the bourgeois social formation. In effect, Borochoy was seeking to simulate a process of development using insights of a dialectical materialist kind.

This analysis of Borochoy's socialist or proletarian Zionism provides for a different interpretation of the emphasis on replacing, as opposed to exploiting, the indigenous labor force which is said to distinguish Jewish colonial settlement in Palestine from other cases of settler-colonialism (say, South Africa), and which has special bearing on the proletarianization of Palestinians in the past. It also sheds a new light on the underlying causes of Palestinian proletarianization in the present. In the following, we try to show how Borochoyism constitutes a development plan for Israel's sectarian settler-colonial social formation, as a necessary background for identifying current formations that are related to the proletarianization of Palestinians in Israel today.

## II. Settler Colonialism and the Uneven Development of Capitalism

In the classical and recent Marxist theoretical writings on the development of capitalism and modern colonial policy there is very little explicit reference to settler colonialism. These writings focus mainly on two other capitalist forms of foreign domination, specifically, colonialism and neo-colonialism.<sup>1</sup>

In Lenin's Imperialism: The Highest Stage of Capitalism, one finds only indirect hints to the settler colonial phenomenon as peculiar to a transitional phase in the development of capitalism.<sup>2</sup> It is probably owing to its transitionality that this phenomenon is given very little attention in the Marxist theoretical literature. These indirect hints, however, provide sufficient guidance for constructing a theory of settler colonialism.

As in the cases of modern colonial and neo-colonial policy, the historical material origins of settler colonialism lie in contradictions generated by the internal laws of capitalist accumulation. Put differently, is to say that the denominator of all three forms of modern colonialism mentioned above is the essentially uneven development of capitalism; this is by no means to say that colonialism is a phenomenon peculiar to the capitalist mode of production. As Lenin puts it in 1919:

"Colonial policy and imperialism existed before this latest stage of capitalism and even before capitalism. Rome, founded on slavery, pursued a colonial policy and achieved imperialism... Even the colonial policy of capitalism in previous stages is essentially different from the colonial policy of finance capital." 3

This is to emphasize the specificity, not only of capitalist colonialism, but also of the colonial form peculiar to each stage in the development of capitalism. Both the colonial phenomenon as well as the stages

(periodization) of capitalism are viewed here as manifestations of the essential unevenness of capitalist development: In its early competitive stage following the Industrial Revolution, capitalism gave rise to classical colonialism, characterized by the actual presence of colonial administration; an extension of the capitalist state apparatus in the metropolis. The colonial state in the colony as strictly administrative, its top positions being monopolized by metropolitan colonial administrators, both civilian and military, relying on indigenous semi-feudal and tribal leaders as collaborators in the pursuit of raw material and surplus-value extraction in behalf of the metropolitan bourgeoisie.

Competitive struggle among capitalists becomes, itself, an agent of concentration; "free" competition thus leads into monopoly formation, its very opposite. The emergence of monopoly capitalism represents a different stage in the development of capitalism, said to be the highest.

In its highest stage, the stage of monopoly, capitalism gave rise to a new form of foreign domination concomitant with or following decolonization. To distinguish it from capitalist colonialism in the previous stage, it is called neo-colonialism. This is capitalist, as opposed to pre-capitalist, imperialism. It is characterized precisely by the absence of colonial state superstructure. Political, economic, and ideological domination/subordination exercised directly through the alliance between classes formed by earlier colonialism in pre-capitalist social formations and the international bourgeoisie. Neo-colonialism, thus, operates under the very guise of political independence in the post-colonial nation-states, subordinating them to its ultimate objective, the internationalization of capital.<sup>4</sup>

It is precisely this transition (from capitalism of competition to capitalism of monopoly) that provided the objective and subjective conditions for the rise of settler colonialism. The three forms of modern colonial policy thus correspond to three different periods in the development of capitalism; settler colonialism, however, unlike classical colonialism and neo-colonialism, corresponds to a period which is essentially transitional. Does it, therefore, follow that the actual settler colonial formations in Africa and the Middle East, for example, are necessarily transitional phenomena? In other words, does this transitional origin put in question the long-term viability of settler colonialism? Are the current transformations in the balance of forces within white settler colonial regimes in Africa and in the class nature of Israel indicative of transcendence of settler colonialism, as it is becoming historically superfluous and potentially an impediment to the restoration of the international hegemony of U.S. monopoly capital, shaken in the seventies?

For examining any of these questions, it is imperative to have a closer look at the specific aspects of uneven development that gave rise precisely to this settler colonial form, and more importantly, the essence of unevenness in capitalist development and specificity of cases.

#### A. Capitalist Uneven Development

The unevenness of capitalist development is rooted in two fundamental tendencies inherent in the logic of capitalist accumulation:

- (a) the rising tendency of the organic composition of capital;
- (b) the falling tendency of the rate of profit.

The two tendencies are seen by Marx as inversely related, hence con-

stituting what he calls the Theory of the Law, said to explain the intrinsically uneven development of capitalism.

This Theory of Law can be summed up in the following:

The value of any commodity produced under capitalist conditions can be broken down into three component parts: constant capital (C), variable capital (V), and surplus value (S).

$$C + V + S = \text{Total Value}$$

From this basic formula, three ratios are derived:

First, the rate of surplus value defined as the ratio of surplus value to variable capital and is denoted by S':

$$\frac{S}{V} = S' = \text{Rate of Surplus Value}$$

The rate of surplus value is the capitalist form of what Marx calls the rate of exploitation, that is to say, the ratio of surplus labor to necessary labor.

Second, a measure of the relation of constant to variable capital in the total capital used in production. Marx calls this relation the organic composition of capital. This relation can be indicated most conveniently by the ratio of constant capital to total capital (Q):

$$\frac{C}{C+V} = Q = \text{Organic Composition of Capital}$$

Third, the rate of profit defined as the ratio of surplus value to total capital outlay (P):

$$\frac{S}{C+V} = P = \text{Rate of Profit}$$

For the capitalist, the crucial ratio is the rate of profit. In mathematical language, the rate of profit is a function of the rate of surplus value and the organic composition of capital. Remembering the

definitions above,  $S = S/V$ ,  $Q = C/(C+V)$ , and  $P = S/(C+V)$ , it follows, by simple manipulation, that

$$P = S' (1-Q)$$

From this, it follows that if we assume the rate of surplus value ( $S'$ ) to be constant, the rate of profit ( $P$ ) varies inversely with the organic composition of capital. Since  $Q$  displays a rising trend in the course of capitalist development, there must be at least a tendency for  $P$  to fall. This, very briefly, is the substance of what Marx calls the Theory of the Law (Vol. III, Chapter XIII). He enumerates, however, six 'counteracting causes' which 'thwart and annul' the general law of the falling rate of profit, leaving to it merely the character of a tendency.<sup>5</sup>

This "Theory of the Law," although reduced into a mere tendency, is still very controversial among Marxists. One of the most profound arguments against it is Sweezy's theoretical and empirical demonstration that changes in the rate of surplus value may compensate, or even overcompensate, for the effects of the rising organic composition of capital, hence the possible undermining of the falling tendency of the rate of profit.<sup>6</sup> As Antipode states: "In Monopoly and Capital, Baran and Sweezy have tried to revise Marxism by substituting a "tendency for the surplus to rise" for the classical 'falling tendency of the rate of profit."

Despite the controversy (surrounding more the falling tendency of the rate of profit and less the rising tendency of the organic composition of capital) this "law" remains to be the key for understanding the essentially uneven capitalist development. Unevenness takes the form of class struggle between capital and labor that emerges gradually and inevitably from the rising tendency of the organic composition of capital, without which accumu-



lation does not occur. Also, of competitive struggle among capitalists which in turn increases the socialization of production that culminates in the multi-national firm and an international division of labor. Stimulated by these two simultaneous tendencies, this competitive struggle leads to capital combination, hence the displacement of small capitalists. It is less the Law, per se, and more the "counteracting causes" that reduce it into mere tendency that concerns our analysis.

Marx points out the cheapening of elements of constant capital, intensity of exploitation, depression of wages below their value, relative overpopulation, and foreign trade. Lenin emphasizes the export of capital and the formation of monopoly; others emphasize state intervention and trade unions, etc. Knowing how these actually operate exposes not only the essence of modern colonial policy in its three various forms, but also the periodization, or stage development, of capitalism.

Two of these counteracting causes, i.e., monopoly formation and the growth of relative overpopulation are of special significance for explaining specifically the rise of settler colonialism.

#### B. The Transition from Competitive Capitalism to the Imperialist Stage

This transitional phase, lasting from the end of the 19th century up to the inner-war period, is, according to Lenin, characterized by "unstable equilibrium between competitive capitalism and monopoly capitalism." One of the prominent features in the passage between these two stages in the development of capitalism is the displacement of the small capitalist and the petty bourgeoisie from their previously strategic positions in the social division of labor, resulting in the growth of "relative overpopulation." This growth of "surplus" population (superfluous to the newly domi-

nant mode of accumulation), precisely through monopoly formation, becomes the foremost steering factor for secessionist settler colonialism. Secessionist settler colonialism, therefore, conforms both with the struggle of the petty bourgeoisie and small capitalist against extinction, and the imperative of political stability for metropolitan big bourgeoisie in the face of increased intensity of internal contradictions in monopoly capital. Hence comes the urge to export this potentially risky "surplus" population to settle new lands. To substantiate the latter, it is best to quote Cecil Rhodes (after whom white settler colonial Rhodesia is named), expressing his imperialist ideas in 1885:

"I was in the East End of London yesterday and attended a meeting of the unemployed. I listened to the wild speeches, which were just a cry for 'bread', 'bread', 'bread', and on my way home I pondered over the scene and I became more than ever convinced of the importance of imperialism....My cherished idea is a solution for the social problem, i.e., in order to save the 40,000,000 inhabitants of the United Kingdom from a bloody civil war, we colonial statesmen must acquire new lands to settle the surplus population, to provide new markets for the goods produced by them in the factories and mines..." 7

A French bourgeois writer, developing and supplementing these ideas of Cecil Rhodes, writes that social causes should be added to the economic causes of modern colonial policy:

"Owing to the growing difficulties of life which weigh not only on the masses of the workers, but also on the middle classes, impatience, irritation and hatred are accumulating in all the countries of the old civilisation and are becoming a menace to public order; employment must become for the energy which is being hurled out of the definite class channel; it must be given an outlet abroad in order to avert an explosion at home." 8

The quotations above do clearly express the vested interest of the metropolitan bourgeoisie in secessionist-settler colonialism. This, however,

goes counter to the prevalent view of white settlers' secession as the result of antagonistic struggle between the settlers and their mother metropolitan countries. In his article, "White Settler Colonialism and the Myth of Investment Imperialism," Arghiri Emmanuel provides an example of this view. Emmanuel emphasizes "the antagonism between the white settlers and imperialism" as an alternative to the Marxist theories of modern colonial policy. He points out the latter's "failure to recognize a third factor that intervenes between imperialists and colonies, the colonialists themselves," implying the emerging of the settlers' colonialism independently of monopoly formation, and counter to the interests of imperialism. He therefore asserts, "whatever the motivating forces behind this adventure, the advanced capitalist world did not receive any supplementary benefit from the direct administration of these new territories." Emmanuel attributes settler colonial secession to the mere aspirations of the settlers: "This motive force proper to colonialism is none other than the colonials themselves." Otherwise, "why was imperialism so bitterly opposed to the white settlers' secession?" he asks. Providing a concrete example, he writes: "Israel is a secessionist colonial state. Its foundation was the object of a long and bloody struggle with England."<sup>9</sup>

Not only does Emmanuel miss the point in emphasizing the secession of the settlers over and above the colonial settlement itself, but he also presents an argument which is historically inaccurate, as will be seen later. He errs in taking the settler community as the starting point of his analysis, trying to relate it to financial imperialism versus imperialism of trade.

That is why the starting point of his theory of settler colonialism becomes the aspirations of the settler community in the colony, not the contradictions arising in the metropolitan country; and giving rise to the settler community in the first place. Stated in his words: "The settler community could not come to terms with anything: neither with the trusts nor with the metropolitan country....It could be saved only by secession from the metropolis, and by setting up an independent 'white' state. The settlers did not fail to appreciate that this was the case, and soon gave it the concrete form of an explicit demand."<sup>10</sup> Indeed, none more than the case of Israel, which he used to support his argument, refutes this very argument.

As put very well by Fawwaz Trabulsi,

"At its inception, the Zionist movement set up a State-superstructure [the Zionist Congress]...the Zionist aim was to find the territory and people for this 'State-superstructure' to rule....In fact, the whole process of Zionist colonization is one in which this 'State-superstructure' acquired its economic 'base' in Palestine." 11

Secession from the metropolis and setting up an independent Jewish State was never the expression of the settlers' conditions and aspirations. The Zionist idea of an independent Jewish State existed prior to the Yishuv (the Jewish settler community in Palestine). That the Zionist idea was always meant to be a colonial settler state is thoroughly documented by one of the foremost Mideast scholars, Maxime Rodinson.<sup>12</sup>

Putting colonial settlers' secession in the context of an essential antagonism between the settler community and the metropolis, and therefore equating it with the liberation struggle, is a falsification of history.

This claim, however, is very instrumental, given that colonial settlers' secession took place precisely during the period of decolonization through a genuinely progressive struggle for national independence in the colonies. Entertaining the notion of a "bloody struggle" with the mother country is, thus, a mere manipulation of the sentiments of the time, to give a progressive flavor of the hour to colonial settlers' secession; hence, the mobilization of sympathy and recognition.

Emmanuel correctly de-emphasizes the direct economic benefits that imperialist capitalism was to gain from settler colonialism, and rightly emphasizes the trade element to supercede the financial capital market objective in the case of settler colonial policy following decolonization. He errs, however, in viewing settler colonialism as detrimental to the objectives of monopoly capitalism: "On the economic plane, the settler community constituted a dead weight--if not a parasitic and harmful element..."<sup>13</sup>

The servitude of imperialist capitalism is not restricted to directly economic and immediate gains as the extraction of raw material and high surplus value prevalent in the earlier capitalist colonialism.

In what ways does settler colonialism serve the objectives of monopoly capitalism? And why does the metropolitan bourgeoisie actually sponsor the takeover of new lands although they are directly unprofitable enterprises? Paul Sweezy (speaking of British settler colonialism in Africa) eloquently answers:

"Though English capitalists may have little to gain through annexation by their own country, they may have much to lose through annexation by [others]....As soon as rivals appear on the scene, each country must make every effort to protect its position against the incursions of others. The result may be a net loss....What is important is not the loss or gain compared to the pre-existent situation, but rather the loss or gain compared to the situation which would have prevailed had

a rival succeeded in stepping in ahead....This is a principle of wide application in the economics of monopoly... may appropriately be referred to as the principle of protective annexation. Closely related...is the urge to annex territories...of little or no present value, nevertheless may become valuable in the future. This may be called the principle of anticipatory annexation. Protective and anticipatory annexations played a very important part in the late nineteenth century scramble for still unclaimed parts of the earth's surface. Finally, we must not forget considerations of strategic nature...the need for well-placed land and sea bases, lines of communication..." 14

Complementing Lenin's argument, which attributes these annexationist "transitional forms of national dependence or informal imperialism" to the antagonistic struggle between the fractions of metropolitan bourgeoisie and to the competitive struggle among monopolies themselves, all stemming from the internal logic of capitalist accumulation. Sweezy's argument highlights an inseparable dimension, i.e., the strategic geographic locations of these settler colonial enterprises in relation to existing and/or potential international undertakings. For example, British takeover of South Africa and Rhodesia to guarantee a route for East India's company. In the case of Zionist colonial settlement and its strategic location regarding British imperialism, the point is very well put by Emile Touma in The Roots of the Palestine Problem,<sup>15</sup> and by many other historians.

It must be further remembered that the transformation from capitalism to capitalist imperialism is not only economic; it has also political and ideological dimensions.

Agreeing with Kemp, the economic conflict between the big combines only becomes comprehensible when seen in relation to the struggle between states:

"The epoch of the newest capitalism shows us that certain relations are being established between capitalist combines, based on the economic division of the world, while parallel with this and in connection with it, certain relations are being established between political alliances, between states, on the basis of the territorial division of the world, of the

struggle for colonies, of the struggle for economic territory." 16

Further, as Lenin puts it: "The non-economic superstructure set up on the basis of finance capital, its politics and its ideology, stimulates the striving for colonial conquest." He quotes Hilferding, saying: "Finance capital does not want liberty, it wants domination."<sup>17</sup>

On the basis of findings by the American writer, Henry Morris, in The History of Colonization, Lenin concludes:

"...that it is precisely after that period [of the enormous expansion of colonial conquests, 1860-1880] that the boom in colonial annexations begins, and that the struggle for the territorial division of the world becomes extraordinarily keen. It is beyond doubt, therefore, that capitalism's transition to the stage of monopoly capitalism, to finance capital, is bound up with the intensification of the struggle for the partition of the world." 18

International competition between monopolies urged the curving out of colonial possessions as exclusive reserves. Territories were being acquired not only for their actual, but also for potential, use, as we mentioned earlier. This competitive struggle, with its economic roots, was intensified by the non-economic superstructure which grows up on the basis of finance capital, its politics and its ideology, stimulating the striving for colonial conquest.<sup>19</sup>

Distinctive of this phase are other transitional or contradictory developments, referred to by Lenin as the "semi-colonial states" and considered by him as transitional forms, typical examples of the "middle stage". Also, countries that are officially and politically independent, but which are, in fact, enmeshed in the net of financial and diplomatic dependence.<sup>20</sup>

Lenin correctly emphasizes the ideological influences that went with imperialism: nationalism, racialism, political reaction, etc., which were

transmitted into the labor movement itself by its right-wing leaders, justly called "social imperialists", "socialists in words and imperialists in deeds."<sup>21</sup>

In his book, The Territorial Development of the European Colonies, A. Supan states

"...that the colonial policy of the capitalist countries has completed the seizure of the unoccupied territories on our planet. For the first time, the world is completely divided up, so that in the future only redivision is possible; territories can only pass from one "owner" to another, instead of passing as unowned territory to an "owner". 22

Supan's analysis applies perfectly to the handing of Palestine by the British colonial powers to the Zionist colonial settlers. It applies most accurately, despite the systematic effort by leaders of the Zionist movement to distort this fact, popularizing the slogan: "Palestine, a land without people, for the Jews, a people without land."<sup>23</sup>

Integrating and complementing the above, our theory views settler colonialism as the historical byproduct of the uneven development of capitalism in the passage from the competitive stage to the stage of monopoly capital; an expression of transitionally coinciding aspirations of the petty bourgeoisie and the big bourgeoisie. The coincidence of these aspirations abroad viewed precisely as the result of their essentially antagonistic class interests at home, in the beginning of capital combination within metropolitan boundaries.

It is the petty bourgeoisie's struggle against extinction in the face of monopoly formation, and the monopolies' vested interest in political stability at home, plus their competitive struggle abroad for control of strategic routes to international undertakings, goods/capital markets, and spheres of influence in the pursuit of capitalism's extended reproduction, that under-



ly the competability of these conflicting class interests in relation to settler colonial enterprises.

Formulated as such, we explain settler colonialism (including secession from mother countries) in the context of alliance, not antagonism, between the settler community and the metropolitan bourgeoisie. It points out explicitly the crucial role of settler colonialism (so strategically located), at least transitionally, in furthering the internationalization of capital; in the self-reproduction of capitalism as a world order. Put this way, colonial settlement is conceived simultaneously as a result of, and as an instrument for, capitalism's imperative to externalize the effects of its main contradictions; to transfer them from the "center" to the "periphery". That is why, in order to accumulate, capitalism necessarily needs a periphery.<sup>24</sup>

Correcting Marx, Rosa Luxemburg emphasizes primitive accumulation to be not only a prior stage of capitalist accumulation, but as something needful throughout its maturity.<sup>25</sup> This conceptualization also highlights more than any previous reference the centrality of the class determination of the petty bourgeoisie in the rise of settler colonial phenomena.

The latter point carries special significance in the analysis of Jewish settler colonialism in Palestine (given the class locations of Diaspora Jewry), as demonstrated later on. In order to clarify this further, it seems necessary to identify the nature of class struggle in the transitional phase.

Monopoly formation involves two simultaneous processes:

- (1) Concentration of capital refers to the increase in the quantity of capital under each one's control; this in turn makes possible an enlarged scale of production and is necessarily the result of accumu-

lation. "Concentration of production in ever-larger enterprises," says Lenin, "represents one of the most characteristic features of capitalism....Concentration of production, however, is much more intense than the concentration of workers, since labour in the large enterprises is much more productive."<sup>26</sup>

The latter point is very important for understanding the underlying causes of displacement and growth of "relative" overpopulation in the transition from competition to monopoly.

- (2) Centralization of capital refers to the combining of capital already in existence. This process differs from the former in that it only presupposes a change in the distribution of capital already at hand and functioning; its conglomeration in fewer and fewer hands, following the law of the sea, "the big fish eating the little." As Marx puts it, "Capital grows in one place to a huge mass in a single hand because it has in another place been lost by many."<sup>27</sup> This is centralization proper, as distinct from accumulation and concentration.

Some contemporary economists distinguish between these two processes as "capital-widening" and "capital-deepening".<sup>28</sup> Classical writers refer to both processes of monopoly formation as "capital-combination".<sup>29</sup>

"Combined production," defines Lenin, is "the grouping in a single enterprise of different branches of industry, which either represent the consecutive stages in the working up of raw materials...or are auxiliary to one another."<sup>30</sup>

According to Lenin, the increase of concentration of production and of capital to the extent that it leads to monopoly, the merging or coalescence of

banking with industry--this is the history of the rise of finance capital and what gives the term "finance capital" its content. The precise time for this transformation is the beginning of the twentieth century. Quoting Jeidels, "It was the crisis [of 1900] that enormously accelerated and intensified the process of concentration of industry and banking, consolidated that process, for the first time transformed the connection with industry into the monopoly of big banks, and made this connection much closer and more active."<sup>31</sup> This is how bank capital, i.e., capital in money, is transformed into industrial capital, i.e., finance capital, controlled by banks and employed by industrialists.

The transformation in the role of the banks is an essential feature in monopoly formation. The original function of banks is to serve as intermediary in the making of payments, transforming inactive money capital into active capital that produces profit.

The "affiliated" bank is one of the important features of modern capitalist concentration. Large-scale enterprises not only completely absorb small ones, but also "join" them to themselves, subordinate them, bring them into their "own" group or concern by having "holdings" in their capital or by controlling them through a system of credit, etc.<sup>32</sup>

Interpreting Marx and Engels, Kemp sums up the dynamics of transition from capitalism of competition to capitalism of monopoly in the following words:

"From competitive struggle itself, and the process of centralization and concentration of capital which accompanied and flowed from the compelling forces of the laws of accumulation, a few large capitals would tend to replace many small ones. The technical innovations which the capitalists in the course of competitive struggle were forced to make, by increasing outlays of fixed capital, tended in the same direction and meant the exclusion of small capitals altogether from some fields." 33

The emergence of monopoly was further facilitated by changes in the structure of ownership associated with the joint stock company and the financing of industry through the stock exchange and the credit system. The actual rate and character of the transition to the new type of capitalism varied in the different countries. In Germany, the pace and extent of combination and cartelization were especially remarkable. In Britain, as Lenin admitted, monopoly tendencies were slower in showing themselves, partly owing to the fact that the priority of British industrial development meant that competitive structures and habits were deeply rooted, while in later developing Germany, large-scale industry grew up in close association with monopolistic practices. Nevertheless, if the development was slower in Britain, it was by no means absent. In fact, there were no exceptions. Throughout the continent, including Russia, as well as in the rapidly growing economy of the United States, there was a great increase in the number of cartels, combinations and trusts towards the end of the nineteenth century. Free competition was driven from one field to another. Despite the continued existence of "free" competition in many sectors, it had lost, and lost irrevocably, the virtually undisputed sway which it had once exercised.<sup>34</sup>

"When monopoly appears in some branches of industry," says Lenin, "it increases and intensifies the stage of chaos inherent in capitalist production as a whole..."<sup>35</sup> "Capitalism arrives at the threshold of the widest socialization of production....The process of technical invention and improvement, in particular, is becoming socialised."<sup>36</sup> This leads us into the importance of the bourgeois nation-state intervention on behalf of the bourgeoisie, hence the rise of nationalism as bourgeois ideology and the counteracting utopian ideologies in the pursuit of restoring the old-style capitalism based on the small producer and owner-entrepreneur. The latter was strongly criti-

cized by Lenin, not only as utopian, but also as it ran directly contrary to the "socializing" tendencies of modern monopoly capitalism and was consequently "reactionary".

In his own words, "...The immense progress of humanity, which achieved this socialization, goes to benefit the speculators....On these grounds, reactionary petty bourgeois critics of capitalist imperialism dream of going back to "free", "peaceful", and "honest" competition."<sup>37</sup>

Changes in the banking system, "the transformation of numerous modest intermediaries into a handful of monopolists, represents one of the fundamental processes in the transformation of capitalism into capitalist imperialism."<sup>38</sup> In Germany, in particular, emphasizes Kemp, on the basis of Lenin's analysis, the big banks promoted industrial enterprises and their nominees occupied supervisory or controlling positions in many firms. By concentrating in their hands the bulk of money capital of capitalists, farmers, small businessmen and others, the banks inevitably tended to become no longer the servants of industry but its masters. In Germany, the banks carried out functions which had formerly been performed by the stock exchange by dealing directly in company shares. The era of "finance capital" had begun, in which control lies increasingly with men whose special powers derive from specifically financial control and manipulation--particularly control of money capital placed at their disposal by rentier shareholders. The rise of finance capital to do away with the role of money capital sheds light on the displacement of the petty bourgeois money lenders from their positions in the social division of labor, with the emergence of monopolies

The latter threatening with equal ruthlessness the small capitalists. Monopoly formation, therefore, represents not only struggle within the bourgeoisie in the process of their class fractionalization (into

the commercial bourgeoisie, the industrial bourgeoisie and the financial bourgeoisie), but also class struggle (between capital and labor) in the forms of embourgeoisement/proletarianization, displacement of workers by machines for higher concentration of production, and struggle between the capitalists and the pre-capitalist-petty bourgeoisie, threatened with extinction in the form of proletarianization or marginalization--forceful joining of the "surplus" population--explains the interest of the petty bourgeoisie to undertake the actual implementation of the secessionist colonial settlement as an immunization against proletarianization, hence the reproduction of its class-location, and/or opportunity for embourgeoisement of the settlers through proletarianization of the native population in the annexed territories.

Now that we have constructed a theoretical frame for analyzing settler colonialism in general as it emerges from the uneven development of capitalism, we are ready to examine the specificity of settler colonialism in Palestine.

### III. Settler Colonialism in Palestine

It is said that Jewish colonial settlement in Palestine differs essentially from the typical settler and non-settler colonial forms in that it aims not to exploit, but rather to replace native labor. This difference is often pointed out to highlight the progressive character of settler colonialism in Palestine, and is attributed to its underlying Labor-Zionist ideology.

Labor-Zionism, known as the "socialist" or "proletarian" blend in Zionism, represents the culmination of all previous proposed territorialist solutions to the Jewish question. Using Don Schon's planning terminology,

Labor-Zionism constitutes the "theory-of-action" for Jewish settlement in Palestine.<sup>39</sup>

We argue that Labor-Zionism does neither in theory nor in practice constitute a proletarian socialist alternative. It is sufficient to examine Labor-Zionism in the context of settler colonialism elsewhere in order for its proletarian mythology to be exposed.

In his Marxist interpretation of the Jewish question, Abram Leon does argue and document the petty bourgeois character of Zionism in general.<sup>40</sup> We go one step further to emphasize that Labor-Zionism, in particular, represents the ideological sub-ensemble of the Jewish petty bourgeoisie threatened with extinction in the transition of capitalism from its competitive stage to the stage of monopoly. This essentially petty bourgeois ideology does, at least transitionally, coincide with the objectives of the combining Jewish and non-Jewish big capital in metropolitan countries. The primary objective of which is the essential internationalization of capital.

Once we demonstrate the Labor-Zionist-based Jewish settlement in Palestine as a petty bourgeois alternative, we focus on the characteristics that distinguish it from other settler colonial cases. For that matter, we in fact reinforce the popular argument which attributes the peculiarity of Zionist settler colonialism to its labor ideology.

Contrary to this argument, however, we maintain that settler colonialism in Palestine, distinguished by its labor ideology, differs from other settler colonial forms (Rhodesia, South Africa, etc.) not in its socialist, compared with the other's capitalist, orientation; the real difference lies rather in the unsecularity of the Zionist settler colonial project (its

Jewish sectarianism), and in its intended evolutionary character.

This study departs from other conventional and Marxist interpretations of Labor-Zionism in that it takes very seriously the notion of evolution as compared with merely a settler enterprise.

We argue that it is the labor blend in Zionism that gives Jewish settler colonialism its evolutionary, hence peculiar, character, and the State of Israel its Jewish definition. Without the principle and practice of "self-labor", interpreted often as "Hebrew-work", a Jewish State can never emerge. Given that, by definition, the State is a relation of struggling social classes.<sup>41</sup> To be Jewish, there has to be Jewish class-struggle, hence the existence of Jewish class society, i.e., Jewish social formation, the site for Jewish classes to be formed and reproduced in class-struggle.

Not realizing the evolutionary element in the Labor-Zionist model of settler colonialism is, indeed, belittling the Borochovist genius. It is interpreting Labor-Zionism at this comprehensive level of social formation, ultimately, after the proletarianization of Palestinians in Israel today is documented, that the impediment of Palestinian proletarianization in the past, and the implications of its occurrence in the present, can be comprehended.

The centrality of this evolutionary notion implicit in Labor-Zionism, which gives Jewish settler colonialism in Palestine a peculiar character, exposes also the significance of foreign capital penetration into post-1967 Israel. It unravels the real implications of this simultaneous large-scale penetration of foreign subsidiaries and Palestinian labor, on the

viability of the State of Israel as a Jewish State.

For a fuller development of this argument, we examine three issues:



- (a) How Borochov defines the Jewish question and what he proposes for a solution; (b) the class interest to which the Borochovist solution corresponds; (c) the instrumentality of labor in socialist-Zionism.

A. The Borochovist Conception of the Jewish Question (1900)

According to Borochov:

"Jewish production was characterized by the predominance of the element of human labor over the element of nature, and of mental over physical labor. It was basically invested in the production of variable not constant capital (i.e., in consumer goods). Historically, the greatest concentration of traditional occupations of the Jews is in the category of final level of production (needle-trade, baking, printing), and secondly, in the tertiary-middle level of production (chemical, leather, paper industries), but rarely in primary level of production and in basic industry....The prevailing law in Jewish economics is that the concentration of Jewish labor in any occupation varies directly with the remoteness of that occupation from nature." 42

On the basis of the above characterization of the Jewish employment structure in Diaspora, Borochov concludes that the Jews were "abnormal" people, for their class structure resembled an "inverted pyramid"<sup>43</sup> marked by two anomalies: the absence of a working class and the absence of a territory of their own. The solution is, therefore, building a Jewish working class on a Jewish land, Palestine.

Central to his analysis of the Jewish question are the problems of "displacement" and "proletariatizing masses", concomitant with disintegrating feudalism in East Europe and decaying competitive capitalism in the West. It becomes more evident throughout his analysis that his basic concern lies more in the displacement of Jewish masses from their traditional petty bourgeois positions threatened by proletarianization, and less in the displacement of Jewish proletariat by more competitive labor or owing to anti-Semitism.

Most characteristic of the Borochovistic socialism is establishing the peculiarity of the position of the Jewish proletariat and the proletarianizing masses in the face of capitalist displacement effects. In this regard, he sees Jewish masses more vulnerable than others, as they suffer also from isolation resulting from their ex-territorialization. Their displacement, therefore, is likely to continue with the further development of capitalism, reaching even more acute measures.

In the final analysis, Borochov explains the displacement of Jewish masses under capitalism as one emerging from the interaction between the "conditions of production" and the "forces of production", thus formulating in these terms his theory of national conflict, said to derive from a materialist conception of history. And it is in these terms that he defines the Jewish question as a national not a social one, arguing:

"The character of the relations of production depends on the state of the forces of production and their development is primarily dependent on the natural conditions which man must face in his struggle for existence of the above-mentioned conditions of production, the natural non-social factors predominated firstly." 44

Considering his theory of the national question as a parallel to Marx's theory of the social question, Borochov argues:

"As the class struggle assumes the character of a social problem wherever the development of the forces of production disturbs the constitution of the relations of production...the same is true of the national struggle...the national problem therefore arises when the development of the forces of production of a nationality conflicts with the state of conditions of production...the most vital of the material conditions of production is the territory. The territory is furthermore the foundation on which rise all other conditions of production." 45

He goes one step further to assert that, owing to this national conflict resulting from the "abnormal conditions of production" the Jews in the Diaspora cannot take part in class struggle as their continuous displacement

makes impossible their proletarianization and as their national consciousness obscures class consciousness. His "doctrine" of nationalism and class struggle reaches its culmination in identifying a kind of antagonism between the class consciousness and the national consciousness of a given group, asserting: "...under normal conditions of production the class antagonisms become more acute, whereas under abnormal conditions of production, they abate somewhat."

Given the Jews' abnormal conditions of production,

"...the capitalist system [Borochoff continues] engendered the national question not merely for the bourgeoisie alone, but also for all other classes of society, since each class in one way or another was affected by this international competition. Fundamentally, the territory is of value to them all as the base of the conditions of production...The proletariat and the proletarianizing masses have no direct influence on international politics. The only means of expanding the work-sphere is the peaceful emigration to foreign lands....The proletarianizing masses...are interested even more than the proletariat in retaining the integrity of their national work-place...The abnormal conditions of production tend to harmonize the interests of all members of a nation... but they also hinder the development of the relations of production and the class struggle, because the normal development of the mode of production is hampered." 46

In concluding the Borochoffist conception of the Jewish question, we must pause here to identify his mistake and illustrate the deficiencies of his putative historical-materialist perspective.

All existing critics of Borochoffism focus by-and-large on the incongruities between his Marxist theory and the way in which it was practised. We argue that nothing is Marxist about Borochoff's formulation of the Jewish question except for the terminology.

In his own words, quoted above, Borochoff makes explicit that the Jewish displacement problem, as well as the malformed socio-economic structure, are predetermined by factors and not social forces and even by natural, non-social factors," that is, remoteness from nature. This remoteness predomi-

nates firstly, deforming the conditions of production, hence the resulting incompatibility with the state of the production forces.

All these factors operate, in Borochoy's conception, independently from the relations of production; the latter has relevance only to the class conflict, which is in turn obscured by the absence of territory.

Although Borochoy's characterization of the Jewish socio-economic structure and the peculiar effects of capitalist development on the Jewish masses are accurate indeed, his analysis of these characteristics is the inverse of historical materialism. The "conditions of production" concept that Borochoy claims to invent is a distorted version of the Marxist concept of "conditions of material life of society", i.e., the social being from which men's consciousness arises. Although initially influenced by natural environment, these conditions are explicitly viewed in historical and dialectical materialism to be determined by the method of procuring the material means of subsistence that is the mode of production of material values indispensable for the existence and reproduction of society. The mode of production corresponds to a state of social productive forces at the disposal of society and the relations of production in a given historical conjuncture. This is to say, social productive forces are not a function of these conditions but their very determinants.<sup>47</sup> He employs not the materialist conception of history but, rather, the theory of factors "which dismembers the activity of social man and pictures its various aspects and manifestations as distinct forces that supposedly determine the historical movement of society."<sup>48</sup> Borochoy commits a profound mistake in claiming that his conception of the Jewish question derives from historical materialism while reducing the materialist con-

ception of history to mere "economic materialism" or, more appropriately, "territorial materialism", according to which an economic or, say, territorial factor "operates of its own accord, without the intervention of man", negating the role of the social relations forgetting that economic relations are themselves "a function of the social productive forces." Borochov denies the Jews their very history; the history of class struggle, the Jewish modes of social relations they have entered in the process of procuring their means of subsistence for centuries, and the developmental effects of this process. He therefore implicitly suggests that the social being of Jews has historically remained constant, determined merely by a single factor--ex-territorialization, indicating not the slightest comprehension of dialectical materialism. This richness of Jewish history, scientifically documented in Leon's Marxist interpretation of the Jewish question, points to the limitations of Borochov's utterly undialectical materialist conception of history. By way of contrast with him, Leon interprets the Jewish question and the rise of Zionism by going much deeper into Jewish history to explain why the Jewish masses are overwhelmingly petty bourgeois, that is, how the inverted pyramid-like structure emerged, a point that Borochov starts with but never explains.

To give an example of how Jewish history can be accurately analyzed, let us examine Leon's study as summed up by Nathan Weinstock:

"Proceeding from Marx's comments on the fact that the secret of Jewish survival resides in Jewish history, Leon developed his concept of the people-class as the key to Jewish history. It is the role fulfilled by the Jews during their history which provides the explanation of their survival as a distinct community. Analyzing the successive economic functions assumed by the Jews in the pre-capitalist era, under manufac-

turing and industrial capitalism and finally under imperialism, the author succeeds in unravelling the various Jewish modes of existence corresponding to those stages in social history ....He leads us through the intricate maze of the Jewish saga, describing the growth of modern anti-semitism generated by the incapacity of crisis-ridden capitalism to integrate the Jewish masses from Eastern Europe who had been evicted from their traditional occupations by the disintegration of feudal economy." 49

Unlike Leon, Borochoy provides us with rationalizations for his territorialist solution, but not with an explanation of the Jewish question.

As stated in the Communist Manifesto, it is the essence of the Marxist materialist conception of history that "the history of all hitherto existing society is the history of class struggle."<sup>51</sup> Denying this social force in explaining the displacement of the Jewish masses under capitalism, or at best, reducing it to economic manifestation, is indeed a fundamental distortion of historical materialism, despite his consistent adherence to this paradigm. Moreover, in relation to the displacement problem, Borochoy loudly points out "excess energy" as the "tragedy of the Jewish people" under capitalism. He does not explain this phenomenon but, again, uses it to justify the need for transferring the excess energy (surplus population) to new lands; a notion that forces us to recall Cecil Rhodes' rationale for settler-colonialism, expressed earlier in this chapter. He simply raises anti-capitalist slogans for furthering capitalist causes.

A genuine materialist conception of history otherwise explains the excess energy phenomenon in terms of the state of productive forces at the disposal of society and the nature of the dominant relations of production; reaching an entirely different conclusion regarding a remedy.

Starting with Leon's theory of the People class and the historical tendency of Jewish concentration in petty bourgeois class-locations, specifically trade professions,<sup>52</sup> then recall Marx provides a partial explanation in his law of development, which states: "The degree of development of merchants' capital is inversely proportional to the degree of development in industrial capital."<sup>53</sup> Marx is even more explicitly to the point in his following remarks:

"Historically, the form of industrial profit arises only after capital no longer appears alongside the independent worker...the trading peoples of antiquity, like the gods of Epicurus in the spaces between the worlds, or rather like the Jews in the pores of Polish society. Most of the independent trading peoples or cities attained the magnificent development of their independence through the carrying trade [author's emphasis] which rested on the barbarity of the producing peoples between whom they played the role of money (the mediators). In the preliminary stages of bourgeois society, trade dominates industry; in modern society, the opposite...capital arises only where trade has seized possession of production itself and where the merchant becomes producer, or the producer mere merchant." 54

In these observations from economic history is a powerful explanation of Jewish displacement and of the "excess-energy tragedy" concomitant with the very rise of capitalism. In fact, both Marx and Engels had already explicitly stressed the tendency of this traditional petty bourgeoisie to be undermined with the establishment of the dominance of the capitalist mode of production and its reproduction.

In his theory of imperialism, Lenin demonstrates the intensification of

this tendency in the transition from that stage of competition to imperialist capitalism. We have already discussed the effects of concentration and centralization of capital in the process of monopoly formation on small capitalists and the petty bourgeoisie, more specifically, how the new role of banking in the age of finance capital erases the role of money lender and displaces money capitalists.

Finally, the explanation of this tendency culminates in the observation expressed by Leon Trotsky, where he says:

"Capitalism has ruined the petty bourgeoisie at a much faster rate than it has proletarianized it. Furthermore, the bourgeois state has long directed its conscious policy toward the artificial maintenance of petty bourgeois strata. At the opposite pole, the growth of technology and the rationalization of large-scale industry engenders chronic unemployment and obstructs the proletarianization of the petty bourgeoisie....However, the artificial preservation of antiquated petty bourgeois strata no-wise mitigates the social contradictions, but on the contrary, invests them with an especial malignancy and together with the permanent army of the unemployed, constitutes the most malevolent expression of the decay of capitalism." 55

The latter quote explains not only the excess-energy problem but also what Borochof defines as the "utter impossibility of Jewish proletarianization" in Diaspora.

All the above observations and theories have in common their reference to the state of social productive forces and the capitalist relations of production as the forces underlying the displacement problem facing the petty bourgeoisie in general, and the Jewish masses in particular.

Providing this explanation, these analyses lead to the conclusion that the roots of the Jewish question lie in the very laws of capitalist accumulation, not in landlessness, as Borochof tries hard to lead us to believe.

The genuine materialist conception of history leads us to the conclusion that a lasting solution to the Jewish question lies essentially



in the transcendence of the dominant mode of accumulation, as the case is for the emancipation of humanity at large. The Borochovist conception of the Jewish question leads to the conclusion that the only solution to the Jewish question lies in re-establishing the bond with land from which Jews have been liberated, through class struggle, much earlier than other people; advancing the essentially social nature of the problem and its fundamental solution; a point in the transformation of humanity's problem, expected to be reached through capitalism as its ultimately progressive contribution to history.

For Borochov, however, the only remedy was Zionism, as a territorialist solution to the national and class questions of landless people; that is, settler-colonialism "through class struggle". "Socialism," he says, "is our goal but Zionism is our immediate need....Class struggle is the road to both."

Negated in his interpretation of the peculiarities of Jewish society, class struggle becomes central to his strategy for changing those peculiarities, as demonstrated in the last section. In the following section, however, we try to demonstrate the petty bourgeois, non-proletarian class origin of socialist-Zionism.

#### B. The Class Interest to Which Borochovism Corresponds:

Having sketched the decline of East European Jewry from the nineteenth century onwards, as we noted in the previous section, Abram Leon "explains the development of the Zionist utopia as an ideological reflection on the problems of the declassed Jewish petty bourgeoisie, supplanted in the economy by the rising indigenous middle class and deprived of all prospects in the framework of decadent capitalism."<sup>56</sup> We argue that nothing in the Borochovist theory of socialist Zionism disproves Leon's identification of the petty bourgeois class origin of Zionism in general. This is to say, in other words,

that proletarian or socialist Zionism by no means correspond to the class interest of the Jewish proletariat, as it is misinterpreted to do, but rather to that of the Jewish bourgeoisie and, in effect, the bourgeoisie itself. Before we develop this argument, it will help to point out the following:

First, that one's class interest is determined by one's class-location, that is, by one's objective place in the relations of production and reproduction of society's material values. Class interest is to be distinguished from class position, that is, one's actual political commitment, determined rather by one's subjective consciousness. One's actual class position may not correspond to one's real class interest owing to false ideology. (See Chapter III for further discussion on this issue.)

Second, that all ideologies are class ideologies. The ideology of a particular social group is determined by its place in the class determination within a particular formation (feudalist, capitalist, or other).

Third, the peculiarities of the class determination and ideological characteristics of the petty bourgeoisie as they are central to the point of this chapter. In Classes in Contemporary Capitalism, Nicos Poulantzas characterizes the class determination of the petty bourgeoisie as follows:

"In the relations of production, the place of the traditional petty bourgeoisie includes both small-scale production and small-scale ownership. Small-scale production essentially consists of forms of artisan production, or small family business, where the same agent is both owner and possessor of his means of production, as well as the direct producer. There is here no economic exploitation properly so-called, in so far as these forms of production do not employ wage-labour, or at least only do so very occasionally. Labour is chiefly provided by the actual owner or by the members of his family, who are not remunerated in the form of a wage. This small-scale production draws profit from the sale of its goods and through the overall redistribution of surplus-value, but it does not directly extort surplus value. Small-scale ownership chiefly involves retail trade in the circulation sphere where the owner of the trading stock, helped by his family,

provides the labour, and again only occasionally employs wage-labour.

"In the commonplace of these two groupings of the traditional petty bourgeoisie in the relations of production lies the fact that the direct producer is in each case himself the owner of the means of labour; i.e., in the combination of ownership with the absence of direct exploitation of wage-labour. This petty bourgeoisie does not belong to the capitalist mode of production but to the simple commodity from which was historically the form of transition from the feudal to the capitalist mode." 57

As far as ideology is concerned, given its place in the class determination of a capitalist formation, the petty bourgeoisie has, in the long run, no autonomous class position; no ideology of its own. As the two basic classes are the bourgeoisie and the proletariat, the only real class ideologies are, therefore, those of these two basic classes, which are in fundamental political opposition; that is, the only ideological ensembles with a specific coherence and that are relatively systematic are those of the dominant bourgeois ideology and the ideology connected to the working class.<sup>58</sup>

As far as the petty bourgeoisie is concerned, we simply speak merely of what Poulantzas refers to as a petty bourgeois ideological "sub-ensemble" formed by the effects of the (dominant) bourgeois ideology on the specific aspirations of the petty-bourgeois agents that are the function of their specific class determination. In Poulantzas' words:

"The petty bourgeois sub-ensemble is, in other words, a terrain of struggle and a particular battlefield between bourgeois ideology and working class ideology, though with the specific intervention of peculiarly petty bourgeois elements. This terrain is in no way a vacant site, but is encircled right from the start by bourgeois ideology and by petty bourgeois ideological elements." 59

These characterizations of the petty bourgeois ideological sub-ensemble and its formation leave very little doubt in our minds as regards the petty bourgeois character of Borochovisism, as it simultaneously adheres, both to

proletarian and bourgeois ideologies. This, indeed, culminates most accurately in Borochof's assertion of the "organic unity of socialism and Zionism" as the essence of his doctrine; the attempt to unite the two fundamentally opposite aspirations: proletarian internationalism (socialism) and sectarian bourgeois nation-statism (Zionism).

Moreover, "even when the petty-bourgeois sectors adopt working-class positions," says Poulantzas, "they often do so by investing them with their own ideological practices."<sup>60</sup> This explains, on the level of political articulation, why left-wing socialist-Zionist political parties, specifically Hashomer Hatsair prior to Statehood, and MAPAM in Israel, have sometimes adopted a working-class position to invest in their own ideological practices; especially for the purpose of promoting aliyah, hence the realization of Zionism. This is to say that the conjunctural adoption of proletariat positions by political formations of Borochovism (left-Zionist parties) may not imply that these formations essentially articulate the class interest of the proletariat; this is even more true when such positions were taken inconsistently as the case with left-Zionist parties.

Poulantzas indicates further

"...that certain ideological elements specific to the petty bourgeoisie may themselves have their effects on the working class' ideology, and because of the particular class determination of the petty bourgeoisie. This happens in a manner different to that in which bourgeois ideology acts, This is even the main danger that permanently threatens the working-class. It may take the form of convergence and a malformation of these elements with working-class ideology, particularly the form of petty-bourgeois socialism, but also...the forms of anarcho-syndicalism and revolutionary syndicalism, which can all affect the working-class." 61

Such petty bourgeois socialism and anarcho-syndicalism can be said, in the case of socialist-Zionism, to be configured in the forms of the collective

kibbutz, the co-operative moshav and the trade union federation (Histadrut). It is again to be emphasized that such forms are not necessarily to promote the proletarian cause. It is simply wrong to infer from the socialist appearance and image of the kibbutz, a socialist essence. It is a well-documented fact that these so-called socialist institutional arrangements were primarily instruments of colonization serving the interest of the petty bourgeoisie, not the revolutionary Jewish proletariat. For example, it was clearly indicated already in 1920 by the statement of the program adopted in the first convention of Histadruth Ha'ovdim (General Federation of Jewish Labor):

"In the first instance, the Histadruth considers its duty to create a new type of Jewish worker, and to see to it that while colonization is developing, the Jewish worker who came into being as a result of this very colonizing process, shall be assured the place he deserves. The Histadruth includes all toilers who live by their own labor without exploiting others; it regulates all matters concerning the working class in the fields of trade union activities, colonization and education with the aim of building a Jewish workers' community in Palestine." 62

This statement makes it explicit that from its very inception, the Histadruth was never meant to foster a socialist alternative in Palestine. This statement testifies to the acceptance of a capitalist society within which the Histadruth provides labor; "building a Jewish workers' community in Palestine" does not negate the existence of a capitalist class; it may precisely provide for the very condition of capital, as the existence of wage labor is the very condition for capital. In this sense, the Histadruth is primarily to foster the embourgeoisement of a fraction of the de-classed Jewish petty bourgeoisie, as well as the restoration of other fractions, as it does not negate self-labor. Most important, as regards wage-labor, is the explicit emphasis of the Histadruth program to foster the creation of a Jewish labor aristocracy: "to see to it that the Jewish worker shall be as-

sured the place he deserves." This is a very strategic component in settler colonialism. In this sense, one of the Histadruth roles is to impede the development of a revolutionary labor movement in Palestine, to pacify the historical role of the Jewish working class, reducing it from a social force into a sterile "workers' community".

It is interesting to know that the Histadruth defines "worker" in terms of eligibility to Histadruth membership, the principal qualification for which is "the ideological belief in non-exploitation of labor."<sup>63</sup> Nothing is more characteristic of the petty bourgeois utopia than such a slogan; this definition of the worker, as opposed to the worker defined in terms of the class struggle, is most indicative of the petty bourgeois socialism.

To substantiate the predominance of petty bourgeois elements in the Histadruth, it helps to mention that the 1943 distribution of Histadruth membership by industry or occupation shows that Histadruth members as percent of total employment is the largest among the self-employed; for example, 89.4% of the total employed in agricultural (kibbutz and moshav) labor settlements, as compared to 66.7% among hired agricultural laborers; 80% of the self-employed farmers on privately-owned farms, compared to 53% of clerical employees, etc.<sup>64</sup>

It is of significance also to notice the emphasis on the belief, not the practice. This way, the Histadruth can be both the trade union symbolizing the belief in the non-exploitation of labor, and simultaneously the second largest employer (i.e., exploiter of wage labor) in the country.<sup>65</sup>

More discussion regarding the truth about the Histadruth and the kibbutz and moshav will follow later in the present chapter and the coming one. For unravelling the petty bourgeois character of these Labor-Zionist configurations and exposing the mythology of their proletarianism, it is best to make

the comparison between the Labor-Zionist program and the Gotha program of the German Labor Party, strongly criticized by Marx as a petty bourgeois non-proletarian program. Not unlike the Labor-Zionist movement,

"...the German Workers' Party, in order to pave the way to the solution of the social question, demands the establishment of producers' co-operative societies with state aid under the democratic control of the toiling people. The producers' co-operative societies are to be called into being for industry and agriculture in such dimensions that the socialist organization of the total labor will arise from them." 66

Moreover, in retrospect we see that it is mainly in the Jewish petty bourgeoisie, that was in effect mobilized by Labor-Zionism, neither the proletariat nor the bourgeoisie have chosen to immigrate into Israel as the class interests of both classes, despite and because of their essential antagonism, have in common their cosmopolitanism. This fact has been recently documented by, among others, Allon Gal, one of the strongest believers in Borochovism.<sup>67</sup>

By now, we have established that socialist-Zionism has all the features of the universal petty bourgeois ideological sub-ensemble. To sum up the characterization of this ideological sub-ensemble is to point out that they are essentially a function of the petty commodity form, as they (small shopkeepers, artisans, etc.) are at the economic level simultaneously distinguished from, and have points in common with, both the bourgeoisie and the proletariat (they do not belong to capital as such, yet they are strongly attached to their property, and they are owners of their means of production, yet are themselves direct producers). This polarization often has effects at the ideological level, specifically in Poulantzas' words,

"...an ideological aspect that is anti-capitalist but in the 'status quo' fashion. This is against 'the rich', but the traditional petty bourgeoisie are often afraid of revolutionary transformation of society, since this grouping

fiercely holds onto its (small) property and is afraid of being proletarianized. It makes sharp demands against the monopolies, since it is gradually itself being ruined and eliminated by monopoly capitalism, but these often aim at restoring 'equal opportunity' and 'fair competition', which is how the fantasies of the petty bourgeoisie pictures the past stage of competitive capitalism. What this petty bourgeoisie often seeks is change without the system changing.... Afraid of proletarianization below, attracted toward the bourgeois above, these petty bourgeois agents also aspire to become bourgeois..." 68

All these features are indeed distinctive of Borochovist Labor-Zionism arising in 1900, precisely in the transition from capitalism of competition to capitalism of monopoly; essentially seeking refuge for the Jewish petty bourgeoisie from extinction through proletarianization in the face of monopoly formation. The proletarianizing Jewish masses are central to Borochov's concern. "The proletarianizing masses...are interested even more than the proletariat in retaining the integrity of their national work-place."<sup>69</sup>

Now that we identified what it is that in socialist Zionism, despite its proletarian mask, is essentially a petty bourgeois ideological feature, it helps to identify what is essentially not proletarian about Labor-Zionism. What are the essential characterizations of a genuinely proletarian ideology that are absent in Borochovism as theory and program?

One way of answering this question is to compare the Borochovist solution to the Jewish question with that of the cosmopolitan school of Jewish socialism led by Ahron Lieberman. As Borochovism is said by S. Levenberg, a leading socialist-Zionist, to be "a spiritual revolt against [among other things] the imitation of the cosmopolitan school of Jewish socialism."<sup>70</sup>

Expressed in the Record of the Society of the Hebrew Socialists of London in 1876, the solution to the Jewish question is conceived as follows:

"We are convinced that the present order, which holds sway everywhere, is ruthless and unjust. The capitalists, rulers and clergy, have taken unto themselves all human rights and property and have enslaved the working masses



through the power of their money....The liberation of humanity can be achieved only through a basic change in the political, economic, and social relations--by uprooting the existing order and constructing in its place a new society based on socialism which will abolish injustice and domination of capital....We Jews are an integral part of humanity and cannot be liberated except through the liberation of all humanity. The liberation of humanity from misery and slavery can be achieved by the workers only if they unite in a struggle against their despoilers, destroy the existing order, and replace it by the reign of labour, justice, freedom, and the fraternity of mankind. The workers of Europe and America have united in various societies to achieve their aim and are preparing for a revolution, for the establishment of the reign of labour socialism. Therefore, we, the Children of Israel, have decided to affiliate ourselves with this noble Alliance of Labour." 71

For the Lieberman's Cosmopolitan School of Jewish Socialism, the solution, thus, lies in the radical transformation of the dominant mode of accumulation, and the establishment of a world socialist order; that is, the destruction of the reign of capital and its replacement by the reign of labor. Contrary to it, Borochovist proletarian-Zionism assumes the capitalist order to remain intact, in the heart of which Zionist petty bourgeois socialism is to be transplanted and nurtured.

Finally and most importantly, while Lieberman's proletarian socialism assumes the dictatorship of the proletariat, Borochov's proletarian-Zionism assumes instead, and aspires for, the establishment of a democratic republican order. Statehood, therefore, must not be viewed as an external variable undermining the Borochovist socialist order (kibbutz order) as the apologetics of Borochovism argue. The establishment of a Jewish Republic, a Jewish State, was the very objective of socialist-Zionism as well. It was advocated by Borochov himself where he explicitly says:

"The World War is progressing from its imperialist phase to its revolutionary phase....It is most certain that England will conquer Palestine, Mesopotamia, and Syria....If so, a Jewish Republic in Palestine is destined to come."72 (my emphasis)

One cannot, therefore, attribute Statehood to revisionist Zionism and

blame Statehood for undermining the genuinely socialist Jewish order in Palestine, as proponents of Borochovism often argue.

As Poulantzas indicates: "The traditional petty bourgeoisie has often been a pillar of the 'democratic republican' order and essential component of left-wing Jacobinism or even petty bourgeois socialism..."<sup>73</sup>

In his critique of the Gotha Programme (in 1875) of the Socialist Democratic Working Party of Germany, founded by Lassalle, and of French Proudhonism, Marx points out the petty bourgeois, non-proletarian character of these programs, as they have no mention of the dictatorship of the proletariat; that is, the political transition period from State to no-State.<sup>74</sup>

With this position in mind, how can one then consider Borochovism a proletarian ideology and program when it was nothing but a development model for guaranteeing the evolutionary emergence and reproducibility of a bourgeois Jewish State by means of Jewish labor. While proletarian socialism aspires precisely for the withering-away of the state, proletarian Zionism is precisely the very strategy for realizing the idea of a bourgeois state, even with a sectarian character.

### C. The Instrumentality of Labor in Zionism

The essence of this essay is to point out the Borochovist genius in recognizing the imperative of labor, hence class struggle, for the realization of Zionism. We recognize the fact that this labor strategy for implementing the Zionist idea, the State, is truly derived from a materialist conception of history. We emphasize it is neither Borochov's definition of the Jewish question nor his territorialist solution to it that derive from a genuine materialist conception of history; it is only his implementation strategy

of labor that derives from the paradigm of class struggle; and it is precisely on this level that Borochovism differs from other Zionist postulates, and even from other settler-colonial "planners" and petty-bourgeois socialist "programmers".

Borochov seems to have comprehended the Marxist conception of the State as a relation of struggling social classes and not as a thing; an enterprise. He, in other words, seems to grasp the relation between political class struggle and the State superstructure. Ironically, however, he then uses this historical materialist conception of the State in the pursuit of creating conditions for the Jewish State to emerge in a more historical manner, yet through managerial manipulations.

Metaphorically, Borochov conducted a backward simulation of the forces that historically give rise to the State, from which he derives a dynamic managerial model for the development of a Jewish State in Palestine; that is, transplanting Jewish social formation by means of Jewish labor, from which the Jewish State was to arise.

We must remember that the Jewish State in Palestine is the configuration of an idea, the Zionist idea, translated in material conditions other than those which, in the first place, gave birth to the Zionist idea. It is, therefore, very different from the historical state which emerges from material forces within the particular society in which the State is a regulating factor.

Borochov's contribution to Zionism lies in the attempt to give an historical character to an essentially ahistorical state, and most importantly, in assuring, by virtue of regulating Jewish class struggle in a Jewish social formation, that it is historically predetermined to be a Jewish State.

To proceed more systematically, we start with the Marxist theory of the State, specifically, the bourgeois State; then we show how Borochoy manipulates this theory for formulating a bourgeois, not a proletarian, strategy.

(a) The Marxist Conception of the State

On the origins of the State, Frederick Engels says:

"It [the State] is a product of society at a certain stage of development; it is the admission that this society has become entangled in an insoluble contradiction with itself, that it has split into irreconcilable antagonisms which it is powerless to dispel. But in order that these antagonisms and classes with conflicting economic interests might not consume themselves and society in a fruitless struggle, it became necessary to have a power seemingly standing above society that would alleviate the conflict, and keep it within the bounds of "order"; and this power, arisen out of society but placing itself above it, and alienating itself more and more from it, is the State." 75

As quoted above, Engels points out the existence of a relation between the State and political class domination and the political class struggle. He also shows that the relation of the State to political class domination reflects the ensemble of the contradictions of society.

The term society seems to refer here to the concept of social formation defined by Poulantzas as:

"...a complex unity of instances [the economic, political and ideological]....A social formation which is historically determined consists of an overlapping of several modes of production, one which holds the dominant role, and it therefore presents more classes than the pure mode of production....Social formations are in actual fact the sites of the reproduction process; they are the nodes of uneven development of the relationship of modes and forms of production within the class struggle." 76

In this sense, the State as defined by Engels is related to the contradictions peculiar to the various levels of a formation, but only in so far as it represents the place where the articulation of these levels is reflected and where their contradictions are condensed. It is the admission of "the

contradiction of society with itself."

The State as Marx puts it is "the official resume of society."<sup>77</sup> For him, "the political State, within the limits of its form, expresses sub specie re publicae all the social conflicts, needs and interests."<sup>78</sup>

Not unlike Engels and Marx, Lenin also characterizes the political (including the State and political class struggle) as "a concentrated expression of economics." The State, for him, appears to be the place in which we can decipher the unity of structures and from which we can derive our knowledge of this unity:

"The only field in which this knowledge can be gained is that constituted by the relation of all the classes and strata of the population to the State and the government; i.e., the field constituted by the relation of all classes to each other."<sup>79</sup>

In this sense, the State is the "official representative" of society, as Engler calls it. Representative, here, is interpreted by Poulantzas in the sense of the place where the unity of a formation is deciphered; still in this sense, the State is also "the place where the ruptural situation (situation de rupture) of this unity can be deciphered."<sup>80</sup>

It is in this sense that the State is a relation, not a thing; more precisely, a condensed relation. This relation between the State and the articulation which specifies a formation originates, according to Poulantzas, precisely in the fact that the State has a function of "order" in political class conflicts, and also of global order as the cohesive factor of unity. The State prevents the political class conflict from breaking out in so far as this conflict reflects the unity of a formation; the State, in other words, prevents classes and "society" from consuming themselves. That is, it prevents the social formation from bursting apart.

Viewed dialectically, the relation of the "base" to the "superstructure",

according to Poulantzas, emphasizes the formulation of the State as "the organization of maintaining both the conditions of production and the conditions for the existence and functioning both of the unity of a mode of production and of a formation."<sup>81</sup> Poulantzas, here, is not different from Bukharin who, in his Theory of Historical Materialism formulates the conception of a social formation as "a system of unstable equilibrium inside which the State plays the role of regulator."<sup>82</sup>

The global function of the State as the cohesive factor in a formation's unity (common to the various Marxist conceptions of the State quoted above) takes on different forms depending on the mode of production and social formation under consideration.

According to Poulantzas,

"This function of the State, becoming a specific function, specifies the State as such in the formations dominated by the CMP [Capitalist Mode of Production] characterized by the specific autonomy of instances [the political, economic, and ideological] and by the particular place which is then allotted to the region of the State. This characteristic autonomy is the basis of the specificity of the political: it determines the particular function of the State as the cohesive factor of the levels which have gained autonomy." 83

It is to be emphasized that despite this relative autonomy, the State continues to be a relation and does not become a thing in itself. In fact, the function of the State as the cohesive factor in a formation's unity, which makes it the place in which the contradictions of the instances are condensed, becomes still clearer when we consider that an historically determined social formation is characterized by an overlapping of several modes of production, specifically during a period of transition from the dominance of one mode to the dominance of another. We are then in the presence of "a true relation of forces" between the various modes of production present and the permanent

dislocation of formation's instances. The role of the State, the cohesive factor of this complex overlapping of various modes of production, is decisive here. The State's specific efficacy, understood precisely as the general cohesive function of a formation's unity, exists permanently in every formation where different modes of production overlap. This is particularly important in the capitalist formation, where the dominant CMP stamps the domination of its structure on the various modes of production present, and in particular, stamps on them relative autonomy of instances, resulting in a clearer separation between the spheres of economic, ideological and political.<sup>84</sup>

This analysis of the relation of social formation's overlapping modes of production to the function of the State, and of the relative autonomy of the instances (including the political, i.e., the State) becomes essential for comprehending the role of Labor-Zionism, specifically the practices of self-labor and Hebrew work, in the creation of Jewish social formation with more than one mode of production for the emergence of the Jewish State as a cohesive factor of the newly transplanted social formation. Furthermore, Poulantzas' analysis explains why it was necessary to create a capitalist Jewish social formation in order for the Jewish State to exercise relative autonomy, a necessary guarantee for the State to serve world Jewry, specifically the metropolitan bourgeoisie, and not only the class interest of the becoming national bourgeoisie.

Before we go to examine the strategy of the State in socialist-Zionism in light of the Marxist conception of the State, it is necessary to bring up a final point about the latter, which is of special relevance to our conclusion; this is the relation of the State and revolution.

Lenin demonstrates that the double power characteristic of State structures (as a factor of cohesion in formation's unity and as the place in which the ruptural situation of this unity, or in which contradictions of instances are condensed) constitutes one of the essential elements of the revolutionary situation. That is why he considers the basic problem of every revolution to be that of State power. In this case, the objective of political practice is the State as a factor maintaining the cohesion of the unity of the formation. Political practice produces transformations, the objective of which is the State as the nodal structure in which this unity breaks, in so far as it is a cohesive factor. It is in this sense that the State can be viewed as a factor for producing new unity and new relations of production; that is, a new historical phase.

It is only through dialectical materialism that the State can be comprehended this way: simultaneously, a factor of cohesion of a formation's unity and the place in which the contradictions of the various levels of a formation are condensed; and therefore, the place in which we can break the unity and articulation of a formation's structures.

As Poulantzas precisely puts it:

"It is from this relation between the State as a cohesive factor of a formation's unity and the State as the place in which the various contradictions of the instances are condensed, that we can decipher the problem of the relation between politics and history. This relation designates the structure of the political both as the specific level [instance] of a formation and as the place in which its transformations occur: it designates the political struggle as 'motive power of history' having as its objective the State, the place in which contradictions of instances...are condensed." 85

Inside the structure of several levels dislocated by uneven development, the State has the particular function of constituting the factor



of cohesion between the levels of a social formation. This is precisely the Marxist conception of the State as a factor of 'order' or 'organizational principle' of a formation, and as the "regulating factor of its global disequilibrium as a system," not the passive instrument in the hand of a class or fraction.

It is in this sense that the State is not a thing but a relation, more exactly, the condensation of a balance of forces.

Unlike the instrumentalist conception of the State as a subject or a thing, in both cases of which the relationship of the State to the classes is seen as a relation of externality and the relative autonomy of the State as something absolute. In the Marxist conception of the State as a relation, the relative autonomy of the State is inscribed in its very structure, in so far as it is a function of the class struggle and class contradictions as they are expressed and concentrated, in a specific manner, within the State itself.

(b) Jewish Labor as a Strategy for a Jewish State:

According to Nachman Syrkin, a leading writer in socialist Zionist thought, "Borochof was the first to apply a socialist ideology to Labour-Zionism. Labour-Zionists thus become socialist Zionists."<sup>86</sup>

In this statement one can easily replace the word "ideology" with the word "terminology" without any major distortion of content. It is Borochof's emphasis on "class struggle" that makes his Zionism mistaken for socialism.

Syrkin's statement also makes explicit that Labor-Zionism is not identical with socialist Zionism; Borochovism. The latter is accurate; all political postulates of Zionism emphasized the notion of Jewish labor. A.O. Gordon, for example, a revisionist who rejects socialist principles that seem contrary to the Zionist objective, is also the very person known to develop into creed the idea of

self-labor. In his words:

"...a people that has become accustomed to every mode of life save the national one -- the life of self-conscious and self-supporting labour -- such a people will never become a living, natural, labouring people unless it strains every fiber of its willpower to attain this goal. Labour is not merely the factor which establishes man's contact with land and his claim to the land; it is also the principal force in the building of a national civilization. We have to make labour...the foundation on which our whole undertaking is based. Only when we raise labour as such to the height of an ideal...shall we be healed.... We need fanatics of labour, in the most exalted sense of the word." 87

In these words, Gordon points mainly to the claim of the land as the motive underlying the ideal of self-labor, which he seems to derive from the "land to the tiller" rationale. He also emphasizes the link between the notion of labor and the building of a national civilization. Obviously, Gordon's reference is to the realization of a territorial base.

Similarly, in 1912, evaluating the colonization efforts in the preceding thirty years, and criticizing "the lovers of Zion" approach to colonization, based on the use of indigenous Palestinian labor, Achad Ha'am, a leading Zionist writer, says:

"...the basis of my state is the rural masses -- the workers and the poor farmers who live by cultivating the fields whether it is their own small lots or the large tracts of the 'superior' class. The rural masses of Eretz Israel are not our own at present....It is well known that at present the work in the settlements is done mostly by the Arabs of the neighboring villages.... One hope, however, is left for us -- those young workers who came ready to give their life for the national ideal, to acquire positions of work and to create in our existing settlements of the future those Jewish country masses which are not there as yet. Not for nothing do we find lately that the problem of the workers is practically the central problem of the Jewish community. All feel that it is not merely a workers' problem, but also a problem concerned with the aims of Zionism as a whole. If the workers do not succeed in solving this problem, it will be a sign that the national ideal is incapable of creating those inner powers so necessary for our cause....We shall have to make peace with the idea, then, that our country-population in Eretz Israel...will forever remain a 'superior' cultural minority whose power will lie in its brain and capital, and with the idea

that the large country-masses whose strength lies in the work of their hands will not be our own even then. And this would completely change the nature and aims of Zionism...." 88

In these words, Achad Ha'am, like Gordon, also expresses the importance of the Jews' return to the soil, to manual labor, regardless of being wage-earners or self-employed. He is indifferent to the question of exploitation of Jewish labor, as long as there are Jewish rural masses as a basis for the Jewish State; Jewish workers who cultivate the land, and therefore acquire the right to it. Unlike Gordon's mechanical view of the role of Jewish labor in Zionism, Achad Ha'am views this role in a more historical way. Without productively laboring Jewish workers, "the national ideal is incapable of creating those inner powers so necessary for our cause...." This is a much more dynamic conception of the labor strategy in Zionism. Achad Ha'am, however, leaves unclear why and how this is a condition for the cause of Zionism. The only thing that is made absolutely clear in both Gordon's and Achad Ha'am's ideas is the role of Jewish labor in the realization of Zionism through acquiring the right to land by working the land.

In Borochovism, the notion of labor in the Zionist strategy is a much more profound one. In The Role of the Proletariat in the Realization of Territorialism,<sup>89</sup> Borochov refers not merely to territorial gains, and speaks not only of self-labor, but also of productive labor under capitalism, that is, he speaks specifically of the role of the proletariat, of exploited modern wage workers in the realization of territorialism, that is, the Zionist solution to the Jewish question within a bourgeois nation-state. This is different from the emphasis on self-labor (non-exploitation of other labor) merely for claiming the land. The difference between Borochov's and the latter is, indeed, the difference between the two Zionist slogans: "The Conquest of Jewish Land" (Kibbush Hakark'a, or Ha'adamah) and "The Conquest of

Hebrew Labor" (Kibbush Ha'avobah Ha'evrit).

For Borochov, not by labor and land alone the Zionist aim, i.e., the Jewish State, is realizable, but also necessarily by Jewish class struggle. It is, perhaps, precisely this notion in Borochovism that misleads Syrkin to conclude that Borochov applies socialist ideology to Labor-Zionism, thus converting Labor-Zionists into socialist Zionists. Borochov emphasizes not only self-labor but essentially Jewish proletarianization in Palestine, and Jewish proletarianization by means of Jewish capital; this is how Jewish class struggle can develop. Unlike Achad Ha'am's emphasis on the necessity to have Jewish workers toiling the land as self-employed farmers, or as wage employees even by Arab landlords, Borochov is very specific about his own notion of labor in Zionism; his main concern is Jewish proletarianization by Jewish capital, and not by Gentiles in Diaspora or by the indigenous inhabitants of the colony. This is one of the reasons why he strongly rejected the idea of Jewish colonization in any country ruled by an advanced capitalist power.

As "necessary requirements" characterizing the territory where the Jewish social formation to be restored, Borochov emphasizes "the state owning the territory must be of an undeveloped capitalist economy...that in the country there will already be a Hebrew settlement there for some time and ready for proletarianization;" and among the "desired requirements" that "it will not have gold and precious stones; the local population will be cultureless to that degree as to be influenced by our culture, yet also sufficiently cultured, namely conservative, that it would not "jump" too fast into a capitalist economy."<sup>90</sup> It is not Jewish proletarianization per se that Borochov argues is "utterly impossible" in Diaspora, but more specifically Jewish proletarianization by Jewish capital; with the rising of the organic composition of capital, manifested in the introduction of new machinery, technical innovation, the

Jewish capitalist tends to lay-off Jewish workers and replace them with Gentiles, a tendency which Borochov condemns as "Jewish anti-Semitism" of the assimilationist Jewish bourgeoisie. In his words:

"...The Jewish manufacturer who is about to become a big capitalist wants to sever, as soon as possible, his relations with the Jewish community from which he emerged. He does it for two reasons. He wants to conquer the Gentile market and be on the same footing with the Gentile manufacturer. His Jewishness is in this respect a disadvantage, since his competitors refuse to recognize him as equal. He is, therefore, eager to display his goyish (non-Jewish) patriotism...He is anxious to employ Gentile workers and managers, to as great an extent as possible, restrict his commercial intercourse to Gentiles because he wants to identify himself with his Gentile competitor and rid himself of Jewish public control.... The Jewish employer, upon introducing steam power into his factory (the symbol of large-scale production), substitutes the Gentile for the Jewish worker." 91

In these words, Borochov is emphasizing the impossibility of the development of Jewish capitalist/proletariat class relations in Diaspora; and therefore of political class struggle in Jewish life of the Galut, Jewish class struggle remains "economic class struggle". He is not, however, denying Jewish proletarianization by Gentile capital. As a matter of fact, Borochov cannot deny the latter, as he explicitly asserts that his Zionism expresses the objective movement and interests of an already existing Jewish working class, and not that of a potential one, and it is from this very "starting point" that he claims his is a proletarian Zionism. This assertion, as Bober points out, "occupies such a central position in Borochovist theory that without it the theory loses even its formal claim as proletarian Zionism and becomes ordinary Zionism."<sup>92</sup>

Defending this point, Borochov explicitly states:

"If it were the case that the interests of the Jewish bourgeoisie and of the masses standing on the verge of proletarianization led them to territorialism, while the interests of the Jewish proletariat were not connected with territorialism, then there would be no grounds for saying that the future of the entire Jewish people is also the future of the Jewish prole-

tariat. One should not take as the starting point the general, national future and deduce the future of the proletariat from it. On the contrary, one should start with the interests of the proletariat, and from this arrive at the future of the nation as a whole....From the starting point of the interests of the militant Jewish proletariat and from our view of it as the Vanguard of the Jewish Future, we deduce territorialism for the Jewish people as a whole." 93

This is not the place to assess the extent to which Borochov's assertion that his Zionism represents and derives from the interest of the Jewish proletariat is reliable or that he is simply giving a progressive rationalization and excuse for an essentially reactionary territorialist solution. What concerns us here is merely the fact that he recognizes the existence of a Jewish proletariat in Diaspora. This in turn refutes his previous assertion as regards "the utter impossibility of Jewish proletarianization in Diaspora." It is so, unless what he really means is, again, the utter impossibility of Jewish proletarianization by Jewish capital, emphasized in a previous quote. In that case, our interpretation of Borochov is reinforced; that he recognizes the imperative of having a Jewish proletariat and a Jewish bourgeoisie relation if a bourgeois Jewish State is to be realized. And, given the impossibility of Jewish proletarianization by Jewish capital in Diaspora, he concludes the inconceivability of an emerging Jewish State in Diaspora, hence, the conviction for territorialism.

Borochov seems to realize, in light of the Marxist conception of the State, the need for a purely Jewish class struggle as necessary material conditions for such a State to emerge, and that in Diaspora Jewish life, such conditions are non-existent and cannot develop. In light of historical materialism, he concludes also that the condition of a purely Jewish class antagonism is a Jewish social formation, as a site for Jewish classes co-existing in irreconcilable antagonisms and condensed contradictions, and the Jewish State, fol-

lowing Engels' conception of the State, as a product of Jewish society at a certain stage of development. Borochof realized that a Jewish State can emerge only as a product of Jewish society, in the sense of social formation consisting of an overlapping of several modes of production, the site of the reproduction process of Jewish social classes and contradictions, the nodes of uneven development of the relationship of modes and forms of production within the class struggle. The conditions for a bourgeois Jewish State is a Jewish social formation in which the capitalist mode of production has a dominant role.

It is by virtue of his scientific Marxist conception of the State (as a relation of struggling social classes, as a cohesive factor of formation's unity and as the place in which the various contradictions of the formation's levels are condensed) that Borochof presumably recognizes the imperative of territorialism and its essential identity with Zionism. A Jewish territory is correctly identified as a condition for Jewish society; that is, a Jewish social formation, the thing that the Jewish community in Diaspora was not (except, maybe, for the Jewish ghettos). This is precisely what made the Jews in Diaspora unlike the British in Britain and the French in France. However, the Jewish bourgeoisie and petty bourgeoisie, with the development of monopoly, needed a State to intervene on behalf of their capital, yet uncombined; they needed a State which is Jewish, as France is French and Britain is British. These aspirations do necessarily require "starting from scratch", the acquiring of a Jewish territory on which a Jewish social formation can form so that a Jewish State will "organically" rise from its very contradictions. The purely Jewish class struggle is, therefore, imperative in Borochof's vision of Zionism. The notion of class struggle is, in Borochovism, identified as a socialist concept, and instead of saying that Jewish class struggle is the condition for an

organic rise of a Jewish State, Borochov misleadingly asserts the "organic unity of Zionism and socialism." It is, therefore, not surprising that central to his theory of nationalism and class struggle is the need of the Jewish proletariat for a territory of its own in order to be able to wage political Jewish class struggle; otherwise, the Jewish proletariat in Diaspora can only participate in political class struggle which is not purely Jewish, and under such conditions the energy of the Jewish proletariat is diverted from the Jewish cause, from giving rise to a Jewish State; and can contribute only to cosmopolitan socialism against which Borochovism is a revolt.

To make the point clearer, is to emphasize that Borochov's territorialism is distinguished from territorialism in other postulates of Zionism. His is a much more profound concept, referring to the creation of an historical context, from which the Jewish State is to emerge, as if organically, not merely national territory on which to establish Jewish State apparatuses. Borochov's territorialism refers to a specific territory with the potential of restoring the lost Jewish social formation in a modern form, where the Zionist enterprise will definitely transform into national evolution, providing for an evolutionary rise of, and a basis of continuity for, the Jewish State. So that the Jewish State would be an organically rooted one and not mere enterprise, he therefore rejects territory in which a Jewish social formation cannot be restored or developed (such as advanced capitalism, where Jewish capital is likely to employ Gentile labor, and Jewish labor is likely to be either self-employed or the employee of Gentile capital). Similarly, he rejects the idealist territorialist solution represented in the "lovers of Zion" movement, led by Levanda and Lilienblum, who advocate the transformation of "the Galut middlemen into a people of farmers in Palestine," a territorialist postulate adopted later by the Jewish bourgeoisie, as expressed in Pinsker's Auto-emancipation



and Herzl's The Jewish State. Borochov rejects such a "sterile" colonization, as it is not based on class struggle. The notion of evolution is central to Borochovism and distinctive of it. It is directly linked to the organic rise of the Jewish State from a Jewish social formation formed precisely through colonization by class struggle; that is, colonization aiming at classed, not classless, society. This is to say, the "yishuv" (the Jewish settlers' community in Palestine prior to the establishment of the State) has to be segmented by classes, Jewish classes, if it is to give rise to a State which is Jewish. Borochov condemns the earlier settlement schemes, not for their exploitation of labor but for exploiting non-Jewish labor, as that will not allow for Jewish classes to form, and more precisely, for the class struggle in Palestine to be Jewish; in that case, Zionism will remain an enterprise and the Jewish State will never become an evolutionary product of Jewish society.

Territorialism, thus, in Borochov's Zionism is essentially nothing but an evolutionary rise to a Jewish State. In his words:

"...In the course of time, Zionism will transform itself from an enterprise of a group of idealists to a national undertaking....At that time, the inner historical necessity of Zionism will be centered no more on the external forces but on the internal forces of the people. For a long time the Zionist movement will have the character of an enterprise [referring to early settlement of Hovevi Zion], but in the future it will become an evolutionary movement. This will only occur if our people are settled on their land and are able to shape their own destiny. When our movement ceases to be an enterprise and becomes the evolution of a renaissance Judaism, Zionism as we know it will complete its present development." 94

Notice the emphasis on restoring the past, the desire to turn back the wheels of history, most characteristic of the petty bourgeois ideological sub-ensemble. We notice also the emphasis on class struggle in a double-fold meaning, simultaneously adhering to the aspirations of both the bourgeoisie and the proletariat, most expressive of the vacillation of the petty bourgeoisie.

Since class struggle occupies such a centrality in Borochovism and distinguishes it from all other postulates of Zionism, and gives Borochovism its socialist mask, it is imperative for our analysis to re-examine and unravel the real context of the class struggle that Borochov attaches to his Zionism.

(a) The Borochovist Notion of Class Struggle:

Correctly identifying class struggle as the means to achieve both Zionism and socialism, Borochov incorrectly concludes the essential unity of the latter. There is an essential difference in the content of class struggle peculiar to each of the two contexts. The difference is not merely between an engineered class struggle proposed for the realization of Zionism, for giving rise to a bourgeois State, and an historical class struggle emerging from an already existing social formation, not from a potential one yet to be established. The main difference is, indeed, between class struggle in the pursuit of a bourgeois State, as in Borochov's Zionism, and class struggle in the pursuit of a proletarian alternative, that is, for imposing the dictatorship of the proletariat, culminating in the withering away of the State.

The notion of class struggle claimed to distinguish Borochovism as a socialist Zionism is precisely the notion that, in actuality, distinguishes Borochovism as capitalist Zionism, and more accurately, as scientific capitalist Zionism, that derives precisely from historical materialism. Yes, Borochovism is the scientific approach to the development of a bourgeois Jewish State, the key to which is Jewish class struggle which can only exist in a Jewish social formation dominated by a capitalist mode of production. Borochovism is invertedly derived from historical materialism; specifically, from the Marxist theory of the State. It provides the prescription which guarantees the definitional viability of the State-to-be as Jewish and as bourgeois,

simultaneously. None other than Borochovist Zionism does, indeed, guarantee the emergence of a State which is, scientifically, both bourgeois and Jewish.

In a real, historical sense, the Jewishness of the State depends on the extent to which it constitutes the condensation of Jewish class antagonisms, that is, a condensed relation of struggling Jewish social classes; the extent to which it is the "official representative" of a Jewish classed society, the place in which the "ruptural situation" of a Jewish formation's unity lies; a true relation of Jewish social forces, a regulator of disequilibriums, inherent in a Jewish social formation. Without all these material conditions, no Jewish State can emerge, and no established State apparatus can be said to be essentially, and by definition, Jewish; even if the State apparatus itself is staffed exclusively with Jews. That would be merely a Jewish State apparatus, i.e., a Jewish administration imposed on, and organically linked to, a non-Jewish base, with the constant presence of a non-Jewish potential State ready to emerge from the contradictions of the non-Jewish base and to easily overthrow the Jewish colonial administration. This is precisely how the post-colonial State emerged from under classical colonial administration, expressing the irreconcilable contradictions and antagonisms within the dominated indigenous social formations (specifically, as colonialism steered up class formation in the colonies) and forcing the withering away of colonial State apparatuses: decolonialization.

Similarly, white settler-colonialism in South Africa, Rhodesia, etc. resulted in a white settler-colonial rule and hegemony, but not a white settler-colonial State, regardless of the fact that the State apparatus is mainly staffed by white settlers, as the State is not a thing but a relation. The principal contradictions and antagonism in South Africa's social forma-

tion, whose unity and condensation the State represent are not merely those internal to the white settlers' community but, on the contrary, mainly internal to the mixed social formation. The existence of the white settler community with that social formation becomes part of the irreconcilable contradictions giving rise to an historical State, the product of the society at this stage, and which is now about to overthrow the settler-colonial "superstructure", as it is becoming increasingly incompatible with the current development of the "base", increasingly linked to international capital.

Borochof, therefore, tries to foresee an evolutionary approach to Zionism, that is, the realization of the Jewish State as if historically emerged, a Jewish State that has historical roots, that can be evolutionarily Jewish, and whose historical material definitional conditions are Jewish and reproducible over time; that is, one based on an historical site, a social formation, within which Jewish classes form and reproduce themselves in class struggle, and the Jewish State is then continuously reproduced as a factor of cohesion of the formation's unity and the place in which the contradictions of various levels (economic, ideological, etc.) within a Jewish social formation are condensed.

The Borochovist notion of Jewish class struggle as a prerequisite material force for the emergence of a Jewish State is undoubtedly deduced from a correct comprehension of the Marxist theory of the State. This comprehension is most articulated in his emphasis on the need for political class struggle in Jewish life, not feasible in Diaspora. He realizes the State's function of "order" in political class struggle, preventing the political class conflict from breaking out in so far as this conflict reflects the unity of a formation.<sup>95</sup> He explicitly points out the inavailability of the historical material prerequisites for a Jewish State, in Jewish life, which

is, indeed, a testimony for the arbitrariness of Zionism, specifically, "socialist" Zionism, whose essence is precisely and ironically the engineering of historical material conditions necessary for such a State to emerge and be organically sustained on an ongoing basis. To substantiate our exposition of the instrumentality of class struggle in this Zionism, in the realization of a bourgeois Jewish State, let us quote Borochof himself:

"Among other nations, the alliances usually proceed along class lines. The ruling classes unite and build one reactionary bloc, whereas the suppressed classes unite and build a revolutionary bloc. Among the Jewish people, however, the grouping does not occur on a class basis....Within Jewry the chief contradiction is not between the proletariat and the bourgeoisie, or between the urban and agrarian populations, but between Zionists and Galut champions of all classes. The concentration of anti-Zionist forces usually precedes Zionist consolidation. This does not mean to imply that there is no class struggle within Jewry...but the class struggle in Jewish life has meagre social content...its historical horizons are limited. The class struggle of the Jews is primarily on the economic front. We lack, however, the political class struggle; for the Jewish people is now divorced from State functions and political rule as a unit. Under the prevailing conditions in the Galut, it is really impossible to engage in this struggle. Instead, each class, guided by its own interests, participates in the political struggle of the people among whom its members reside. Although in its struggle against the general bourgeoisie, the Jewish proletariat cannot avoid a clash with the Jewish bourgeoisie, that struggle is not for a dominance within Jewish life, for there is no one to divest of or invest with power. In Jewish life, only the economic [author's emphasis] class antagonisms find full play; the political conflicts go off at a tangent....Within Jewry there does not exist the class struggle in its usual forms. True, the Jewish people does not have a very strong material tradition....the Jewish community must fortify itself and become rooted in the surrounding environment, tying itself organically to the soil of the neighbouring people. A whole people cannot live as if in a hostelry. A neglect of this truth caused the inner contradiction of general Zionism." 96

It is important to keep in mind that a social formation consists of several overlapping modes of production among which one mode plays the role of dominance. In Borochovism, the capitalist mode is to play the role of

dominance, as the capitalist proletariat Jewish class struggle that occupies centrality in his strategy for the realization of Zionism. His main concern lies in Jewish proletarianization and Jewish capitalization in Palestine; it is not so much focusing on the creating of a self-laboring class, i.e., the restoration of petty bourgeois class-locations undermined by the advancement of capitalism in Diaspora. This concern is even a determining criteria of the specificity of the territory to be acquired. Put differently, his concern, as far as a material condition for a bourgeois Jewish State, is the creation of a capitalist Jewish social formation by the Jewish petty bourgeoisie, but which necessarily serves the interests of the Jewish metropolitan bourgeoisie. Under the title, "The Jewish Interests and the Zionist Enterprise," Borochov writes: "We must understand, finally, that the real interests of the Jewish people are here in the countries of the Diaspora, in the civilized and industrialized countries, but that the aims of Zionism are there."<sup>97</sup>

In his discussion, "On the Question of Zion and Territory," Borochov makes this link between the rationale for the bourgeois character of the State, the capitalist nature of the Jewish social formation, and the dominance of the Jewish bourgeois/proletariat class antagonisms much clearer as he points out the two-fold significance of territory for Judaism:

"Its economic importance could be in that the new Jewish society, which will be created in the territory, will serve as a refuge and a work place for the oppressed Diaspora Jews. For that purpose, it is necessary that the Jewish immigrants could, in that territory, reach normal capitalization and proletarianization and that the competition from the local bourgeoisie and local proletariat will not push them outside of the market. Such importance cannot be ascribed, as we have seen above, to a territory located in the neighborhood of a cultured society....The territory could also be of international importance to Judaism, but for that purpose it is necessary, first of all, that the overriding influence in the territory be exercised by Jews, and secondly, that our

society be a sovereign subject of international law. We have already proven that the first condition is not capable of being fulfilled in a territory close to a cultured capitalist society. Also, the fulfillment of the second condition is not possible..." 98

It is very clear from the previous quote that Borochov's territorialism is, indeed, the creation of competitive Jewish capitalism as disassociated from monopoly capital as possible, so that from this Jewish competitive capitalist base a Jewish State of a bourgeois character emerges, and it is only by virtue of the latter that it acquires international importance and recognition; that is, only as bourgeois and not proletarian can the Jewish State contribute to the internationalization of capital, both Jewish and Gentile. This is to reinforce the point that Borochovism expresses primarily the interests of the Jewish middle-bourgeoisie and that fraction of the petty bourgeoisie aspiring to become a national bourgeoisie, which, in turn, coincides with the interest of big Jewish and Gentile capital: imperialism. It represents only secondarily the interests of that fraction of the petty bourgeoisie aspiring to restore their petty bourgeois class-location and for immunization against proletarianization. The latter applies mainly to members of kibbutz and moshav movements. Borochovism does, by no means, represent the interest of the Jewish proletariat, but rather expresses the imperative of Jewish proletarianization if the interests of the becoming and existing Jewish bourgeoisie are to be, in the long run, well served. The proletarianization imperative represents the most prominent feature in Borochovism. It is reflected most clearly in the following phrase, written and underlined by Borochov himself: "...and we repeat and say: We are not afraid of foreign capitalization in the territory, and even not from foreign immigration per se, but only and solely from foreign proletarianization."<sup>99</sup>

Jewish proletarianization is seen by Borochov as the condition for

capitalization of petty Jewish capital and, more importantly, for the well-rootedness of the bourgeois Jewish State.

"...We ask [Borochof writes] what economic value could there be for the Jewish question in a territory of well-rooted population? And we answer: It is valueless. And further, we ask what international value could this territory be for the purpose of guarding and defending Jewish interests in countries of the Diaspora...and our answer is...no value whatsoever.

"The territories will belong, in the future, not to the powers dominating them today, and not to immigrants...but only to the section of the population which produces the wealth of that particular territory and sustains in it its industrial and agricultural proletariat. Uganda does not belong to England, but to the black population within it...rooted in it to such a great measure that no force of immigrants can annihilate it. Eretz Israel does not belong to the British but only to the population working there.... More important than the question of mere majority is the question of the normal industrial and agricultural proletariat. Because any majority today which will not be able to reach, naturally, proletarianization, or the way of proletarianization is barred for it, will be increasingly expelled from its position to the point of death....The most important question is, where could the Jews reach normal proletarianization? ...Where is the country wherein we shall not have to fear...not only foreign immigration and capitalization, but mainly foreign proletarianization...? We know only one such territory that can satisfy all these requirements and that is: Wadi El-Arish (reference to Israel). It is a difficult distance from capitalist developed states, located near the sea, its population is nomad and can always migrate east, and the country has a hot subtropical climate which would make acclimation more difficult for a European than for a Jew." 100

In light of this statement, it becomes easier to comprehend the function, not only of proletarianization in the realization of Borochovist territorialism, but also of the twin slogans, "Boycott Arab Labor," and "Conquer Hebrew Work". The latter seems to be directly linked to the view of Jewish proletarianization and the proletarianization of the native inhabitants of the territory, as mutually exclusive processes. This mutual exclusiveness lies, economically, in the state of the productive forces based on middle and petty Jewish capital and restricted to forms of capitalist accumulation



ranging from the primitive to the competitive, but not politically into monopoly. However, this mutual exclusiveness lies in the material requirements for the emergence of a nation-state which is bourgeois and Jewish. The twin slogans mentioned above are derivatives of the proletarian Zionist ideology. The ideological seems the most explicit and occupies the place of dominance (over the political and economic) in Borochovism. It is always the economic that determines which of the three instances to be dominant in a particular conjuncture. Here we see clearly how it is not at all accidental that the ideological is dominant even in theory (and not only in practice, as demonstrated in the following chapter) during the pre-Statehood phase of Jewish colonial settlement in Palestine. The dominance of the economic or the political would have inevitably exposed the proletarian mythology and unravelled the bourgeois aspirations inherent in Borochovism. Mobilization on the basis of "proletarian" ideology seems even theoretically essential for the realization of the economic and the political of a truly bourgeois program.

Borochov is very conscious of the perfect conditions for the capitalization of middle and petty Jewish capital; Jewish proletarianization is seen as one of the conditions for, and consequences of, such forms of capitalization: "Jewish immigration is slowly tending to direct itself to a country where petty Jewish capital and labor may be utilized in such forms of production as will serve a transition from an urban to an agricultural economy and from production of consumer goods to more basic forms of industry." 101

Implicitly, Borochov advocates for the first phase a balanced capitalist development scale, which guarantees the capitalization of petty Jewish capital, on the one hand, yet within the boundaries of Jewish sectarianism, on the other; a development model which is uneven enough to steer-up class struggle and give rise to a bourgeois state, yet, even enough to guarantee

the Jewishness of the economy, of the class struggle, so that it gives rise to a Jewish State. Put differently, what Borochof advocates is simply Jewish capitalism. This is true at least for the first run. As far as the "second run" is concerned, Borochof leaves it to be determined by history. Jewish capitalism (as opposed to cosmopolitan socialism and capitalism) is, for him, the only guarantee for Judaism, for preserving Jewish particularism. Borochof, however, fails to recognize the contradiction inherent in his development model; that is, the unity of two opposite tendencies: capitalist secularization versus Jewish sectarianism.

For him, at least in the first run,

"...The emancipation of the Jewish people either will be brought about by Jewish labour, or it will not be attained at all. But the labour movement has only one weapon at its command: the class struggle. The class struggle must assume a political character if it is to lead to a better future. Proletarian Zionism is possible only if its aims can be achieved through the class struggle; Zionism can be realized only if proletarian Zionism can be realized..." 102

This is the strategy of Jewish labor for the realization of the Jewish State. Borochovist Zionism is proletarian not in the sense of representing the interest of the Jewish proletariat, but as a theory-of-action which sees the realization of Zionism necessarily conditioned by Jewish proletarianization. Borochovism is, therefore, not a proletarian program for abolishing social classes. Quite the contrary, it is a theory and a plan of sectarian class formation as a means for a sectarian bourgeois State. More precisely, it is a methodology for developing a sectarian bourgeois State in the context of settler-colonialism.

## Conclusions

Uneven capitalist development is a necessary outcome of and condition for Jewish class formation and struggle.

Borochovism is thus a theory aimed at the creation of a class society, not of a classless society. A classless society is incompatible with Zionism, as the State is nothing but an outcome, object, and a unifier of class struggle, a condensed relation of struggling social classes: Borochov's is necessarily one of class formation, not abolishment, of social classes. Borochovism is, therefore, objectively a capitalist development strategy. The "socialist" ideology and Utopian forms of production that derive from Borochovism can be only used to promote capitalist development to its present stage where it serves to obscure the actual dynamic of the present transformation of the social formation.

In Levenberg's Selected Studies in Labor-Zionism, Nachman Syrkin writes: "Borochov was one of the staunchest supporters of the cooperative [our emphasis] colonization movement, although at first he believed it was a negation of the class struggle." [our emphasis] The underlined, if documented, confirms our point regarding the imperative of uneven development for class struggle and regarding the role of cooperative colonization (the kibbutz and moshav models) in promoting capitalist development in the context of essentially sectarian relations of production. This point will be demonstrated in the following chapter in the analysis of the application of Labor-Zionism.

The strength of the Borochovist strategy lies precisely in his correct understanding of the material conditions of Jewish life in Diaspora and the material prerequisites for the emergence of the Jewish State,

and further, in identifying the very segment of the Jewish masses who are under material conditions that make them the most fit to become the vanguards of Zionism; these were the "proletarianizing masses" who had nothing to lose in Diaspora. Implicit in his development strategy which is essentially for a Jewish social formation in which the capitalist mode of production is dominant are three possibilities for proletarianizing the masses:

- (1) to become a national bourgeoisie;
- (2) to restore their petty bourgeois locations;
- (3) to become proletariat in secure employment and for a cause, the actualization of Zionism.

The shortcoming in the Borochovist strategy lies in not foreseeing the post-monopoly nation-State. His strategy derives from a Marxist conception of the pre-monopoly state. Therefore, as will be seen in a later chapter, the sectarian bourgeois state based on Jewish capitalist relation conflicts with the essential internationalization of capital as the primary function of the nation-State in the age of monopoly capitalism.

In the transition from this chapter on the development of the Borochovist theory into the following one on the practice of Borochovism, we hope to shed light on the links between theory and reality for interpreting the world and theory and reality for changing the world.

FOOTNOTES

1. Tom Kemp, Theories of Imperialism, Dobson Books, London, 1967.
2. V.I. Lenin, Imperialism: The Highest Stage of Capitalism, International Publishers, New York, 1974.  
For reference on pre-capitalist colonial policy, see, for example, K. Marx, Pre-capitalist Social Formation, International Publisher, 1975, and Grundrisse, Pelican Books, 1973.  
On the relation between colonial policies in the competitive versus the imperialist stages of capitalism, see Samir Amin, Unequal Development: An Essay on the Social Formations of Peripheral Capitalism, Monthly Review Press, New York, 1977.
3. Lenin, ibid., pp. 81-82.
4. As Lenin wrote already in 1916, describing capitalist imperialism:  
"...Finance capital is such a great, such a decisive, force in all economic and international relations, that it is capable of subordinating to itself even states enjoying complete political independence. The deception, systematically practiced by imperialists, under the guise of politically independent states, which are wholly dependent upon them economically, financially, and militarily." Quoted in Kemp, op. cit.
5. Based on Paul Sweezy, The Theory of Capitalist Development, Monthly Review Press, New York, 1970, Chapters IV and VI.
6. Ibid.
7. Lenin, op. cit., p. 79. Lenin describes Cecil Rhodes as millionaire, king of finance, the man responsible for the Boer War. At the end of the 19th century, heroes of the hour in England were Rhodes and Joseph Chamberlain, open advocates of imperialism, who applied colonial policy in the most cynical manner. His views, therefore, can be said to represent the interests of the financial bourgeoisie.
8. Wahl, France in the Colonies, quoted in Lenin, ibid., pp. 84-85.
9. Arghiri Emmanuel, "White Settler Colonialism and the Myth of Investment Imperialism," New Left Review, May-June, 1972.
10. Ibid.
11. Fawwaz Trabulsi, "The Palestine Problem: Zionism and Imperialism in the Middle East," New Left Review, No. 57, Sept.-Oct., 1969, p. 63.
12. Maxime Rodinson, Israel: A Colonial Settler State? Monad Press, New York, 1973.
13. Emmanuel, op. cit.

14. Sweezy, op. cit., p. 303.
15. Emile Touma, Roots of the Palestine Problem, Palestine Monograph No. 92, P.L.O. Research Center, Beirut, 1973 (Arabic)
16. Kemp, op. cit., p. 73. Quoted from Lenin.
17. Lenin, op. cit., p. 84. Quoting from R. Hilferding, Das Finanz Kapital, 1912. According to Hilferding, p. 283, finance capital is capital controlled by banks and employed by industrialists.
18. Henry Morris, The History of Colonization, New York, 1900. Quoted by Lenin, ibid., pp. 77-78.
19. Lenin, op. cit., p. 84. Quoted by Kemp, op. cit., p. 74.
20. Ibid., pp. 81, 85.
21. Kemp, op. cit., p. 79. Based on Lenin, ibid., and Semmel's Imperialism and Social Reform on the strongly pro-imperialist thinking of the Fabians and Blatchford.
22. Quoted in Lenin, op. cit., p. 76.
- 23.
24. The center/periphery dichotomy corresponds here to the place social formations occupy in the world capitalist system. The center refers to advanced capitalist formations (the United States) and the periphery to dependent capitalism--pre-capitalist social formations dominated by world capitalist mode of production (India). Within countries, it corresponds to advanced "modern" versus lagging "traditional" sectors (say, urban-rural enclosures). For further details, refer, for example, to Samir Amin, "Modes of Production and Social Formations," UFAHAMA, Winter, 1974, p. 84.
25. Rosa Luxemburg, Capital Accumulation. Quoted in Kemp, op. cit.
26. Lenin, op. cit., p. 16.
27. Karl Marx, Capital, Vol. I, p. 626.
- 28.
29. Rudolf Hiferding, Das Finanz Kapital (Finance Capital), Vienna, 1910, p. 239.
30. Lenin, op. cit., p. 18.

31. Otto Jeidels, The Relation of the German Big Banks to Industry, Leipzig, 1905, p. 181. Quoted by Lenin, ibid., p. 28.
32. Lenin, op. cit., p. 32.
33. Kemp, op. cit., p. 68.
34. Ibid., pp. 68-69.
35. Lenin, op. cit., p. 27.
36. Ibid., p. 41.
37. Ibid., p. 27. What Lenin describes in this quote does not sound different from the values advocated in Spiritual-Zionism, as most eloquently expressed in the writings of Chaim Byalik and Ahad Ha'am. This form preceded Labor-Zionism, mobilizing the first and second waves of Jewish immigration to Palestine between 1882 and 1905, consisting of small money capitalists and entrepreneurs who constitute, today, Israel's financial and industrial bourgeoisie, represented in the Likud Party.
38. Ibid., p. 31.
39. C. Argyris and D. Schon, Theory in Practice: Increasing Professional Effectiveness. Jossey-Bass Publishers, San Francisco, 1975. Theory-of-action refers to the theory espoused to guide one's practice, which may or may not be the same as the one actually practiced, to which Argyris and Schon refer as theory-in-use. Theory-of-action concept carries the connotation of a deliberate or pre-planned change.
40. Abram Leon, The Jewish Question: A Marxist Interpretation, Pathfinder Press, New York, 1970.
41. Nicos Poulantzas, Classes in Contemporary Capitalism, N.B, 1975, p. 161.
42. Ber Borochov,
43. That is, instead of a broad base of productively farming and working masses, with fewer numbers of petty bourgeoisie and bourgeois on the top of the social "pyramid" as is the case in all other nations. Among Jews, the masses were, rather, predominantly unproductive urban petty bourgeoisie, concentrating specifically in the trade profession.
44. Ber Borochov, Nationalism and Class Struggle: Essays in Zionism and Socialism (no date or publisher), distributed by Socialist Zionist Union, New York, p. 9.
45. Ibid., pp. 11, 12, 16.
46. Ibid., pp. 36-37.

47. Joseph Stalin, Historical and Dialectical Materialism, Mass Publication, Calcutta (Reprint from Foreign Languages Publishing House, Moscow, 1950), pp.
48. George Plekhanov, The Materialist Conception of History, International Publishers, New York, 1964.
49. Leon, op. cit. (Introduction), p. 35.
50. Plekhanov, op. cit., p. 9.
51. Karl Marx and Frederick Engels, The Communist Manifesto, Pathfinder Press, New York, 1973, with Introduction by Leon Trotsky.
52. In addition to Leon's thorough documentation of the predominance of petty bourgeois class-locations of the Jewish masses and its historical causes, Nathan Weinstock provides abstracts invaluable as references on this issue in the Introduction to Leon's The Jewish Question: A Marxist Interpretation. Karl Kantsky, in a careful study of the Jewish question, dwells on the pioneering role the Jewish traders played in the economic history, remarking that other people, too, such as the Scots in 17th and 18th century England, had been agents of monetary economy. Similarly, Otto Bauer has pointed out that Jews had been the pioneers of money economy. A substantiation of the people-class concept can be found in the work of an Israeli historian, Michael Avi-Yonah, who has described the gradual process of assimilation of Palestine Jewry in the second century A.D., except for the small minority engaging in trade and allied occupations. On the whole, the Jewish artisan class naturally belonged to the Jewish middle-layers, situated between the aristocracy and the laboring classes. Moreover, the majority of small entrepreneurs selling their wares to the customers in their own booths on credit were in a condition similar to that of the money lenders. (For more detail, see Weinstock, Introduction to Leon, op. cit., pp. 27-63.)
53. Karl Marx, Capital, Vol. III, Moscow, 1959, p. 323. Quoted by Lenin in The Development of Capitalism in Russia, Progress Publishers, Moscow, 1974, p. 445.
54. Karl Marx, Grundrisse, Penguin Books, in association with New Left Review, London, 1973, pp. 852, 858, 859.
55. Leon Trotsky's Introduction to the Communist Manifesto, op. cit., p. 8.
56. From Weinstock's Introduction to Leon, op. cit., p. 35.
57. Nicos Poulantzas, Classes in Contemporary Capitalism, NLB, London, 1975, p. 285.
58. Ibid., p. 287.
59. Ibid., p. 288.
60. Ibid., p. 289.



61. Ibid., p. 289.
62. Robert Nathan, Palestine: Problem and Promise - An Economic Study, Public Affairs Press, Washington, D.C., 1946, p. 284.
63. Ibid., p. 284 (footnote).
64. Ibid., p. 286.
65. On this double character of the Histadruth, see, for example, "Histadruth: Union and Boss" in The Other Israel, by Arie Bober (ed), Anchor Books, New York, 1972.
66. Karl Marx, Critique of the Gotha Programme, International Publisher, New York, p. 16.
67. Allon Gal, Socialist-Zionism, Schenkman Publishing Company, Cambridge, Massachusetts, 1973.
68. Poulantzas, op. cit., pp. 295-296.
69. Borochoy, Nationalism...op. cit., p. 37.
70. S. Levenberg (ed), Ber Borochoy: Selected Essays in Socialist-Zionism, RITA SEARL, London, 1948, p. 3.
71. Ibid., pp. 14-15.
72. Ibid., p. 37.
73. Poulantzas, op. cit., p. 296.
74. Marx, Critique...op. cit.
75. Frederick Engels, The Origins of the Family, the State and Private Property, Chapter 9, M.E.S.W., 1970, p. 576.
76. Nicos Poulantzas, Political Power and Social Classes, NLB, 1975, pp. 49, 71. By instances, reference is to the economic, political, and ideological.
77. Karl Marx, The Poverty of Philosophy.
78. Quoted by Lenin from Marx's letter to Ruge in "What the Friends of the People Are and How They Fight the Social Democrats," Collected Works, Vol. I, p. 162. Quoted in Poulantzas, Political Power...op. cit., p. 49.
79. Poulantzas, op. cit., p. 49.
80. Ibid., p. 50.

81. Historical Materialism, Ann Arbor, 1961. Quoted in Poulantzas, Ibid., p. 50.
82. Poulantzas, Ibid., p. 46.
83. Ibid., p. 47.
84. Ibid., p. 45.
85. Poulantzas, Classes in Contemporary Capitalism, op. cit., p. 161.
86. Levenberg, op. cit., p. 9.
87. Nathan, Palestine...op. cit., p. 282.
88. Ibid., pp. 282-283.
89. Originally published in Yiddish as a sequel to Our Platform in 1907.
90. Ber Borochov, Selected Writings (in Hebrew), edited and translated by Z. Rubashov (Shazar)(unpublished English translation), pp. 33-34.
- It is important to keep in mind that these characteristics are emphasized after Zion is identified as the very territory on which Zionism must be realized. The argument is, therefore, to legitimize an already-made decision, and rationalize an already-pre-conceived idea.
91. Borochov, Nationalism...op. cit., p. 69.
92. Bober, op. cit., p. 149.
93. Ber Borochov, Our Platform, Hakibbutz Hamenchad and Sifriath Poalim, 1955 (Hebrew), p. 240. English translation from Bober, ibid, p. 149.
94. Borochov, Nationalism...op. cit., p. 85.
- One wonders what Borochov means by "Zionism completes its present development". Is he referring to the establishment of the Jewish State or to the decline of Labor-Zionism, the undermining of its sectarianism by its secularizing forces? Does Borochov, in other words, predict the post-1967 transformations?
95. Declaring war, therefore, becomes an important intervention of the State in order to maintain internal cohesion and prevent the contradictions from forcing the formation's unity to break, and the formation from bursting apart. This is very relevant to the case of Israel; wars with neighboring countries have played a significant role in the internal cohesion of the social formation; in times of "peace" or non-intervention of the State, the internal contradictions of the Israeli-Jewish social formation are intensified which, on the one hand, consolidates the Jewishness of the State, as it becomes the culmination of contradictions within Jewish life. Simultaneously, however, this makes the State of Israel less Jewish and more secular as it becomes

increasingly more the product of Israeli social formation in particular and less the product of Jewish society in general. The Jewish State becomes increasingly the regulator of disequilibriums peculiar to the Israeli social formation and not to Jewry.

96. Levenberg, *op. cit.*, pp. 28-30.
  
97. Borochoy, Nationalism...op. cit., p. 84.
98. Borochoy, Selected...op. cit., p. 8.
99. Ibid., p. 18.
100. Ibid., pp. 31, 32, 33
101. Ibid., p. 49.
102. Ibid.

CHAPTER III

JEWISH SETTLEMENT AND PALESTINIAN PROLETARIANIZATION:

THREE HISTORICAL PHASES

"...[The required territory's] economic importance could be in that the new Jewish society which will be created in the territory will serve as a refuge and a work place for the oppressed Diaspora Jews. For that purpose it is necessary that the Jewish immigrants could, in that territory, reach normal capitalization and proletarianization and that the competition from the local bourgeoisie and local proletariat will not push them outside of the market.

"...More important than the question of mere majority is the question of normal industrial and agricultural proletariat, because any majority today which will not be able to reach naturally proletarianization, or that proletarianization is barred from it, will be increasingly expelled of its position to the point of death.\* Therefore, the most important question...is: where could the Jews reach normal proletarianization?...where is the country wherein we shall not have to fear, just as other countries do not fear, not only foreign immigration and capitalization, but mainly foreign proletarianization...

"...The best and essential advantage of Eretz Israel is that it is not completely savage and not a country of culture. Therefore, its transition to higher forms of economy will be slow enough and gradual and we shall not require these to start with great beginning investments like in a "territory" and in the first period we shall be satisfied with Jewish proletariat. Over time, of course, the process of proletarianization of the peasants which will flow into the factories will begin."

Ber Borochov, Selected Writings  
Translated from Hebrew by Z.  
Rubashov (Shazar) (unpublished  
manuscript), pp. 8, 32, 35.

\* My emphasis

## I. Introduction

This chapter is a historical review of Palestinian proletarianization in the context of Jewish colonial settlement in Palestine.

Proletarianization is often defined as the separation of producers from their means of production, specifically, land. If so, then one would expect that land colonization by Jewish settlers and the proletarianization of the native Palestinian population went hand-in-hand. This definition of proletarianization is, however, inadequate and such correlation between settlers' colonization and natives' proletarianization has not been the case in Palestine, probably owing to peculiar objective and subjective conditions that this chapter will deal with.

It is not only the expropriation of producers from their land that constitutes the proletarianization process; but it is only in the context of capitalist relations that expropriation from the land constitutes an aspect of proletarianization.<sup>1</sup>

The imperative of separating the producers from their own land and/or other means of subsistence is peculiar to capitalist relations. As Karl Marx and Frederick Engels write:

"In the Middle Ages it was not the expropriation of the people from, but on the contrary, their appropriation to the land which became the source of feudal oppression.... It was only at the dawn of modern times, towards the end of the fifteenth century, that the expropriation of the peasantry on a large scale laid the foundation of the modern class of wage-workers who possess nothing but their labor power and can live only by selling that labor power to others. But if the expropriation from the land brought this class into existence, it was the development of capitalist production, of modern industry and agriculture on a large scale which perpetrated it, increased it and shaped it into a distinct class with distinct interests and a distinct historical mission." 2

It is this transformation of pre-capitalist producers into a modern

class of wage-workers which is what we mean by proletarianization. Proletarianization, therefore, goes beyond the separation of producers from their means of subsistence. It further involves the separation of laborers from their own labor power, the exchange of that labor power against capital, resulting in class formation and struggle. This involves the emergence of a bourgeoisie and a proletariat as distinct social forces with distinct class interests that are intrinsically antagonistic. Such class formation is indispensable to capitalist accumulation, and its outcome.

As Marx explains, for capitalist accumulation to work two different kinds of commodity possessors must come face to face: on the one hand, owners of money, means of production, who are eager to increase their capital by buying other people's labor; on the other hand, "free" laborers, the sellers of their ability to work, their labor power. Free laborers in the sense of being neither part and parcel of the means of property as in the case of slaves, nor owning or possessing any means of production as the source of their exploitation, as in the case of the peasant proprietor. They are therefore "free" and unencumbered by any means of production of their own. This "freedom", however, is coercive. Generally, the emergence of "free" laborers has been the outcome of a cruel and violent process throughout the history of capitalism.<sup>3</sup> Historically, free labor constituted one of the prerequisites for wage labor, which is, in turn, the condition for capital. As Marx states in his Pre-capitalist Economic Formations:

"One of the prerequisites of wage labor and one of the historical conditions for capital is free labor and the exchange of free labor against money....Another prerequisite is the separation of free labor from the objective conditions of its realization - from the means and material of labor. This means above all that the worker must be separated from the land, which functions as his natural laboratory...." 4

In this sense, wage-labor implies freedom to own, and also freedom to

sell, one's own labor power. Proletarianization is, therefore, a two-fold process that presupposes the availability of both sellers and buyers of labor power, simultaneously. It can be said to have a supply side and a demand side to it: the creation of labor surplus, and the absorption of this surplus in commodity production as a commodity. It is one of the peculiarities of capitalism that labor power becomes, itself, a commodity and can produce value only as a commodity that has an exchange value. Marx's statement, "the expropriation of people from the soil forms the basis of the capitalist mode of production...the prelude to the history of capital",<sup>5</sup> implies, therefore, that wage-labor (conditioned by free labor, which is, in turn, the result of separation from means of production) is, itself, a condition for capital in its productive form. The latter is important. It means that proletarianization is linked to capital in production only, but not to capital in circulation. It is, thus, a feature of capitalist accumulation in the sphere of production, as distinguished from capital activity in the sphere of circulation.

That proletarianization is peculiar only to one form of capital, namely productive capital, simultaneously as an effect of it and the condition for it, is strongly emphasized in the Marxist theory:

"One of the most obvious peculiarities of the movement in the circuits of industrial capital, and therefore of capitalist production, is the fact that on the one hand the component elements of productive Capital are derived from the commodity market and must be continually renewed out of it, though, as commodities and that on the other hand the product of the labor-process emerges from it as a commodity and must be continually sold anew as a commodity. Therefore, Capitalist production cannot reach its full scope until the direct agricultural producer becomes a wage-laborer; the money relation between the buyer and the seller becomes a relation inherent in production; but has its foundation in the social character of production, not in the mode of exchange." 6 (emphasis added)



In this sense, labor is proletarianized once it is engaged in commodity production and in the creation of surplus value, i.e., as long as it is exchanged against capital within the sphere of production in the form of variable capital which is inversely related to constant capital. This is to say, as it becomes the condition for increasing the organic composition of capital at the expense of itself, as it faces capital antagonistically; in other words, as class struggle begins.

It is in this sense that proletarianization is essentially a process of class formation: as social classes only exist in class struggle, they are formed and are defined in class struggle. Social classes do not emerge and then enter class struggle; rather, they emerge through class struggle itself as distinct social forces with distinct interests, and therefore with "an historical mission". The proletariat is the opponent of the bourgeoisie; these are the two principal classes of the capitalist mode of production. Both classes are defined in the class struggle inherent in capitalist accumulation, in the fundamental tendency for the organic composition of capital to rise. Proletarianization and embourgeoisement constitute the dual aspects of the capitalist accumulation process. Capitalist relations, as a condition necessary to the initiation of the proletarianization process, may be destroyed by the process itself. This leads into a finer treatment of the proletarianization concept; with regard to formation not only of "a class in itself", but also of "a class for itself".<sup>7</sup> This refers to the development by the proletariat of consciousness of its own class interest, defined by its objective location in production, and ultimately of the necessity to act upon this consciousness by creating contradictions in the dominant mode of accumulation. This is fulfilling its historical mission as a class for

itself, as a class fit for self-emancipation from exploitation as the creator of surplus value for the capitalist class. Proletarianization, therefore, signifies the possible development of a revolutionary potential among the producers of society's material values. This may clarify for us why Borochof's emphasis on the necessity of Jewish proletarianization and Jewish capitalization for the Jewish political class struggle to emerge was translated into the slogan of "Conquest of Hebrew Labor", as will be seen in the following chapter. It may also shed light on the rationale underlying the deliberate Zionist policy to prohibit the proletarianization of the native Palestinian population, as demonstrated below.

Before we enter into the specifics of proletarianization in Palestine, it is necessary to develop and keep in mind an additional theoretical point: the process that transforms the social means of production into capital and the immediate producers into wage-labor often expresses a relationship between a population becoming proletarianized and a developing or expanding or concentrating bourgeoisie. Proletarianization is not just a separation of producers from the means of production but also a concentration of these means in the hands of another class. The alienation of the workers from the means of production, including their own labor power, and the access to, and control over these means by the capitalists, are two aspects of the same process. The creation of surplus value by some segments of the population implies the existence of a non-laboring class subsisting and expanding its capital from the extraction of this surplus value.

These dual aspects of capital accumulation, proletarianization and embourgeoisement, manifest the essential unevenness of capitalist development. Although in theory it is not inaccurate to abstract proletarianiza-

tion and embourgeoisement as the dual social aspects of the capitalist accumulation process, in reality proletarianization is not accompanied by embourgeoisement within all social formations (a local proletariat co-existing with a correlative local bourgeoisie), and it does not always involve the entire mass of immediate producers. This depends on the historical specificity of the particular social formation and its relation to the internationally hegemonic capital. It also depends on the extent to which proletarianization results merely from the penetration of capital or also from the generalization of the capitalist relations of production. Put differently, proletarianization does necessarily presuppose capitalist relations of production, but it is not peculiar to capitalist social formations.

The development of capitalism in metropolitan countries, for example, resulted in the liquidization of the peasantry as a social class, and the proletarianization of almost the entire mass of immediate producers (except for some petty commodity producers who, being threatened by proletarianization, immigrated to settle "new" lands: the United States, Australia, South Africa, Palestine, etc.). Because accumulation of capital in the metropolis occurred under the generalization of the capitalist mode of production, effecting the polarization of society into capitalists and modern wage-workers as the principal classes and social forces within those social formations, they became capitalist social formations. A capitalist social formation exists when capitalist relations are generalized in the form of local proletariat and bourgeoisie. After colonialism, the reproduction of these relations, in turn, urges the integration and subordination of pre-capitalist social formation. A feature of monopoly capitalism, this integration distorts the previously dominant relations in the latter, and their

boundaries as distinct social formations.

Under colonialism, proletarianization, for the most part, preceded the emergence of a local bourgeoisie. The introduction of commercialized agriculture and plantation economy was imposed by colonial powers through the penetration of capital; distorting the traditional relations of production, ~~with a conscious effort not to allow for the generalization of the capitalist~~ relations within the colony (classic examples are Malaysia, the Caribbeans and East Africa, where the British imported Chinese and Indian labor to be proletarianized in the rubber and other plantations, keeping intact the local social structure). Colonial powers are not interested in developing a competitor local industrial bourgeoisie, but rather in maintaining the colony as a market for their own manufactured goods, and as a pool of cheap resources.

Under neo-colonialism, distinguished by the drive for a capital market, local industrialization and the emergence of a dependent bourgeoisie become indispensable for the extended reproduction of capitalism on a world scale. Proletarianization occurs directly through foreign capital penetration, or through a local bourgeoisie, whose very existence is dependent on the international bourgeoisie. In this case, capitalist relations predominate, subject to the logic of capitalist accumulation on a world scale. It does not culminate, however, in the generalization of capitalist relations to the entire mass of immediate producers.<sup>8</sup> On the contrary, an underdeveloped "traditional" sector is deliberately maintained and distorted to provide for the development of the "modern" sectors. The largest proportion of immediate producers is linked indirectly to the capitalist accumulation process, and hence, impoverished without proletarianization: they are

forced to join the army of the unemployed labor surplus and indirectly reduce the bargaining power and subsistence cost of the employed labor force, thus enabling capital to reap super profits.

In settler-colonialism, foreign settlers with capital are usually brought in to settle the land, not only extract value. They are expected to find their workers among the indigenous population. This was the case, for example, when the English appeared in the Cape Colony of South Africa in 1906. They came as potential capitalists in need of a class of laborers to be exploited.

According to Bernard Magubane, from the beginning of white settler colonization in South Africa, and in the process of harnessing the indigenous labor, a policy of conquest was begun that would not destroy the population but that would rather deprive it of its land and subsistence and thus reduce it, in effect, to a mere instrument in the process of capitalist prosperity. The Africans were subjected to both expropriation and appropriation. That was the secret both of the conquest and the setting up of reservations in which it was difficult for the Africans to maintain independent subsistence. Hence, they become wage-workers, reproduced cheaply over and over again.<sup>9</sup>

In this case, using Archie Mafeje's expression, the logic of predatory capitalism has not been replacement of the old social formation by a new one but rather establishment of a "hybrid" social formation.<sup>10</sup> Although Mafeje uses the creation and perpetuation of hybrid forms to describe the objectives of West European capitalism in the colonies in general, I find this idea more uniquely applicable to settler colonial social formations, specifically in Africa, with the co-existence of an alien bourgeoisie with

an indigenous proletariat.

The case of white settler-colonialism in the United States was somewhat different. It represented a pre-capitalist settler-colonialism where settlers with merchant capital, by instituting slavery, made their capital productive; then, by abolishing slavery (the Civil War), created a pool of "free" wage-labor. Capitalist relations were then generalized only to the non-indigenous population. The native Indians, however, were subjected to extermination, not proletarianization.

In Palestine, settler-colonialism was quite different from the above, in that it involved more than simply settlers with capital in search of embourgeoisement. Jewish settlers were brought to Palestine as the vanguard of Zionism, being the movement that represented the aspirations of the Jewish bourgeoisie for a State of their own. These Jewish settlers were mainly small capitalists and petty bourgeoisie who had internalized this form of consciousness (as it coincided with their own class aspirations) and were entrusted with the "historical" mission of creating a Jewish bourgeois State in Palestine to act on behalf of the Jewish bourgeoisie in Diaspora. For the sake of this mission they were to refrain from conquering native labor; instead, they mobilized immigrant Jewish labor, to be conquered by the settlers' Jewish capital. It is similar in this respect to the U.S. experience.

Unlike the case in white settler-colonial South Africa, where the proletarianization of the natives was the function of generalizing the capitalist mode of production in a "hybrid" social formation, under Jewish settler-colonialism, forming a hybrid social formation was in direct contradiction with the objectives of Zionism. A pure Jewish social formation

that replaces the indigenous one was to be developed in order to give rise to the Jewish State. For this reason, the Jewish settlers were prohibited from exploiting the indigenous labor. Immigrant Jewish labor was mobilized to replace the native. The "conquest of Hebrew labor" became the incentive for Jewish proletarianization, equivalent in some ways to the "work ethic" in the United States settler-colonialism. Jewish proletarianization was also the result of generalizing the capitalist relations of production on the Jewish immigrant population alone, becoming both bourgeoisie and proletariat; but not on the native Palestinians, who were excluded even from proletarianization. The Palestinians were not meant exactly to be annihilated, as in the case of the American Indians; they were only to be denied the possibility of wage-earning. Emphasizing the imperative of exclusive Jewish proletarianization in Palestine, Borochoy said: "...any majority today which will not be able to reach naturally proletarianization, or that proletarianization is barred from it, will be increasingly expelled of its position to the point of death."<sup>11</sup> Does this imply that underlying the commitment to proletarian Zionism there was an a priori awareness of the detrimental repercussions it was to necessarily inflict on the native Palestinian producers? This question is to be kept in mind for a later discussion.

The central theme of this chapter is to illustrate how Jewish colonial settlement in Palestine, while implementing Labor-Zionism (hence, the generalization of the capitalist relations with regard to Jews alone in the form of exclusive Jewish proletarianization and capitalization), had blocked the proletarianization of the native Palestinians.

To this end, we identify three historical phases in Jewish colonial

settlement in Palestine: (1) the Yishuv phase, distinguished by the dominance of the ideological; (2) the nation-building phase, distinguished by the dominance of the political; and (3) the post-1967 phase, distinguished by the dominance of the economic.

We try to demonstrate that during all three phases Jewish settlement is positively correlated only with the creation of Palestinian labor surpluses, but that only in the current phase does Palestinian proletarianization, per se, become a correlative of Jewish colonial settlement (currently known as "Judiazation" schemes).

To sum up, unlike the previous chapter, which focuses on aspects of the historical material determinants and nature of Labor-Zionism in theory, the present chapter reviews aspects of the historical practices under the hegemony of Labor-Zionism.

## II. Jewish Settlement and Palestinian Proletarianization During the Yishuv: 1882-1948

The Yishuv represents Israel's social formation in its embryonic stage. It is the first phase of colonization by pioneer Jewish settlers prior to the establishment of the Jewish State in Palestine. This is the period in which Jewish class formation began by means of institutional arrangements (the Jewish Agency, the Jewish National Fund and the Histadrut), often regarded as the formative elements of the State. It is in the practice of these institutions that proletarian Zionism seems to be embedded; and it is through these institutional arrangements that Jewish labor, capital and land were to be acquired and regulated for exclusive Jewish use and control, as prerequisite for the emergence of Jewish class society and political class struggle, and for the replacement of the indigenous Palestinian society.



As recalled from the preceding chapter, this period is also one of major transformations in world history in general and, correspondingly, in the history of the Jewish people and of Palestine in particular. The disintegration of East-European feudalism, the transition of capitalism from its competitive stage to the stage of imperialism, the beginning of monopoly formation and the rise of finance capital. Development along these lines inflicted displacement and even threatened liquidation of the petty bourgeoisie as a social class. As predominantly petty bourgeoisie, the Jewish masses were severely injured by these processes. It is not surprising, therefore, that the pioneering ideals of Hovevi Zion and, later on, Labor-Zionism, appealed to the Jewish masses and mobilized them for the construction of utopian forms of colonialism.

During this period, Palestine was the battleground for struggle among various historical forces: decadent Ottoman imperialism; modern British colonialism; a recently emerging feudalism; an established merchant class; and an embryonic industrial bourgeoisie on the verge of emerging in the struggle among all these forces.

In the midst of this complexity it is difficult to establish accurately the relationship between Jewish colonial settlement in Palestine and the proletarianization of the native population. It may be helpful, therefore, to specify four interrelated subissues:

- A. Characterization of the Palestine social formation: the nature of its class structure, the state of development of the productive forces at the disposal of the native Palestinian population, as they have special bearing on the proletarianization process with and without Zionist colonialization.

- B. Characterization of Jewish settlement under the hegemony of proletarian Zionism: examination of the Borochovist strategy in practice.
- C. The dispossession of Palestinian peasantry
- D. The boycott of Palestinian labor.

A. Characterization of the Palestine Social Formation

Up until World War I, Palestine constituted an integral part of the Levant, i.e., Syria, Lebanon, and Palestine, a unity prior to colonial partition. The mercantilist class was the unifying force among these three differentiated societies. This is unlike Egypt, for example, where the unifying force lay in the land-holding class. The Levant was in the process of forming a socioeconomic unity, and probably of becoming a social formation.

The indigenous landed class was not strongly connected across the boundaries of these three regions of the Levant as was the case with the commercial bourgeoisie. The indigenous merchant bourgeoisie was the natural opponent of Ottoman feudal imperialism. It was under the yoke of an Ottoman imperialism, on the verge of collapse, that an Arab land-holding class was forming, precisely from commercial capital. From the same source of capital indigenous manufacture was beginning to develop, faced, however, with strong resistance on the part of Ottoman imperialism, on the one hand, and modern colonialism, on the other. This was manufacture based on the petty commodity form in which accumulation remains confined to the sphere of circulation.

On the eve of British occupation in 1920, and the imposition of British Mandatory Rule on Palestine, the bulk of the Palestinian-Arab population

(430,000 of a total 757,182) were peasants and the large majority of land-owners were feudal lords.

Prior to World War I, 250 feudal landlords owned 4,143,000 donams (1 donam = 1,000 square meters), which equalled all peasant-owned land. 29 percent of Palestinian peasants were landless. The development of a monetary economy and commodity production allowed for further concentration of property, mainly land. Consequently, the latifundia structure was formed. This, in turn, reinforced the imposition of higher taxation on the small peasant and, in effect, forced the peasant to "free" himself from property relations, resulting in greater concentration of property and in class polarization: land-holders, on the one hand, and the bulk of peasants becoming seasonal sharecroppers or tenants, on the other. It is worth stressing here that concentration of land in the context of private property took place upon the disintegration of the original communal ownership of land, which used to be held collectively in "Masha'a" tenure.

The disintegration of the Masha'a communal land tenure system in order to provide for more effective taxation was one of the objects of the Ottoman Land Code of 1858. Under the yoke of immense rural indebtedness, the individual cultivators were, in effect, forced to sell their small holdings to wealthy merchants and become share-tenants. This is how the land-holding class emerged from merchant capital, and how the existing subsistence economy was caught in a process of disintegration as a result of the gradual absorption of the Turkish Empire into the capitalist orbit.<sup>13</sup>

Industrial production remained retarded. It was only in the 1890s that the first industrial projects were established in the country; a silk manufacturing plant and a raisins-and-spices processing factory in Tantara, fol-

lowed by soap and food industries, textiles in Gaza, leather industry in Jerusalem, olive and sesame oil processing factories in Nablus, Jaffa, Jerusalem and Haifa. Haifa had, in addition, a manufacturing project for irrigation machines. In the aftermath of the First World War, Palestine's industry consisted merely of small-scale units of production (both factories and guilds) employing between 6-10 workers.<sup>14</sup>

When the British Mandate was first imposed on Palestine, however, there was only the beginning of a wage-earning grouping under non-capitalist relations of production, as in citrus plantations. Capital remained predominantly merchant also in manufacture under the predominance of the guild system of production. The majority of the small-town dwellers were engaged in agriculture, specifically orchards (citrus plantations). City dwellers consisted mainly of professionals, handlers, stonemasons, builders and unskilled rural immigrant workers.<sup>15</sup>

The penetration of British capital into Palestine did not transform the guild and stimulate modern production. On the contrary, it crippled the guild system and probably blocked the development of modern industry. Even in production, indigenous capital remained money capital.<sup>16</sup>

Until the eighteenth century, goods manufactured under the guild system were exported to Europe. Following the Industrial Revolution, however, these goods were forcefully removed even from Palestine's local market to provide a marketplace for imported European commodities.<sup>17</sup>

Concessions obtained by Western powers, on the one hand, and the intensification of feudal plunder, on the other, resulted in crippling both local trade and industry, and eliminating the possibility for the development of a modern national bourgeoisie. As Frederick Engels explains, in the face of

such acute plunder on the part of the oppressive rulers, accumulation of surplus value was by no means guaranteed as one of the basic conditions for entrepreneurship, i.e., the protection of the merchants' identity and property was denied.<sup>18</sup>

As is the case in almost all other colonies, in Palestine also British colonialism fostered neither the development of local industry (except for the extractive industries) nor the formation of a Palestinian bourgeoisie. Unlike the case in other colonies, however, British colonialism in Palestine did not foster even the development of a money capitalist class, or an intellectual ruling elite organically linked with British colonialism as its indigenous ally, as was the case in India, Egypt, etc., since it had found a better local ally among the Western Jewish colonial settlers.

Following Ottoman feudal plunder, British-Zionist colonial collaboration had obstructed the development of a genuinely independent Palestinian ruling class of any kind. The emerging Palestinian dominant class itself sought an ally in British powers against both Ottoman oppression and Zionist invasion; and by so doing, it promoted Zionism itself, and played an insignificant and rather misleading role in leading the struggle of the Palestinian masses in the economic, political and ideological spheres for decolonization.

Also unlike the typical case, in Palestine British colonialism was not primarily to extract raw materials, but rather to control and use the strategic location of Palestine: strategic for its international trade and industrial undertakings. British capital was therefore invested primarily in infrastructural projects: construction of roads, ports, railways, oil pipelines, etc., and only secondarily in agricultural production, specifically citrus plantations.

British Mandatory authorities, on the other hand, provided a constant support to Jewish industry and trade at the expense of the Arab. They provided Jewish capital with both political and economic protection and privileges (e.g., the exclusive concession to exploit the Dead Sea in 1929, protection from tariffs imposed on Arab trade, and the privileged tax deduction subsidized by the heavy taxation of Arab industry).<sup>19</sup>

British oppressive policy, the competitiveness of the more technologically advanced Jewish industry, and the enforcement of the Zionist slogan: "Boycott Arab Produce", inflicted detrimental effects on Arab industry. Between 1930-1935 the total export of the Arab "shell" industry declined from 11,533 to 3,777 pounds, the number of soap factories in Jaffa alone dwindled from 12 in 1929 to 4 in 1935. The latter should not be mistaken for concentration of capital, as total production in the soap industry (one of the basic Arab industries in Palestine) declined between 1931-1934 from 119,941 to 71,532 pounds.<sup>20</sup>

It is only natural that such decline occurred in Arab industry in the face of two more competitive manufacture systems (British and Jewish) and the imposition of unfavorable terms of trade. Moreover, the gap between the indigenous industry and the settlers' only widened as the British authorities in Palestine granted 90 percent of the foreign privileges to Jewish industrialists at the expense of the natives.<sup>21</sup>

The figures in Table Y are indicative of the uneven development and distribution of means of production and reproduction in Arab versus Jewish industry, and how unevenness was perpetuated by British privileges and protection policy.

It was only during the Second World War, when the British army in Pales-

tine was required to be economically self-sufficient, that there was an impetus to invest in local industrial and agricultural production. In 1945, therefore, Arab and Jewish citrus production had, for the first time, levelled up.<sup>22</sup>

Arab industry, however, continued to lag behind, and even at a moment of economic boom it was not transformed into large-scale modern forms of production.

Table Y. Uneven Jewish Versus Arab Industry in Palestine During the Yishuv

	Jewish Industry	Arab Industry	Foreign Industry
Employed Labor Force	13,678	4,117	2,619
Total Production	6,046	1,545	1,215
Net Production	2,445	313	1,106
Fixed Capital (capital investment, by thousand pounds)	4,391	703	5,799
Machine Power (by horses)	40,644	3,914	133,128
Wages and Salaries	1,008	122	274

Source: Government of Palestine, A Survey of Palestine, Vol. I, p. 499.  
Copied from Yassin, op. cit., p. 163. Date of Survey unknown.

In 1942, Palestine's Arab industry consisted of 1,558 establishments engaging 8,804 persons; an establishment/employee ratio that is indicative of the predominance of small-scale commodity form,<sup>23</sup> amounting to only 10 percent of total industrial produce in Palestine.<sup>24</sup> These figures express the persistence of a structural weakness in the Arab industry from earlier

stages and a widening gap with regard to Jewish industry. In 1935, Arab industrial produce amounted to £P 1,545,000, as compared with £P 6,046,000 of Jewish industrial produce, i.e., 20 percent of total industrial produce.<sup>25</sup> Moreover, in 1945 there were 1,558 Arab establishments employing £P 2 million capital input, producing £P 5.6 million, as compared with 1,907 Jewish establishments employing £P 12 million capital input and producing £P 29 millions.<sup>26</sup> The latter figures are even more indicative than the former of the relative structural weakness of Arab in comparison with Jewish industry, as they point out major disparities in the organic composition of capital, as between the Jewish and Palestinian economies.

Having roughly characterized the indigenous social formation during the first phase of Jewish settlement in Palestine, we identify two features with special bearing on promoting the creation of native labor surplus, and on its absorption in modern production:

- (a) concentration of land ownership, feudal plunder, resulting in peasant dispossession and landlessness.
- (b) the underdevelopment of Palestinian-Arab trade by colonial policies, depleting possible savings and thus impeding the development of modern Palestinian industry.<sup>27</sup>

The latter point becomes more important if it proves to be responsible for the nonemergence of a progressive Palestinian bourgeoisie capable of revolutionizing the productive forces at the disposal of the native population, and hence, offsetting the effects of the Zionist boycott of Arab labor, discussed in a following section.

One cannot simply attribute the nonemergence of a Palestinian industrial bourgeoisie to Zionism. This point requires a special study, to inves-



tigate carefully the underlying causes, as in Syria and Lebanon as well, industrial capital was and still is crippled simply by the predominance of the merchant class.

The absence of a Palestinian industrial bourgeoisie, however, must not obscure the emergence of a Palestinian proletariat, subject to the logic of capitalist accumulation on a world scale; this will be the subject of discussion in an ensuing section. In the following section we demonstrate that as the commercial fraction of the ruling class was crushed by British colonialism, it was the feudal fraction of the ruling class that was liquidated by Zionist land acquisition policy and, correspondingly, the peasantry itself. The following also highlights the contradictory effects of Zionism as far as unifying/dividing Palestine from the Levant. How land purchases resulted in the very liquidation of the Palestinian and absentee feudal classes, transforming some into merchant capitalists who were, in 1948, re-integrated into the unifying class of the Levant.

#### B. Characterizations of Jewish Settlement Under the Hegemony of Proletarian

##### Zionism

It was not until the second Aliyah\* (1904-1914) that the historical practices of Labor-Zionism began. The first Aliyah, beginning in 1882 and led by the Hovevi Zion (the Lovers of Zion) movement, was not guided by socialist Zionist ideals; rather, by the pioneering ethos and the return-to-the-soil slogan. European-Jewish settlers with capital were brought in

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\*"Aliyah" is a Hebrew word meaning ascent, refers to "Jewish immigration to Palestine", and is distinguished from "Yiridah", meaning descent, which refers to "Jewish emigration from Israel." The first, second, third, fourth, and fifth Aliyahs refer to the major waves of Jewish immigration to Palestine before Statehood.

to develop Jewish agriculture and industry (financially sponsored by millionaire Baron Rotchilde) and were to capitalize by exploiting native labor. Not significantly different from settler-colonial initiatives elsewhere in the world except for being vanguards of a political movement (Zionism) aiming at a specific objective, the creation of a Jewish State in Palestine.<sup>28</sup> The conquest of land was, in their conception, the only basic prerequisite for such an enterprise. Unlike the first, the second Aliyah, guided by the socialist Zionist movement, was to operate in the context of a well-defined strategy, "colonization through Jewish class struggle" and a clear strategic objective: the creation of an exclusively Jewish proletariat, this in order to "normalize" the "inverted pyramid" of Diaspora Jewish socioeconomic structure. This strategy was translated into two principles: the "conquest of land" (kibbush hakarka'a) was coupled with the "conquest of labor" (kibbush ha'avodah) as the dual aspects of Zionist policy. In practice, these twin principles were specified further in the twin slogan of exclusive "Hebrew work", expressed in the boycott of Arab labor; and "Jewish produce", expressed in the boycott of Arab produce. Those were the cornerstones of "economic separateness" motivated by the urge to suppress the competition of the increasingly abundant, and therefore cheap, native labor, so that an exclusive Jewish proletarianization by Jewish capital (recall the Borochovist strategy) could be actualized.

Several objective contradictions seem to be inherent in the Labor-Zionist strategy which (as demonstrated in the previous chapter) is the theoretically consistent approach to the realization of Zionism in the form of a bourgeoisie Jewish State. These contradictions lie in the very requirements for exclusive Jewish proletarianization in Palestine. On the

one hand, it requires a capitalist economy, as proletarianization necessarily presupposes capitalist relations of production. This proletarianization is to take place in the context of settler-colonialism, hence the "conquest of land" prerequisite. The conquest of Palestinian land implies necessarily the displacement of Palestinian peasantry, the dispossession of the indigenous immediate producers, and an abundance of native labor surplus; thus, cheap labor conducive to the extraction of super profits.

Under these conditions, and subject to the logic of capitalist accumulation (given that capital is a secular relation abiding by no religion but profitability), Palestinian labor was more competitive than Jewish. To create an exclusive Jewish proletariat it was therefore necessary that the capitalist economy of the Jewish settlers be "closed", closed to nonJews, specifically native labor, the rationale for the main Zionist slogan, "Hebrew labor", prohibiting the employment of Arab labor in Jewish agriculture and industry. But a capitalist economy cannot develop as a closed system; capitalist accumulation and the extended reproduction of capital has been historically conditioned by subordinating and subjecting less-developed pre-capitalist social formations as the sites for its reproduction. How did the Labor-Zionist movement accommodate this contradiction? The answer to this seems to lie in molding the "conquest of labor" principle in the ambiguous slogan, "self-labor". That the settlers' economy be a closed economy in the sense of labor self-sufficiency was explained away as a negation of the typical colonial practices, which are based on the exploitation of native labor.

The "self-labor" slogan provided for a flexible interpretation: firstly, reliance on one's own labor, negating the notion of hired labor,

specifically wage-labor, that is, the negation of the capitalist relations of production; secondly, the reliance on Hebrew work only (Avoda'h Ivrit), negating not wage-labor per se, but rather the employment of nonJewish wage-labor, i.e., specifically Arab labor; the latter was made very explicit in the "Boycott Arab Labor" and "Boycott Arab Produce" slogans and practices. It advocated the capitalist mode of production to be generalized, but for Jews only.

It is this dual meaning and practice of "self-labor" that provided for the accommodation of the contradiction mentioned above. It did so by restoring for a segment of the Jewish settlers their petty bourgeois class-location, by consolidating a sector of the Jewish economy based on self-employment, on petty commodity forms of production; that is, on pre-capitalist relations and/or primitive accumulation. Concretely, the "self-labor" sector, specifically the co-operative moshav, based precisely on petty commodity form of production for exchange, as well as the kibbutz at its stage of primitive capitalist accumulation, constituted the equivalent of the "traditional sector", a pre-capitalist periphery indispensable for the essential unevenness of capitalist accumulation in the country-at-large.

The pre-capitalist sector (the co-operative sector, including the moshav and the kibbutz) is thus maintained as functionally equivalent to the so-called "traditional sector" co-existing with, and providing for, the extended reproduction of the "modern capitalist sector" which is the urban sector, including the coastal citrus plantations based entirely on a laissez-faire pattern of development.<sup>29</sup> This way, the Jewish capitalist economy can have self-sustained growth as a "closed" economy, closed in the

sectarian sense, closed to the nonJewish native population.

The point is to realize the imperative of self-labor in the sense of petty commodity forms of production (i.e., the rule of the co-operative sector, often referred to as the "labor" sector) for actualizing the strategic objective of exclusive Jewish proletarianization; that is, for consolidating Jewish capitalism in Palestine; for sustaining the Yishuv as a distinct social formation which is Jewish, and which consists of overlapping capitalist and pre-capitalist relations.

The labor sector, based on self-labor, as a negation of wage-labor, was indeed a prerequisite for the implementing of the policy of "Hebrew wage-labor only" in the capitalist sector of the Yishuv, given the abundance of "free" native labor created by the other twin principle of Zionist colonization, namely, "conquest of land".

"Self-labor" in the sense of petty commodity form resolves another contradiction inherent in the Labor-Zionist strategy, as an essentially territorialist strategy: the conquest of land.

Although indispensable for creating a Jewish social formation, the site for Jewish class formation and class struggle, the conquest of land, on another level, stands in contradiction with Jewish proletarianization as a strategic objective and a prerequisite for Jewish class struggle, and hence, the emergence of a bourgeois State.

This is really the contradiction inherent in "colonization through class struggle", the Borochovist strategy for implementing the Zionist idea; a basic contradiction in socialist Zionism. A conquest of the land implies an access on the part of Jewish settlers to the natives' means of production. This, in turn, undermines the conditions for Jewish proletar-

ianization, as Jewish wage-labor requires "free" Jewish labor, utterly separated from the means of subsistence, specifically land. The conquest of land eliminates the condition for Jewish proletarianization, for Jewish wage-labor, namely free labor, as we explained earlier. It also increases the competitiveness of the native labor for capitalist exploitation.

Self-labor-based co-operatives again reduce the intensity of this contradiction. Land can be conquered collectively to house the "labor sector" alone, but not the mass of modern wage workers. This, in turn, promotes the development of utopian forms of living (kibbutz, moshav) as incentives for Aliyah, furthering Jewish settlement.

The contradictions inherent in the strategic objectives of Labor-Zionism are thus accommodated through its inner tactical consistency and flexibility. Perhaps it is precisely in this tactical flexibility, inherent in the nature of the strategy itself, that the secret for the mobilizing force of Borochovist Labor-Zionist strategy lies; it provided the displaced Jewish petty bourgeoisie, threatened by extinction as a class (on the verge of proletarianization or marginalization), with three alternatives: (1) embourgeoisement by assuring Jewish wage-labor; (2) restoration of their petty bourgeois class-location by assuring the possibility of land and self-labor; (3) secure proletarianization by Jewish capital by eliminating the threat of a more competitive labor, and above all, proletarianization for a cause, Zionism.

These premises, implicit in the Borochovist formulation of the labor strategy for the actualization of Zionism, are very insightfully derived from the material conditions of the Jewish petty bourgeoisie in Diaspora and from the conditions in the "territory" of Palestine. It is, perhaps,

this compatibility of the strategy with the tactics and the material condition that made the Borochovist blend of the Zionist ideology appeal to the masses and, therefore, become a material force, the basis for Jewish settlement later on, and the hegemonic ideology during the Yishuv phase and thereafter.

Moreover, the attempt to maintain two separate economies in Palestine during the Yishuv, with a closed modern Jewish economy in the midst of the indigenous, is often interpreted as an attempt to establish economic dualism; a dual economy as a material base for bi-nationalism. This interpretation is inaccurate, as the development pattern which actually took place, an essentially capitalist economy transplanted into the heart of an underdeveloped one, meant, in fact, the "replacement" of, not co-existence with, the indigenous social formation. Simply put, there can be no overlapping social formations in the same place and time (as, for example, the overlapping of patterns of relations of production, of modes within a social formation). When and where Labor-Zionism was implemented it necessarily meant, in effect, the uprooting or distorting of the indigenous social formation. That is why we tend to assert that socialist bi-nationalism advocated then by left-wing Zionism, specifically Hashomer Hatzair, was an empty slogan. This does not necessarily imply hypocrisy or insincerity on the part of its advocates, but perhaps failure to identify the material prerequisites for such a solution and some ignorance of the actual effects inflicted by the historical practices of socialist Zionism on the social being of the Palestinian people. For Jewish settlers to strike roots in Palestine (possible only by creating a social formation, or a reproduction site) under capitalist relations, it was eventually imperative to uproot

the indigenous pre-capitalist social formation. If Zionist settler-colonialism was, like white settler-colonialism in Africa, merely the export of settlers with capital, and of capitalist relations of production, it could have been not only unnecessary to uproot the indigenous social formation, but to do so would have been economically detrimental for a planter Jewish aristocracy's ability to prosper and survive.

But this was not the case with Jewish settlers in Palestine, as they were the vanguards of socialist Zionism, committed to Jewish class formation and struggle; their socialist Zionist ideals come in contradiction with the Palestinian reality, with the Palestinian social formation. In order to become a normal society, they had to deform and replace the indigenous.

Having, in the previous chapter, determined the bourgeois essence of Borochovism, specifically the bourgeois aim of the Borochovist socialist Zionist strategy of labor in the theoretical sphere, we divert our attention in reviewing the practices of Zionist colonization to examine the extent to which Borochovism was actually implemented.

Furthermore, in the proceeding we must keep in mind that Jewish settlement was never a squatting phenomenon, a spontaneous takeover of land in Palestine. It was rather an implementation of a pre-planned political program, guided by a clear commitment, a specific strategy, aiming at a well-defined goal: a bourgeois Jewish State.

Jewish settlement in Palestine is, therefore, to be conceived as the implementation of a most comprehensive development plan; development at the level of social formation. Only if we grasp the complexity and contradictions inherent in this intricate colonization program, may we comprehend the dynamics of its implementation process (Jewish settlement itself) and



the effects it inflicted on the native population.

In his testimony before the Anglo-American Committee of Inquiry on Palestine, David Ben-Gurion, one of the foremost socialist Zionist thinkers and practitioners, expresses in concrete terms the comprehensiveness of this political program, as follows:

"When we say 'Jewish independence' or a 'Jewish State', we mean Jewish labour, we mean Jewish economy, Jewish agriculture, Jewish industry, Jewish sea. We mean Jewish safety, security, independence, complete independence, as for any other free people." 30

It is in this sense that Jewish settlement is the creation of a complex system, an entire society, a social formation; and it is in this context that our inquiry regarding the proletarianization of Palestine must be placed.

Most relevant to our inquiry are the twin principles, "conquest of land" and "Hebrew work", which together constitute the cornerstone of this comprehensive plan. These two principles are the main determinants of the displacement of Palestinian producers; included here, also, are the institutional arrangements which embodied these policies.

Although they appear and are practiced as separate slogans, the conquest of land and the Hebrew labor policies constitute a functional unity, even in the bourgeois postulates of Zionism, as expressed in the following words by Theodore Herzl:

"The private lands in the territories granted to us we must gradually take out of the hands of the owners. The poorer amongst the population we try to transfer quietly outside our borders by providing them with work in the transit countries, but in our country we deny them all work. Those with property will join us. The transfer of land and the displacement of the poor must be done gently and carefully. Let the landowners believe that they are exploiting us by getting over-valued prices. But no lands shall be sold back to their owners." 31

One cannot help but sense the bourgeois flavor in Herzl's concern for the gentle performance of violence in terms of denying the native Palestinians access to both land and work; the alternatives of subsistence. The latter discriminatory practice was, according to Noam Chomsky, condemned from the left within the Palestinian Yishuv, specifically by Y.T. Kolton, according to whom the "conquest of land" gave the Zionist movement a stake in the feudal system (made explicit in Herzl's statement).<sup>32</sup> Similarly, Kolton shows how the policy of "conquest of labor" led even the labor movement to stand in the way of the development of the Arab labor movement.<sup>33</sup>

Although the statement above is precisely an expression of the leader of bourgeois-Zionism, and condemned, probably sincerely, from left circles, we argue that the conquest of labor and land is not only consistent with, but even indispensable for, the socialist strategy of Zionism. If historical practices of Labor-Zionism support this argument, our theoretically-based argument in the previous chapter, regarding the bourgeois essence of Borochovism, will be also reinforced. Let us now examine these twin Zionist practices.

(a) The Conquest of Land and the Dispossession of the Palestinian Peasantry

The dispossession of the Palestinian peasant is a function of the interlocking relationship between Arab feudal plunder, British colonialism, and Zionist land acquisition. The latter, however, played the major and most systematic role in this process.

Under the heavy yoke of rural indebtedness many peasants were forced to "free" themselves by turning over their small holdings to the landlords and becoming share tenants. Similar was the effect of taxation imposed by the British authorities, in turn transferring State-controlled land to Zionist settlement institutions. Purchase of land was the predominant method of land acquisition by the Zionist movement in the Yishuv. Land was purchased mainly from feudal lords, specifically absentee landlords, resulting in tenant eviction. As Christopher Sykes puts it:

"The land problem of Palestine came primarily from...the sales, often of very large tracts of country, by absentee landlords to Zionist individuals and syndicates. A usual condition of such sales was that the tenants should be evicted, for of what interest to Zionist was the possession of Arab-tenanted land? The wretched people who had earned a living, sometimes for many generations, on the land in question, found themselves forced out of their homes and deprived without compensation of their only means of earning bread...Evicted tenants, the real sufferers by Jewish immigration, were the essence of the Palestine problem." 34

Regardless of the method and form of Zionist land acquisition for Jewish settlement, it was inevitably at the expense of the Palestinian small peasant and tenant. This fact was recognized even by Arthur Ruppin, the Jewish Agency's expert on agriculture and settlement, in a secret memorandum to the Jewish Agency (in 1930), stating:

"Land is the most necessary thing for our establishing roots in Palestine. Since there are hardly any more arable unsettled lands in Palestine, we are bound in each case of purchase of land and its settlement to remove the peasants who cultivated the land thus far, both owners of the land and tenants...." 35

It is not only that land was transferred to Jewish settlers at the expense of the Palestinian peasant, but also that it was transferred away irrevocably.

This essential irrevocability of Zionist land acquisition was institutionalized in the Keren Kayemeth Leisrael (Jewish National Fund) established by the Zionist movement in 1901 as "the first instrument for the practical implementation of the idea of Jewish renaissance" dedicated to the acquisition and development of land in "Eretz Israel".<sup>36</sup> The title to the land purchased by the JNF was to be held in perpetuity as the "inalienable property of the Jewish people."<sup>37</sup> Under no circumstances is the JNF allowed to transfer ownership of land once it is acquired.<sup>38</sup> The JNF was established "for the purpose of settling Jews on such lands" as were acquired, "to make any donations...likely to promote the interests of the Jews", "to make advances to any Jews in the prescribed region", to use funds in ways which "shall, in the opinion of the organization, be directly or indirectly beneficial to persons of Jewish religion, race, or origin".<sup>39</sup> The irrevocability of the displacement of Palestinian producers from land transferred for Zionist colonization practically culminates in Article 23 of the standard JNF Lease Form, stipulating, inter alia: "The lessee undertakes to execute all works connected with the cultivation of the holding only with Jewish labour."<sup>40</sup>

This basic restriction, written into the lease which the JNF contracted with the Zionist settlers chosen for immigration and put upon JNF lands to cultivate them, shows not only the institutional irreversibility of the displacement of the Palestinian producer from the means of subsistence, but also the inseparability of the "conquest of land" and the "conquest of la-

bor" (Jewish labor) in the Zionist proletarian strategy. This inseparability represents the contradiction mentioned earlier regarding exclusive Jewish access to land versus exclusive Jewish proletarianization.

The boycott of Arab labor is embodied even in the Zionist land acquisition policy responsible for "freeing" Palestinian labor, for creating the native labor surplus. Here lies, also, the other aspect of the contradiction, the regulation of labor policy through land policy increases the competitiveness of the native Arab labor vis-a-vis Jewish labor, in the context of capitalist relations of production.

The JNF purchased land from the Turks, the British, Western Churches, and Arab owners, mainly absentees, and sometimes from small peasants, pressured by the yoke of indebtedness and taxation. Between 1882 and 1914, Jewish-owned land increased from 25,000 to 420,000 donams.<sup>41</sup> Jewish holdings purchased by JNF and other Zionist private or public agencies amounted to 594,000 in 1922, 1,058,500 in 1939, and 1,604,800 in 1941.<sup>42</sup> "The number of landless agricultural workers was estimated at 30,000 families, or 22 percent of the total 120,000 families dependent on agriculture."<sup>43</sup>

According to the Statistical Department of the Jewish Agency, as of 1936, 41.3 percent of the acreage purchased by the JNF had been acquired from large landowners: of this, 52.61 percent was from large absentee landowners; 24.91 percent from large resident landowners; and 13.41 percent from various sources such as the Turkish government, Churches, and foreign companies. Only 9.41 percent was purchased from Palestinian peasants, 40.1 percent of which was acquired during 1891-1900, i.e., prior to the establishment of the JNF.<sup>44</sup>

It is interesting that no mention is made with regard to land pur-

chases from the British Administration in Palestine. This is probably because the British, by virtue of their political power and means, had assisted Zionist land acquisition in a rather indirect, but more effective, way. In 1922, for example, Shmoel, the British Mandatory High Commissioner to Palestine (el-Mandoub es-sami), imposed a law prohibiting the export of oils and grains (the main indigenous crops and the basis of the country's wealth) so that, in effect, peasants failed to pay taxes and repay agricultural loans and, therefore, were forced to sell their land to Jewish settlers. Shmoel went even further: he eliminated the Ottoman Agricultural Bank and demanded the immediate repayment of loans, leaving the Palestinian peasants with no other alternative but to sell their plots of land and to become landless with nothing but their labor power.<sup>45</sup>

On July 24 of the same year, a mandate was issued by the British facilitating Jewish immigration and providing the Zionist movement with the right to el-Amiri and el-Mowat lands (the commons), usually controlled by the political authorities, the "State".<sup>46</sup>

Moreover, the Mandatory authorities provided the Zionist companies with the exclusive privilege, accompanied by political and economic protection, to develop the Lake Houlah region, which alone constitutes one-third of Palestine's arable land.<sup>47</sup>

In the late 1920s, the British authorities granted Zionist companies 82,000 donams of agricultural land, in addition to lands provided for industrial development by Zionist monopolistic companies.<sup>48</sup>

This is to give only a few examples of the role of the British colonial authorities in the dispossession of the Palestinian peasantry, and the enhancement of Jewish settlement.

As far as the creation of labor surplus is concerned, the worst effects

were those inflicted on the Palestinian peasantry by the collaboration between Arab feudal lords and the Zionist movement. By 1928, most of the Jewish land holdings (90 percent) had been purchased from absentee landlords, leaving 30 percent of the Palestinian peasants landless. Between 1921-1925, the Sarsaq land-holding family, for example, had sold 200,000 donams on which had existed twenty-two Arab villages with 8,780 inhabitants, all of whom were evicted, becoming wanderers all around the country.<sup>49</sup> With the help of absentee Arab landlords, Arab villages were removed, to be replaced by Jewish settlements. By 1900, there were already nineteen Jewish settlements erected in Palestine, reaching thirty in the summer of 1912 and occupying 280,000 donams of land. On the eve of World War I, the number of Jewish settlements reached fifty-nine, inhabited by 12,000 settlers, while 70,000 dwelled in existing urban centers; and already in 1927, there were ninety-six new settlements.<sup>50</sup> Later on, between 1933-1936, 62.7 percent of the land purchased by Jewish capital was from Palestinian feudal lords, as compared with only 14.9 percent from absentee land-holders, and 22.5 percent from Palestinian small peasants.<sup>51</sup>

Ghassan Kanafani indicates that during the August, 1929, and the 1936 mass insurrections in Palestine many small peasants sold their land to Palestinian feudal lords in order to buy with cash weapons for waging their armed struggle against British and Zionist colonialism, and often these landlords, in turn, sold the purchased land to the Zionist movement.<sup>52</sup>

The latter is most indicative of the reactionary role played by Palestine's big land-holding class with regard to the Palestinian masses. If Zionism had only crushed this class, it would have played a crucially progressive role in Palestinian history, but the very lust for land gave the

Zionist movement a stake in the feudal system, as mentioned previously. It is interesting how Zionist "conquest of land" coincided with the interests of the feudal class in Palestine, resulting in its liquidation as a social force. The feudal class was by and large transformed into a free money capitalist class. Their money capital, however, was never transformed into productive industrial capital.

Owing to the collaboration of the dominant Palestinian class (the "effendis" who emerged as an indigenous social force by virtue of their relation to the Ottoman feudal aristocracy), the Zionist movement was able to "Arabize" the "conquest of land" and effectively employ treachery. In the "Selected Memories" from his life involvement in the JNF activities, Musa Goldenberg acknowledges several examples:

"One of the methods was to register the purchased land in the name of Arab mediators, hired and entrusted to perform this task on the condition that later on, through intricate legal procedures, that land will be transferred back to us..." 53

The apparent alliance between the Zionist movement and the Palestinian feudal class was not for joint development projects, but for a more effective plunder. Owing to the genuine alliance with the British authorities, the Zionist movement acquired access to and control over much of the country's vital resources, specifically water. Water use and control policy has been very instrumental in discouraging Arab agriculture and depressing land prices.<sup>54</sup>

The collaboration of Arab feudal lords must not obscure the constant resistance of the Palestinian masses, specifically the dispossessed peasantry and the boycotted proletariat, who had absolutely nothing to lose and everything to gain by resisting Jewish colonial settlement based on the "conquest of land" and "only Hebrew labor".



Faced with the cruelty of Zionist colonization policy, the Palestinian peasantry was made into a "revolutionary" class: however, under the most vulnerable conditions and in the absence of a leadership. Under the Labor-Zionist practices, the Palestinian peasantry and proletariat had every reason for alliance. Peasants and proletariat were the vanguards of the Ezzidin el-Qassam movement; of the August, 1929 insurrection; and the 1936-1939 revolt.<sup>55</sup>

In the Yishuv phase, the conquest of land was implemented through "gentle" market exchange (although for the Palestinian peasant this was a violent dispossession). For the objectives of the Zionist movement, this, however, was a slow and unsatisfactory process. By 1947, the total Jewish holdings comprised only about 9-12 percent of arable land.<sup>56</sup>

The transfer of Palestinians across the boundaries of their social formation in the aftermath of the 1948 War meant that extensive plots of land were automatically transferred into the control of the Jewish State. As 250 Arab villages were destroyed upon the expulsion of their inhabitants, much urban land was also acquired from Arab owners who were expelled or fled from the larger towns. Extensive land acquisition operations took place then, using the army of the newly-born State to drive Arabs over the Armistice lines. Kibbutzim and other agricultural colonies then played a crucial role in acquiring land from remaining Arab villages within the 1948 lines by surrounding them with barbed wire fences and taking final and absolute possession of any obtainable land.<sup>57</sup>

The 1948 War represented a transition from the Yishuv to the nation-building phase. This transitional period was the most critical time in terms of large-scale acquisition of land. According to Chomsky, by the

Armistice agreements of 1948-1949, Israel was in control of 77.4 percent of arable land and exceeded 80 percent by 1950; it was estimated that more than 770,000 Palestinians became refugees.<sup>58</sup> This massive separation of Palestinian producers from their means of subsistence in response to the Zionist conquest of land was thus conducted not through the "gentle and careful models" prescribed by Herzl, but rather through violent expulsion, resulting in the refugee camps persisting as "native labor reserves", doomed to be unproductive, and marginalized as "surplus" population. This is precisely in contrast with white settler-colonialism in Africa, where the expulsion of African producers from their subsistence forms of life, and the consolidation of the "native labor reserves" was precisely to create a system of forced labor;<sup>59</sup> but Zionism then needed only Arab land, but not Arab labor.

The physical displacement of Palestinians and their transfer across the borders in the aftermath of the 1948 War was not an accident; neither was the war itself. It was proposed and discussed by leaders of the Zionist movement already in 1940. Joseph Weitz\* commented in September, 1967, that twenty-seven years ago he had written the following in his diary:

"Among ourselves it must be clear that there is no place in the country for both peoples together....With the Arabs, we shall not achieve our aim of being independent people in this country. The only solution is Eretz-Israel, at least the west part of Eretz-Israel without Arabs...and there is no other way but to transfer the Arabs from here to the neighboring countries, transfer all of them, not one village or tribe shall remain, and the transfer must aim at Iraq, Syria, and even Transjordan. For this purpose, money will be found, much money; and only with this transfer could the country absorb millions of our brothers. There is no alternative...." 60

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\* Joseph Weitz was Deputy Chairman of the Board of Directors of the Jewish National Fund (1951-1973), Head of Plant and Afforestation Department of the JNF (1918-1932), Director of the Land Development Division of JNF (1932-1959), Chairman of the Israel Land Development Authority.

Then, this time speaking in the aftermath of the 1967 War, he added:

"From that point of view, the 'transfer' solution was discussed at the time, and it was supported by B. Katzenelson, J. Vulkani, and M. Ussishkin,\* and some preliminary preparations were made to translate this theory into practice. Years later, when the U.N. passed the resolution to partition Palestine into two States, the War of Independence broke out, to our great fortune. In this war, a two-fold miracle occurred: territorial victory and the flight of the Arabs...." 61

In support of the "transfer" proposal, Berel Katzenelson wrote in 1945:

"Situations are possible in which the transfer of population will become advisable....We do not assume the right to force anybody out. This is a basic Zionist assumption....But was not kibbutz Merhavia built on a transfer? Without many such transfers, Hashomer Hatzair\*\* would not today be setting in kibbutz Merhavia, nor in kibbutz Mishmav Ha'emeck, nor in any other places...." 62

It is obvious from these three statements that the transfer of the Palestinian population outside their social formation was indirectly suggested, explicitly proposed, and in fact debated among the leaders of the Zionist movement as a solution to the problems facing the implementation of Zionism in Palestine.

The advocacy of the transfer solution is often attributed (specifically by the proponents of left-wing Zionism and its bi-national program) to right-wing Zionism. We recall, however, from the previous chapter that it was Borochov who had much earlier suggested that the territory's "population is nomad and can always migrate east."

Through the "conquest of land" the indigenous population was made indeed "nomadic", free money capitalists capable of fleeing, and "free" labor-

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\* B. Katzenelson was the founder and leading ideologue of Mapai, the hard-core political nucleus of the ruling Labor Party; Y. Vulkani and M. Ussishkin were two key leaders of the Zionist movement; and the Jewish National Fund Board of Directors, whose chairmanship rested formally in Ussishkin's hands from 1923-1941.

\*\* The youth movement of Mapam, the extreme left-wing of Zionism.

ers, possessing nothing but their threatening labor power which had to be transferred away.

Moreover, it seems in retrospect, that the transfer of the Palestinian population across the borders of their own country was indispensable for the implementation of Zionism in general and its socialist or proletarian strategy in particular. It provided not only for the possibility of Jewish demographic superiority and a large territorial base required for a sovereign Jewish State. It provided also for the possibility of exclusive Jewish proletarianization by transferring the contradiction generated by the actual practices of Labor-Zionism, namely, the more competitive "free" native labor force.

This point becomes clearer as we review the process and effects of the "conquest of labor", the essence of the Labor-Zionist strategy. In the following discussion we therefore try to demonstrate the consistency of this transfer with requirements of proletarian Zionism. In light of the contradictions generated by the "socialist" Zionist practices in the concrete conditions of Palestine, we argue that the transfer solution was indispensable to the realization of proletarian Zionism.

(b) The "Conquest of Labor" and the "Boycott of Arab Labor"

The necessity to normalize the "inverted pyramid" used by Borochoy to rationalize his formula for the realization of Zionism, creating a Jewish working class on a Jewish land, was in practice translated into the policy of employing only Jewish labor in Jewish factories and farms. This is the judaization of production, articulated in the slogan "Tozeret Haaretz" (Popularize Palestine Products) which, "in the guise of promoting native products resulted in a boycott of Arab goods."<sup>63</sup> This, then, was explicitly

maintained in the slogan, "boycott Arab produce". So daring and so determined to replace, not exploit, the natives, the Zionist movement tried to mask their alien presence with the nativeness of the uprooted natives; they wanted not to exploit the natives but rather to deny them that nativeness and become, themselves, the natives of that land. The image, "native product", was made applicable exclusively to the products of Jewish labor and Jewish land, while the native produce was to be boycotted and made to disappear. This attitude with regard to denying the nativeness of the native was most articulately expressed by the Zionist leader, Menahen Ussishkin, in his testimony before the Jewish Agency Committee on Jewish-Arab relations in March, 1940, where he stated:

"I favor 100% Hebrew work and Hebrew products; I favor this, because I oppose the strengthening of the Arabs; I am against enabling them to establish roots in the country." 64

The "boycott Arab labor" slogan was to apply not only to the "free" laborers emerging from the Zionist "conquest of land", but also to an already proletarianized or semi-proletarianized Arab labor force. The only Hebrew labor policy was, in effect, not only to impede the proletarianization of the landless peasantry, to deny the mass of "free" laborers a market for their labor power, but also to result in the deproletarianization of the native proletariat.

An Arab proletariat in Palestine began to form with the penetration of British foreign capital, invested mainly in public works-related construction and in citrus plantations. Since then, citri-culture was fostered by Arab merchant capitalists employing Arab laborers but not exactly in the framework of capitalist relations of production, as their capital remained un-

productive. The seasonal employees in such cases were only semi-proletarianized. Semi-proletarianization applies also to the workers employed in the small-scale Arab industries, as both of these agricultural and industrial enterprises were generally characterized by the petty commodity form of production; primitive accumulation.

The "boycott of Arab produce" under the "Tozeret Haaretz" slogan, in addition to the discouraging policy of the British Mandate, discussed earlier in this chapter, blocked the modernization of Arab production, hence its capacity to absorb labor power as a commodity and increase the organic composition of capital. As the boycott of Arab produce eliminated the possibility for realization of profit and its transformation into re-investible productive capital, the "boycott of Arab produce" in turn reduced the purchasing power within the Arab community itself, reducing the finding of markets for Arab produce among the Arab masses. In this sense, the Zionist movement applied the proletarian strategy quite dialectically indeed. This explains the urge of the Palestinian petty bourgeoisie to respond with a similar slogan, "boycott Jewish produce".

De-proletarianization applies also to Arab workers who, prior to the implementation of Labor-Zionism were employed in Jewish factories and farms, then were displaced in response to these slogans, and to Arab labor unrest and resistance to Zionist policies.<sup>65</sup>

It is difficult to assess the size of the Palestinian "proletariat" displaced by the practices of Labor-Zionism during the Yishuv era, as employment data, if available at all, is not precise, specifically as far as the distinction between proletarian and non-proletarian wage earners. The following figures may give us a rough idea of the employment dynamics, spe-

cifically as influenced by Labor-Zionist practices.

According to Henry Rosenfeld, in 1920, the beginning of the British Mandate, 12 percent of the Arab villagers were wage earners.<sup>66</sup> The size of the Palestinian working class grew from 5,000 workers in 1925 to 11,000 in 1929, reaching 33,000 in 1935.<sup>67</sup> In the aftermath of the 1936 revolt of the Palestinian masses, the size of the Arab proletariat declined to 3,029, while the size of the Jewish proletariat reached 13,939.<sup>68</sup> This decline in the size of the Arab working class is often interpreted as the effect of repressive measures against this subversive labor action. Although this interpretation has much truth to it, one must see it also in response to the pace of Jewish immigration, to Aliyah. In 1935 alone, 61,000 Jewish immigrants arrived in Palestine, fleeing Nazism.<sup>69</sup> These absolutely dispossessed Jewish immigrants who, owing to Nazi persecution, were made "free" laborers, possessing nothing but their labor power, were thus the most fit for proletarianization; and with their state of vulnerability, they were probably as competitive as cheap Arab labor.<sup>70</sup> Correlated with the pace of immigration was also the pace of land acquisition. In that same year, the Zionist movement acquired 70,000 donams of land; this probably implied further displacement of Palestinian peasants and, in effect, intensification of resistance that led into the 1936-1939 mass revolt in Palestine. The absorption of the new wave of Jewish immigrants urged better enforcement of the "conquest of land" and the "boycott of Arab labor". The latter is reflected also in the unemployment figures.

According to the Simpson Report, in 1930 unemployment in Palestine totalled 30,000 (Arabs and Jews) and wages declined by 50 percent. While the number of unemployed Arab workers was only 12,000, by 1935 it almost doubled, amounting to 23,000.<sup>71</sup> Notice the contradictory effect of the

boycott of Arab labor on Jewish labor; as Arab cheap labor was blocked from competing with Jewish labor, the need to depress wages, subject to the logic of capital accumulation, specifically the essential tendency to increase the organic composition of capital, urged the Jewish capitalist, in the face of the "Hebrew labor only" slogan, to use precisely the unemployment of Hebrew labor as a disciplinary mechanism for extracting higher rates of profit. The Hebrew labor slogan was, in this sense, working against the interest of Jewish labor. This is an example of how the covering of the essentially bourgeois nature of Labor-Zionism with a proletarian message (the genesis of Borochovism), hence its internalization by the "proletarizing" Jewish settlers, finally leads them into becoming not only the exploited class, but also the class that is "privileged" to be the exploited; the proletariat. One must not disregard the possibility that "boycott of Arab labor" and exclusive Hebrew labor" slogans have, in effect, created a feeling of being "the chosen" labor, acting as an incentive for Jewish proletarianization, and worst of all, as a means for pacifying the developing proletariat.

The ideology and practice of proletarian Zionism have undoubtedly blinded the Jewish working class, since its very inception, from recognizing its true class interest; misled even as it is still forming as a class-in-itself and therefore incapable of developing into "a class for itself", conscious of the objective contradiction between its own class interest and that of the capitalist class, and committed to creating contradictions in the dominant mode of accumulation. It is thus understandable why it has not identified itself with the interest of the Palestinian proletariat and displaced.

The previous figures are indicative of the fact that the slogans of



"Hebrew labor only" were not entirely effective in preventing the penetration of Palestinian-Arab labor into Jewish economic enterprises and/or in the complete elimination of existing Arab proletarian employees. It is estimated, for example, that by the 1940s the number of Arab wage workers in the cities was between 35,000-37,000, of whom only 6,000 worked in Arab-owned industries, 3,000 in Jewish and international concerns, 12,000 in private home services, and the rest in governmental and public works.<sup>72</sup> From these figures, it is difficult to guess how many of the Arab workers had actually occupied proletarian class-locations. We only know for sure that 12,000 private service employees were not proletariat.

Percy Lund provides employment figures in terms that are more helpful for identifying the class distribution of the Palestine population: in 1931, 59 percent of this population belonged to the peasant class; 12.9 percent were employed in construction, industry and mining (as compared to 30.6 percent among Jews); 6 percent were in transport; 8.4 percent in trade; and 1.3 percent in clerical work. One may only conclude from these that the Arab working class constituted then less than 18.9 percent of total population (industrial, construction, mining and transport workers).<sup>73</sup> These figures do not distinguish between the self-employed peasant and agricultural cash-croppers, employed on the commercialized citrus plantations. The latter, in fact, represent the only "steady" wage-earning segment of the Arab labor force, in the sense that their source of employment was guaranteed, as Arab citri-culture remained competitive in foreign markets, despite the Zionist "boycott of Arab produce" and the popularization of Tozeret Ha'aretz slogans. This, however, must not divert our attention from the fact that this "steady" labor force was employed only seasonally,

as the citrus plantation economy generates demand for labor only during the harvest season. Furthermore, it is not clear whether or not this seasonal employment of Arab labor on Arab citrus plantations represents capitalist relations of production and, therefore, proletarianization.

It is most likely that Arab citrus plantations were based on share-cropping. In this case, accumulation was based on non-capitalist relations as it did not involve exploitation of free wage labor.

This is different, however, from the citrus plantations owned by British and Jewish productive capital. In these cases, capital organized the labor process employing cash-croppers to create surplus value. This was free wage employment under capitalist relations of production. The employees were, therefore, agricultural proletariat; more vulnerable, however, than the industrial proletariat, owing to their subemployment as essentially seasonal workers.

Palestinian capital remained, by and large, merchant capital, i.e., circulation capital. In indigenous manufacture, the petty commodity form of production, rather than the modern capitalist labor process, prevailed. Palestinian merchant capital was never transformed into productive capital, hence the absence of an indigenous industrial bourgeoisie, and therefore of the possibility of proletarianization by Palestinian capital.

The above leads us to conclude that during the Yishuv Arab labor was proletarianized only when employed by British or Jewish capital, as only then were Arabs laboring productively, subject to capitalist relations of production; only as employees of productive capital were they turned into productive labor, engaged in the creation of surplus value directly, and productive labor is the basic (but not only) criterion defining the prole-

tarian class.<sup>74</sup> Arab employment by British productive capital reached its peak during World War II, when the British colonial authorities for the first time invested in Arab industry and agriculture.

In an article titled, "Wartime Development of the Arab Economy in Palestine," Z. Abramovitz writes:

"During World War II, the increased economic activity in Palestine brought about by British demands for food and military supplies and British investments in buildings, roads and fortifications attracted substantial numbers from rural areas into the much increased Arab labor force. The number of wage-earners employed by the British increased from 15,578 in January, 1939, to 76,548 in December, 1942....Thousands of workers who were hitherto employed on their own land in their village were transformed into wage-earners working for the Government. Thousands of them were trained as skilled workers." 75

This is to say, the size of Palestinian wage labor force employed by British capital in 1942 was equivalent to the size of Palestinian wage labor force penetrating the Israeli-Jewish economy from occupied Gaza and West Bank in 1972. The growth in British demand for Arab labor was, however, only temporary. The fluctuation in the demand for Palestinian-Arab labor during the Yishuv is absolutely phenomenal: 5,000 in 1925, compared to 11,000 in 1929; 33,000 in 1935; 3,029 in 1936; 15,578 in 1939; and 76,548 in 1942.

These fluctuations in the employment of Palestinian labor suggest that it may not be accurate simply to attribute the non-configuration of a Palestinian proletariat as a significant social force with a distinct class interest during the Yishuv to Zionist labor policy alone, as the 1942 figures point to a deeper explanation: the state of development and requirements of the Palestinian forces and relations of production. If the absorptive capacity of the productive forces at the disposal of the Jewish Yishuv were to exceed the requirements of Aliyah absorption, the boycott of Arab labor slogan could never have been applied. In fact, we notice the develop-

ment of a labor movement acting upon its consciousness of its immediate interests, while its social being, the objective conditions of its life, were still extremely vulnerable. The militancy of Palestinian labor is expressed most strongly in their role in the August, 1929 protest led by Izzed-din el-Qassam. Proletarian workers, squatting in the outskirts of urban centers, specifically Haifa, constituted the vanguards of the political and armed struggle within his movement. This was the case also in the 1936 general strike and revolt in Palestine, lasting until 1939.<sup>76</sup> These two critical events in modern Palestinian history were mainly protest against the triple Zionist slogans: "Conquest of Labor", and "Tozeret Ha'arezt" (native produce). For the Palestinian proletariat, it was protesting the slogan, "Boycott Arab Labor".

Moreover, this fluctuation was an impediment to the formation of Palestinian proletariat as a class-in-itself with a distinct class interest, because it was essentially a transitory labor force used as a source of flexibility for the British enterprises in times of crisis while boycotted by Jewish enterprises. This implies a measure of vulnerability, and also, under such conditions, the Arab labor force was developing a militant labor movement prior to its becoming a class-in-itself; its consciousness was probably emerging more from its location in the social formation as a whole and less from its location in the labor process, in the social division of labor, with the result that its class and national consciousness overlapped.

Indeed, the subjective conditions of the Palestinian proletariat under Jewish settler-colonialism, which were based on the boycott of Palestinian labor, provide a classic example of what Tom Nairn considers progressive proletarian nationalism.<sup>77</sup> Of course, this genuine proletarian nationalism

of Palestinian workers comes in direct contradiction with the bourgeois consciousness known as "proletarian Zionism", aiming at creating an alternative proletariat that is to falsely internalize proletarian Zionism as its own ideology.

As the "conquest of land" was mainly the task of the JNF, the "conquest of labor" was mainly the task of the Histadrut. Together, the JNF and the Histadrut constituted the two executive arms of the Jewish Agency which functioned as the embryonic superstructure of the Yishuv, responsible for Aliya mobilization the world over and its absorption in Palestine: meaning, in practice, "conquest of labor" and "conquest of land". The unity of these two tasks and their institutional mechanisms is articulated in the constitution of the Jewish Agency, as documented below by the Royal Institute of International Affairs:

"Two principles of Zionist colonization, both incorporated in the constitution of the Jewish Agency, are especially resented by the Arabs. These are: (i) the principle that Jewish property is inalienable; no Zionist settler may dispose of his lease to anyone but a Jew; (ii) the principle carefully safeguarded by the powerful Jewish Federation of Labour, that only Jewish labor may be employed in Zionist colonies. The net result is that, when the Jewish National Fund makes a purchase, the Arabs lose not only the land itself but also any chance of being employed on this land." 78

The fanatic commitment of the Histadrut to create an exclusive Jewish proletariat is articulated in its interpretation of the "conquest of labor": in terms of prohibiting Jewish employers from employing other than Jewish labor; but also in that the Histadrut "vigorously advocated the principle of Jewish labor only in Jewish-owned economic enterprise." 79 In practice, the latter means prohibiting Jewish labor from working in British or Arab owned enterprises. One of the implications of such practice may easily be the further control over Jewish labor by the Histadrut; as the Histadrut

represents simultaneously both the general trade union of Jewish labor and the single largest employer of Jewish labor in the Yishuv. This double interpretation and practice of the "conquest of labor" by the Histadrut (in the sense of only Jewish labor can be employed by Jewish capital and only by Jewish capital can Jewish labor be employed) constitutes the most precise application of the Borochovist formula of labor strategy for the consolidation of Jewish political class struggle and the actualization of Zionism.

This, however, can also be counter-productive in that "Jewish labor by Jewish capital only" is likely to reduce the bargaining power of Jewish labor against the Histadrut as its major employer; so that Jewish capital, not labor, dominates the labor process and, of course, wage determination. This is only to notice how essentially anti-proletarian "proletarian" Zionism actually is. With the latter principle, the Histadrut can then not only "see to it that Jewish labor gets what it deserves," but that it also "behaves" (its task as a capitalist employer)!

It is interesting to examine how the Histadrut tries to manage the contradictions inherent in its dual role as employer, on the one hand, and as trade union, on the other. As the General Federation of Trade Unions for Hebrew Workers (until 1955), the Histadrut (often referred to as the labor sector) allowed only Jewish labor to be organized labor, hence the problems it faces as the employer of Hebrew labor only in disciplining its labor force and controlling the labor process and wage determination.

The above provides only one example of this kind. Another important mechanism enabling the Histadrut to fulfill its basic task, namely, the "conquest of labor" for the formation of Jewish proletariat and farmers, is its monopoly over the Yishuv's health care system, "Kupat Hulum" (Sick Fund). This not only controls the reproduction of labor force on a generational and

daily basis, it also constitutes a material incentive for proletarianization upon which it becomes a disciplinary mechanism for pacifying the Jewish proletariat.

Another approach for fulfilling its task and accommodating the contradictions inherent in it is the adherence to ideological incentives that embody nothing but material interests, both economic and political. The Esco Foundation of Palestine provides numerous examples, as stated below:

"The Histadrut defends its advocacy of the policy of Jewish labor in Jewish enterprise on the ground that the Jewish homeland can be built up only on the cornerstone of large working class immigration. If the principle of one hundred percent Jewish labor is relaxed, the tendency will be to drive the Jewish worker out of the Jewish market altogether. Arabs do not employ Jewish labor. If for no other reason than because it is more expensive...to permit Arabs to penetrate the Jewish labor market would mean that the influx of Jewish capital would be used mostly for Arab development and would defeat the Zionist purpose of providing for the Jewish immigrants."<sup>80</sup> (emphasis added)

The actual material reasons underlying these ideological rationalizations are made explicit in Palestine: Problem and Promise (1946), an economic study by R. Nathan, O. Gass, and D. Creamer. On "labor organization and enterprise" they state:

"The protection of the Jewish worker on the job has been one of the three principal branches of Histadrut activity....In view of the lower standard of living of the Arab population, job protection started by insulating the Jewish worker against this type of competition. This could be assured by stipulating that Jewish-owned enterprises must employ Jewish workers exclusively. ...This attitude conforms both to Zionist needs and to socialist beliefs. As socialists, Jewish workers are opposed to the idea of Jews constituting themselves a master class exploiting native labor....As Zionists, they feel compelled to pursue a policy that will lead to the maximum absorption of Jews into the Palestinian economy. Otherwise, they cannot hope to constitute a majority in their own homeland. Without a majority, Jewish Palestine would be only another typical Jewish community in a non-Jewish country." 81

The material motives here relate, in the first instance, to the economic

as far as it affects, in the last instance, the political the demographic requirements for a Jewish bourgeois democratic state.

Evaluating the effects of this protective role of the Histadrut, the same authors write:

"In the main, except for seasonal employment in the citrus groves and a few enterprises based on government concessions, the policy of exclusive employment of Jewish workers has prevailed. It has no doubt increased the absorption capacity of Jews in Palestine, in the short run, but it has also been a very important factor in maintaining the barrier between the Arab and Jewish peoples. Jewish labor proposes to continue to maintain this barrier at least until the Arab sectors of the economy have developed to the point where Arabs work approximately for the same wage as Jews." 82

These apartheid-like implications of the practices of Labor-Zionist institutions, specifically the Histadrut, were facts created and used to justify the contradictory political positions of left wing Zionists regarding the native Palestinian labor. As Yaacov Roi, an Israeli historian, documents, when challenged by the Arab labor movement leading to the 1929 and 1936-39 Palestinian mass revolts,

"They preached that the international brotherhood of workers applied only to workers who were already secure in their employment; it did not apply to a potential proletariat that had to struggle to find employment and could not refrain from conflict with those workers whose place of work they must take for themselves." 83

Implicit in this statement is the conviction that proletariat refers only to an already organized labor force, applying therefore to Jewish labor only. Unorganized labor constitutes only potential proletariat, threatening by the cheapness of its labor power to displace the "indigenous" actual Jewish proletariat, and hence, deserves no solidarity on the part of the latter.

In accordance with this left-wing Zionist position, unorganized labor



often constitutes the most exploited segment of the labor force, and involves mainly Arabs and Oriental Jews) did not belong to the working class.

According to Nathan:

"Ever since 1930 the members of the Histadruth, excluding workers' wives, have accounted for about three-fourths of all Jewish workers.\* An estimated 15 percent of the Jewish working class were organized into unions separated from the Histadrut on political or religious grounds...10-11 percent of Jewish workers, who were unorganized, were largely Yemenite and Sephardic Jews with the lowest standard of living among Jewish workers and previously unexposed to trade unionism." 84

These 10 percent of unorganized Jewish workers (Yemenite and Sephardic) are indispensable to the implementation of the "Hebrew labor only" policy. This is probably the only segment of the Jewish labor force capable of defying the competitiveness of the cheap native labor; providing a substitute for the boycotted Arab labor: the use of Oriental-Jewish labor is very instrumental in accommodating the contradictory requirements of capitalist accumulation and Zionist exclusivism.

It is documented that when Jewish settlers continued to employ Arab agricultural laborers for reaping super profits, the Zionist movement worked immediately on mobilizing Yemenite Jews, known to work for wages lower than Arabs' so that Jewish capitalists switch to maintain the "Hebrew labor" principle.<sup>85</sup>

This use of Oriental-Jewish labor must not be seen merely as tactical pragmatism. It is rather built-in as an integral part of the proletarian-Zionist strategy in its original formulation by Borochoy.

In his Selected Writings, on how to begin the actual implementation of Jewish proletarianization, Borochoy points out the Oriental-Jews:

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\* Workers refers to persons eligible for membership in the Histadruth, the principal qualification for which is the ideological belief in the non-exploitation of labor.

"Those cornerstones on which our future society will be built are simple healthy Sephardic and Yemenite workers, potential proletariat, a great portion of the diggers, camel drivers, and porters."<sup>86</sup>

This quote suggests that the place of Oriental Jews in Israel's social division of labor, specifically their over-representation in unskilled and semi-skilled manual labor, was not accidental, but pre-planned, subject to requirements of capitalist development under the ideological hegemony of Labor-Zionism. This quote further reinforces our conviction that the mobilization of Oriental-Jews into Palestine was imperative for the proletarian, not other, Zionist strategy. This point, in turn, defies the Zionist claim of the refugee status of Israeli-Jews from Arab countries; and the attempt of the Zionist movement to equate the presence of Jews from Arab countries in Israel with the presence of Palestinians in Arab exile.

The use of unorganized Oriental-Jewish labor, although it provided a measure of flexibility to Jewish employees, did not resolve the contradiction inherent in the practice of Labor-Zionism. The more displaced and boycotted Arab labor was, the more competitive it became. The "boycott Arab labor" slogan was in contradiction with capitalist rationality inherent in the Jewish proletarianization/capitalization imperative.

Zionist material and non-material incentives (including subsidies to Jewish employers by the Jewish Agency<sup>87</sup>) were not capable of deterring Jewish capitalists from the essential profitability incentives. Where it was possible to reap super profit and where it was inappropriate for Jewish labor to work (e.g., below subsistence wages and/or rough manual work, like mining, etc.), Arab labor was still employed. According to the Esco Foundation of Palestine:

"In practice, Jewish industrial as well as agricultural enterprise employs a considerable amount of Arab labor. Such indus-

tries as the Palestine Electric Corporation and the Palestine Potash Company, based on government concessions, do so as part of their agreement. Other large private industries, such as the Nir Match Company and Portland Cement, employ mixed labor, as do some smaller establishments. In the old colonies, Arab agricultural labor predominated; at least until the time of the 1936 disturbances. In some cases, as in Petach Teksa' Arab labor is used almost exclusively....Arab labor is not employed on lands belonging to the Jewish National Fund. The agricultural settlements founded on such land are based on the principle of "self-labor", and no outside labor -- either Arab or Jewish -- is employed. In addition, there is a clause in the Jewish National Fund lease which prohibits the lessee from engaging any but Jewish labor." 88

One must consider the likelihood of exaggeration in this statement, as the Esco Foundation sounds proponent of Zionist enterprises. This apologetic attitude is best articulated in the use of the term "1936 disturbances"; this refers to the revolt of Palestinian displaced peasants and boycotted labor as disturbances to Zionist colonization efforts in Palestine). The point is that the Labor-Zionist movement could not practice its slogans without counter-productive effects; the contradictory requirements and consequences of Zionist capitalism in Palestine compelled the Histadrut (only seven years after its establishment in 1920) to organize Arab labor, in order to control it and regulate its effects on the "only Hebrew labor policy" of the Zionist movement. Another attempt by the Histadrut to mask with "socialist" rationale her non-socialist motive, is reflected in the following position as reported by the Esco Foundation for Palestine:

"...employment of Arabs in Jewish industry would lead to a class stratification in Palestine along racial lines, with the Jews acting as capitalist employers and the Arabs as workers -- thus repeating in Palestine all the abnormalities that have led to anti-Semitism in the Diaspora. By creating a higher wage standard through organization, the Jewish worker also prepares the ground for adaptation of higher standards among the Arabs. If the Jewish laborer should disappear from the market, the Arab laborers would continue at their old wage as an exploited and oppressed class. Meeting the moral argument, the Histadrut proposes collaboration with the Arab worker through the creation of

an all-embracing Federation of Labour in Palestine, consisting of two cooperating labour organizations -- Jewish and Arab..." 89

It is obvious from the above that the Histadrut's urge to organize Arab labor was motivated by the needs and aspirations of the Zionist movement, not of Arab labor, and that it follows from the "left-wing" proletarian strategy, not from other postulates of Zionism.

Notice the Histadrut's emphasis on separatism as opposed to organizational unity of Arab and Jewish workers. This separation was institutionalized in the resolutions adopted at the Third Histadrut Convention in 1927, which provided for the creation of a Confederation of Palestine Labor (Brith Poale Eretz Israel), whose aim was stated to be: "The union of workers of Palestine, regardless of religion, nationality or race, into one league for the purpose of improving their economic, social and cultural position." Under this Confederation there would be Jewish unions and Arab unions and each national group would constitute an autonomous section within the Confederation.<sup>90</sup>

As put by Abbu Khushi, a leading Zionist advocate of Arab-Jewish cooperation:

"We want to help the Arab workers found an Arab labor organization which will have a fraternal bond with our Histadruth. We do not intend to make a Jew or a Zionist out of the Arab, any more than we mean to conceal our Zionist aspirations from him." 91

This emphasis on autonomous organization of Jewish and Arab labor is often euphemistically interpreted to express the bi-national attitude on the part of the Histadrut. It is bi-nationalism, however, in the context of a Jewish Commonwealth program which explicitly denies the validity of bi-nationalism in the sense of a political parity, but assumes bi-nationalism in the cultural and communal sense.<sup>92</sup> It is not only that cultural and communal

bi-nationalism with the elimination of the political dimension is irrelevant, but also that it was not practiced in fact. According to the same source:

"The Histadrut advocates common unions among Government employees, particularly the railway and telegraph workers where the cultural level between the Arab and Jewish groups is not very different and where common wage levels may be achieved without reducing the standard of the Jewish worker." 93 (emphasis added)

Common unions were thus advocated when they served the interest of Jewish labor, when Oriental Jews were the ones involved, and when cost was not inflicted on the Histadrut. In the case of British Mandatory Government employees, it was, of course, in the interest of Jewish workers to demand higher wages for Arab labor, so that Arab labor ceases to be more competitive and loses the potential of displacing Jewish labor. Furthermore, wage increase for Arab workers in this case does not come from Zionist funds and, therefore, is not at the expense of the welfare of Jewish labor.

Reducing its competitiveness was not the only real rationale for organizing Arab labor. One cannot disregard the elements of co-optation and legitimization involved in this action. The Histadrut was urged to provide an alternative to the militant Arab labor movement emerging in Haifa, Jaffa, Jerusalem, Nazareth, Migdal and Nablus in response to Zionist conquest of land and labor policies. The co-optation element is very clear in the methods the Histadrut employed for this pursuit. In Abbu Khushi's words:

"...a nucleus of Arab workers must be formed to be prepared for the task of spreading propaganda among the mass of Arab workers. ...They must be made to understand that a strike is to be used as a last resort...and that a strike, if inevitable, must be the consummation of long and careful preparations. A great deal of time will have to be devoted to forging a solid body of workers ready for sacrifices and risks....The medical service rendered the Arabs by the Kupat Holim [the public health care system; over which the Histadrut exercise full monopoly] is important both as a means of attracting them to the Histadrut and as an educational force. The poor Arab, whose medical needs are entirely unprovided for, is grateful in the extreme for medical

assistance given by the Kupat Holim, and for the spirit in which it is given. Many times, a whole village has been won over to the Confederation because a child of a fellah has been helped by the Kupat Holim..." 94

Other devices used for winning Arabs to the Histadrut Confederation were the establishment of a Savings and Loan Society, Histadrut Socialization Clubs for joint sport activities, etc. The co-optation element implicit in the Histadrut's decision and actual effort to organize Arab labor becomes more exposed as one notices the coincidence of the Histadrut initiative with the development of incipient Communist political formations in Palestine.<sup>95</sup>

By 1944, the total number of organized Arab workers was about 16,500.<sup>96</sup> The imperative of organizing Arab labor in order to eliminate the threat of the poorly-paid unorganized workers to the organized Jewish workers and to contain the emerging militant Arab labor movement, have, in turn, generated further contradictions: growing economic and political demands which are not likely to be met by the general Federation of Jewish Workers in Palestine, as they were incompatible with the Histadrut's reason for being, namely, the absolute commitment to form an exclusively Jewish proletariat, and a Jewish social formation in Palestine. Moreover, financial and productive capital at the disposal of the Histadrut comes from Jewish philanthropy and immigrants and, therefore, is already earmarked exclusively for Jewish settlement efforts; for Aliyah absorption.<sup>97</sup>

The only faction in the Zionist movement which explicitly denounced the exclusionist policies of the Histadrut with regard to the boycott of Arab labor and the separatist organization of Arab and Jewish labor is Hashomer Hatzair (the Young Guard).

Hashomer Hatzair, like the Histadrut, belonged to Poalie-Tzion (Work-

ers of Zion), the main protagonists of proletarian Zionism. The Histadrut (dominated throughout its existence by MAPAI, the largest Party in the Zionist labor movement and in the Yishuv, as well) represented right-wing Poalie-Tzion and had its main bases of support in the United States as explicitly anti-Bolshevik. Hashomer Hatzair represented left-wing Poalie-Tzion; it centered in East Europe. It regarded itself the bearer of orthodox Borochovism and tried to mobilize the Comintern support, for what it conceived to be the "integration of pioneering Zionism within revolutionary socialism: colonization with class struggle."<sup>98</sup>

The kibbutzim established by Hashomer Hatzair (whose founding fathers belonged to the Third Aliyah) organized into a federation (Hakibbutz Haartzitzi) in 1927 and formed the base of this movement overemphasizing Halutzit (pioneering) and voluntarism in constructing the new Jewish Society in Palestine.

With its members protected in their communal settlements from Arab competition, Hashomer Hatzair could afford to oppose the Histadrut labor policy and advocate what appeared to be more progressive slogans: "the problem of cheap Arab competition must be met in a more constructive way" (instead of the 100 percent Hebrew labor and the separate labor organization advocated by the Histadrut and MAPAI). "A program of a common organization of Jews and Arabs in single unions is essential for reducing the amount of unorganized labor within the country."<sup>99</sup>

Realizing that cooperation with the Arab worker could not come about so long as the program of "only Jewish labor" is followed to the point of excluding all Arab workers from the Jewish economy, Hashomer Hatzair proposed the following tradeoff: "acceptance of the principle of mass Jewish immigration to Palestine," for "the affirmation of the equal rights of

Arab and Jewish workers in the field of economic endeavor." Hashomer Hat-zair emphasized further that "the Jewish and Arab labor organization would have a common interest in preventing the flood of cheap labor streaming to Palestine from surrounding countries."

This is, indeed, identical with Borochov's position on the issue, probably upon realizing that the native population was contrary to his expectations, not "nomads that can always emigrate east."

In his essay on the history of Poalie-Tzion entitled Letoldot Trn'at Poalie-Tzion, Borochov records that Poalie-Tzion "favours class solidarity between Jewish and Arab workers and sees in the class struggle to improve working conditions a means to strengthen the position of Hebrew labor in Eretz-Yesrael...."<sup>100</sup>

If this is so, then in practice the left- and right-wing Poalie-Tzion did not differ except in their pragmatism. They were implementing essentially the same strategy with only a tactical difference, more pragmatism on the left side. Both were promoting the position of Hebrew labor (ostensibly in the name of proletarian solidarity between Arabs and Jews) by means of common organization or separate labor unions. "Solidarity with Arab labor to strengthen the position of Hebrew labor in Eretz Yesrael," as stated explicitly by Borochov, means necessarily strengthening the Jewish position in the labor market at Arab expense. This involved improving the conditions of native Arab labor in order that it ceases to be a threatening competitor for immigrant Jewish labor, the only way to implement a settler-colonial program determined to create a new working class of its own instead of capitalizing on the exploitation of the indigenous labor force.



To elaborate this point, it helps to mention a few more examples of the practical positions of left-wing proletarian Zionism, as documented by Zachary Lockman. A resolution of the 1934 conference of Hakibbutz Ha'artzi stated that the struggle for "Jewish labor" should be conducted "on the basis of the principle of the priority of the Jewish worker for work in the Jewish sector -- on condition that it does not damage the rights of permanent Arab workers."<sup>101</sup>

It must be remembered, however, that the permanence of Arab workers in most employment positions was undermined by the very principle of the priority of Jewish workers advocated in the resolution. Also, only in agricultural plantations (specifically, Arab-owned) and concession industries were Arab workers likely to be permanently employed; these were labor categories that are unattractive to Jewish labor (as they were unskilled, manual and physically dangerous), where Arab labor had to be employed anyway.

This resolution was, therefore, immaterial in terms of offsetting the detrimental effects of the "only Hebrew labor" policy on the native Palestinian labor.

In 1937, Hakibbutz Ha'artzi set up an urban counterpart sharing the same ideology to attract city workers away from MAPAI and to constitute a Zionist alternative to the Communists. In 1946, the League merged with its parent Party to form the Hashomer Hatzair Workers' Party, the extreme left of the Zionist movement.<sup>102</sup> It stressed the common interests of the Jewish and Arab working people, asserting that Zionism was, in fact, a liberating force for the latter:

"...the Socialist League recognizes the community of economic and social interests of the Jewish and Arab toilers in Palestine. It regards the Jewish immigration to Palestine as a factor stimulating the process of the liberation of the Arab toilers from the

rule of feudalism and the men of religion, and regards the Arab toilers (the worker and small farmer) as the natural allies of the Jewish workers in their struggle to develop the country and to establish a bi-national socialist society within it...." 103 (emphasis added)

It was also this extreme left of the Zionist movement that formulated the ideas of a socialist bi-national State in Palestine in which "the Jewish people returning to their homeland and the Arab people living in it" would have equal rights.

It is difficult to find the appropriate words for characterizing these implausible positions taken by the extreme left of Zionism on the question of native labor: on what basis did they conceive of the community of economic and social interests of the Jewish and Arab toilers in Palestine? The Arab toiler was to be necessarily supplanted by the Hebrew toiler and dispossessed from the land (his only instrument of labor, of toiling) on which the kibbutzim of Hashomer Hatzair were to be erected in order to create exclusively Jewish toilers!

It is true that Zionism has, in effect, "freed" Arab tenants and small peasants from the bond to the land, their source of exploitation under feudal relations of production; yet, adhering to the proletarian strategy, it deprived them of the "coersive" freedom to sell their labor power, prohibiting their actual proletarianization, denying them the possibility of becoming a potentially self-emancipating class.

The economic and social interests of the Jewish and Arab toilers were absolutely counterposed under the hegemony of proletarian Zionism. In this respect, left-wing proletarian Zionism did, in effect, provide not an alternative to, but rather legitimization for, right-wing proletarian Zionism.

The distinction between right- and left-wing proletarian Zionism is, therefore, practically irrelevant. The actual practices of right-wing pro-

letarian Zionism seem to be the only consistent implementation of the proletarian Zionist strategy.

A summing-up example of these daily practices is expressed best in the following statement by David Hacohen, a leader of the MAPAI Labor Party, and a long-time member of the Keneset, where he says:

"I remember being one of the first of our comrades [of Ahdut Ha'avoda] to go to London after the First World War....There I became a socialist....When I joined the socialist students.... And even here, in these intimate surroundings, I had to fight my friends on the issue of Jewish socialism, to defend the fact that I would not accept Arabs in my trade union, the Histadrut; to defend preaching to housewives that they not buy at Arab stores; to defend the fact that we stood guard at orchards to prevent Arab workers from getting jobs there....To pour kerosene on Arab tomatoes; to attack Jewish housewives in the markets and smash the Arab eggs they had bought; to praise to the skies the Keren Kayemet [Jewish National Fund] that sent Hankin to Beirut to buy land from the absentee effendi [landlords] and to throw the fellahin [peasants] off the land - to buy dozens of dunams [one dunam = .23 acres] from an Arab is permitted, but to sell, God forbid, one Jewish dunam to an Arab is prohibited; to take Rothschild, the incarnation of capitalism, as a socialist and to name him the "benefactor" - to do all that was not easy. And despite the fact that we did it - maybe we had no choice - I wasn't happy about it." 104

The last sentence of this statement may be taken to signify an evidence in support of our conclusion: namely, the absolute distinction between Zionism and socialism; as Zionism was practiced. The logic of this actual historical process seems consistent with the proletarian Zionist strategy. It is irrelevant to argue whether or not Zionism could have been practiced differently had left proletarian Zionism become hegemonic. The fact that it did not, even in the Yishuv, is an absolute one; it is not inconsistent with the proletarian Zionist theory, and most likely, it would not have made much difference, as left-wing proletarian Zionism provided only for a source of tactical flexibility and pragmatism for the actualization of the essentially one Zionism (aimed at a Jewish State to act on behalf of the big Jewish capi-

tal).

The bi-national proposal formulated by the extreme left proletarian Zionism was advocated probably as the only possible approximation to a wholly Jewish State in Palestine when the latter seemed impossible to accomplish, given the impossibility of optimizing the "Hebrew labor policy" under capitalist relations of production. By attempting to acquire the material prerequisites for establishing a Jewish national entity and State in Palestine (precisely through the conquest of Palestinian land and the boycott of Arab labor and produce), the Zionist movement had, in effect, distorted the material base of the Palestinian national existence; yet, had not fully acquired the demographic prerequisite for an only Jewish Sovereign State.

It was a most appropriate move (in terms of Zionist objectives), in light of those actual material conditions, to propose the bi-national solution, which rejects either a wholly Arab State or a wholly Jewish State in Palestine, advocating that "the sovereignty over the country should be held jointly and equally by two units constitutionally recognized as equal in weight and status, one representing the Jewish, the other representing the Arab, interests...."<sup>105</sup>

From the point of view of the Zionist leadership, advocates of Jewish big capital, this proposal of course represents "the best of all evils"; it is the only thing that could have worked under those material conditions.

Right-wing proletarian Zionists seem, however, to have recalled Boro-chov's advice; "to create facts and more facts is the cornerstone of political strategy", hence, the expulsion of the Palestinian masses in 1948 and the creation of a new fact. This is the "transfer solution" that had ultimately made the proletarian Zionist strategy an effective one. Why the bi-

national program was superceded by the transfer program is not accidental; proletarian Zionism is intrinsically incapable of implementation in other than the "transfer" way. To elaborate, in the previous chapter we tried to establish that theoretically Borochovism was bourgeois in character. In this chapter, we intended to demonstrate that also in practice Borochovism (the imperative of Jewish proletarianization and Jewish class struggle) was implementable only in terms of capitalist development. Exclusive Jewish proletarianization and class struggle implied necessarily the consolidation of Jewish capitalism.

The reproduction of an exclusive Jewish capitalism transplanted in the midst of a pre-capitalist social formation was simply inconceivable. It contradicted the laws of capitalist accumulation. For the reproduction of Jewish capitalist relations of production required necessarily the integration and subordination of Jewish pre-capitalist forms of production. To guarantee the reproduction of the Jewishness of the relations of production, of social classes, and of class struggle, it was imperative to deform the indigenous social formation. Deformation was executed through dispossession and expulsion of the Palestinians. Proletarian Zionism could have been implemented without "transfer" of the indigenous population only if this population was Jewish. In that case, however, the proletarian strategy loses its relevance to Zionism.

One may further argue that the transfer solution took precedence over bi-nationalism, owing to incongruities between the proletarian Zionist theory and the material and non-material conditions of Palestine in which it was put into practice; and that it could have been implemented differently in a different environment, say if Palestine were, in fact, "a coun-

try with no people". The fact is that proletarian Zionism was already in theory formulated precisely for Palestine and in light of its actual material conditions. In Borochoy's formulation of the territorialist solution it is explicit that "the territory" was Palestine which he also distinguishes from "a territory".

It is therefore historically accurate to argue that proletarian Zionism was intrinsically incapable of being implemented without the expulsion of the Palestinians. Put differently, the transfer of the great majority of Palestinians across borders in 1947-48 was not only consistent with, but also indispensable for, proletarian Zionism. It had finally altered in a radical way the material conditions prevalent in Palestine in favor of a sovereign Jewish State. In 1948 the Jewish State "emerged"; yet, not as organically as it was supposed to. Here the Yishuv ends and a second phase in the development of Israel social formation begins.

### III. Jewish Settlement and Palestinian Proletarianization During the Nation-Building Phase, 1948-1967

This is the phase of constructing Jewish political "independence" in the frame of a sovereign nation State.

A fuller establishment of the apparatuses of the State: the army, the legislative, the executive, etc. It was also the phase of broadening and strengthening the material "base" (demographic/economic) of the State "superstructure".

The early years of nation-building were distinguished by mass Jewish immigration both from under Nazism and from Arab countries.

Both this massive Jewish immigration as well as the "transfer" of the vast majority of the indigenous population across what became the boundaries

of the Jewish State, had radically transformed the demographic map of Palestine. Absolute Jewish demographic superiority was established.

This period, of course, represents the peak of Jewish settlement in Palestine. By 1970, there were already 702 Jewish rural settlements, as compared with 303 in September, 1947. We must not forget that after Statehood there was a shift to urban settlement, specifically the New Development Towns and suburbanization schemes. From now on, Jewish settlement ceased to be colonization through class struggle; it was transformed into national development policy carried out no longer by pioneer settlers but rather by state and public agencies on behalf of available and potential newcomers.

In accordance with the general order of this chapter, we try to concentrate on the dual process of the creation of Palestinian labor surplus, and the impediments of selling its labor power. The following section focuses, therefore, on land and labor policies peculiar to the second phase of Israel's development. Slogans are now replaced by policy.

#### A. Land Policy

Large-scale acquisition of land in the aftermath of the 1947-48 War resulting from the expulsion of Palestinian peasants and the flight of landlords (absentees, in particular) is the material basis for the new land policy.

As demonstrated earlier in the Yishuv phase, land acquisition and transfer of economic ownership from Arab to Jewish hands took place simply through purchase, that is, market exchange.

In the nation-building phase, market exchange was not the predominant method. The major portion of land acquisition within the jurisdiction of

the Jewish State was the result of military gains. As Efarim Orni correctly puts it, the 1948 War "brought in its wake a revolutionary reversal in land ownership."<sup>106</sup>

The major land policy task became then less one of actual acquisition of land and more one of establishment and transfer of legal ownership of acquired land to the Jewish State and Zionist organizations.<sup>107</sup>

The system of land law of the State for acquiring legal ownership and, later on, for acquiring more land is comprehensively presented and carefully documented by Sabri Jiryis in The Arabs in Israel.<sup>108</sup> It is unnecessary to try to duplicate his efforts here. Instead, the reader is referred directly to this comprehensive study.

It is necessary, however, to emphasize that this system of land law by the newly-born State was not to replace but only to complement the land acquisition system of the pre-State Yishuv phase.

The Jewish National Fund continued to purchase land from the Palestinians who became Israeli citizens upon the annexation of West Galilee and the Small Triangle in 1949.

The Jewish National Fund (JNF), like all other Zionist institutions of the Yishuv, remained operative after Statehood and in some cases became more powerful than before when they became organs of the State. As put by Chomsky:

"Prior to 1948, the JNF was a private self-help organization of a national group. It is now an official agency of the State. Its exclusivist principles have simply been absorbed as one element of the official policy of Jewish dominance in a Jewish State." 109

The one-way transferability of land from Arab to Jewish use and control that prevailed in the Yishuv was further reinforced through constant interventions. These interventions made more intricate the institutional



setup that embodied the principles of inalienability originating in the Constitution of the JNF. A JNF report on its land acquisition and tenure provides an example of the above; it states:

"In 1960, laws passed by the Knesset extended the Keren Kayemeth principles of inalienability of the soil and its use in terms of heredity leaseholdship to all public holdings in Israel, i.e., to 92% of the State's surface prior to June, 1967. Simultaneously, an agreement between the Israel Government and the Keren Kayemeth created the Israel Land Authority to deal with the administration of all public lands, i.e., both State and Fund holdings, and named the Keren Kayemeth as the Israel Land Development Authority responsible for soil conservation, reclamation, afforestation, etc., everywhere in Israel." 110

This refers to Israel Lands Administration Law. In the same year, the Knesset, according to another JNF report:

"...enacted the Basic Law: Israel Lands which gives legal effect to the ancient tradition of ownership of the land in perpetuity by the Jewish people - the principle on which Keren Kayemeth Leisrael was founded. The same law extended that principle to the bulk of Israel's State domains." 111

It is in this sense that the "conquest of land" methods established and practiced in the Yishuv were not replaced but rather complemented by State policy. The new institutional arrangements and status were not to transform earlier principles of Zionist land acquisition; the latter remained in force.

The JNF is now a "public institution recognized by the government of Israel and the World Zionist Organization as the exclusive instrument for the development of Israel Lands."<sup>112</sup>

Together, the three citations above imply, in effect, 92 percent of the land (within the pre-1967 borders of Israel) was transferred to exclusively Jewish legal ownership and use. Indirectly, this means that it is illegal for a Palestinian (even citizen of Israel) to have access to this land -- neither to own it nor to use it. The employment of Arab labor on

this land is now prohibited indirectly by State law. This way, the bourgeois State rids itself of the need for explicit discriminatory slogans like the ones used in the Yishuv phase to live up to the twin labor Zionist principles "conquest of land" and "Hebrew labor".

It is important here to try to understand why the Yishuv institutions (often referred to as the formative elements of the State), which are worldwide in scope and which were created to develop a material "base" for the Jewish State "superstructure", remained operative after the establishment of the State; and even became organs of the State itself.

This combined institutional structure and content of the State of Israel makes it a complex one of a dual character: both an Israeli and Jewish State, and simultaneously national and world-wide. Perhaps this dual design is the only way that there can be a Jewish State that is to serve all the Jewish bourgeoisie, both in Diaspora and in Israel itself.

It is not the place here to treat this question in any meaningful way. It may, however, be treated later in this thesis. What we must point out here is that, in effect, this dual institutional character of the State superstructure enables the State of Israel to channel the means of production into exclusively Jewish use, denying its Palestinian-Arab citizens access to resources without explicit violation of the bourgeois democratic traditions to which it explicitly adheres.

Concrete examples on how this actually works are abundant in a study by Ian Lustick entitled "Institutionalized Segmentation: One Factor in the Control of Israeli Arabs."<sup>113</sup>

Until now, we have emphasized only the methods and institutional arrangements of land acquisition during the nation-building phase. We have

not mentioned the volume of land actually expropriated from Palestinian-Arab citizens during this period.

Official sources indicate that substantial territories were expropriated after the establishment of the State. JNF holdings increased from 936,000 donams (Donams - 1,000 sq. meters) in May, 1948, to almost 3,400,000 in 1950.<sup>114</sup>

Between 1949 and 1967, Yossi Amitai writes:

"Over 125,000 hectares from the 187,000 hectares that belonged to Arabs the day Israel was created have been expropriated by dubious legal means for Zionist motives." 115

It must be stressed here that these 187,000 hectares that belonged to the Arab population of Israel does not constitute the whole of the 8 percent which is "secular" land, that is, not controlled by JNF. It constitutes only a very small portion of the latter. That 8 percent is primarily situated within the coastal orange belt, the most fertile land in the country and is privately owned by Jews.<sup>116</sup>

Land was expropriated from Arab citizens of Israel not so much for its fertility and, therefore, agricultural value, but primarily for the erection of Jewish settlements in the heart of the Arab populated areas to disperse them, hence reduce their potential to constitute a political risk, such as the demand for majority rule in the Galilee, for example.

Examples of such Jewish settlements are Carmiel, Upper Nazareth and Ma'alot, in the West Galilee, where Arab demographic superiority has prevailed.

Regardless of the purpose of expropriation, the effect was always further displacement of the remaining Arab peasants, the creation of further Palestinian-Arab labor supply inside Israel. Whether the generation of further Palestinian labor supply during nation-building was or was not like

during the Yishuv correlated with the generation of demand for Palestinian labor is the subject of the following section.

#### B. Arab-labor Policy

The threat presented by Palestinian surplus labor to the imperative of Jewish proletarianization during the Yishuv was considerably reduced during the nation-building phase. This threat was reduced precisely by transferring this growing contradiction across the boundaries of what was to become Israel. The mass of Palestinian labor surplus was stored in what, since then, became known as the Palestinian Refugee Camps; seemingly, for a later stage. Therefore, the methods used by the Zionist movement to prohibit the penetration of Palestinian labor into Jewish work places during the Yishuv became superfluous after the Palestinian exile.

The ideological slogans of the Yishuv became superfluous also because, with the establishment of the State, new and more effective means were available at the disposal of the Zionist movement, the repressing apparatuses of the State itself.

A military administration rule was imposed on the Palestinian national minority by the bourgeois democratic State of Israel. This is activating the Emergency Law in order to restrict their freedom of movement inside the country. Although these practices were motivated primarily by what they believed to be the security of the State, the Israeli authorities have, in effect, also controlled Arab labor mobility. A system of work permits was established to regulate the use of Arab labor in Jewish work places.

Another reason why the ideological slogans of the Yishuv (specifically, self-labor/Hebrew work) became superfluous and also inappropriate is the

following: this period was that of mass immigration of Jewish refugees fleeing Nazism and of Oriental Jews partly expelled and partly mobilized by the Zionist movement, mainly for demographic requirement of national sovereignty. The point is that they were not ideologically mobilized by proletarian Zionism, as in the case in the majority of the pioneer settlers of the Yishuv. In this sense, the Yishuv methods for boycotting Arab labor became unnecessary under the considerable pressure to absorb Jewish immigrants.

Moreover, after Statehood the boycott of Arab labor was not functionally identical with the imperative of Jewish proletarianization before Statehood. Jewish class struggle was no longer an objective leading to the emergence of the Jewish State. The State was already there in need of a large army. Absorption of a wide Jewish base became, therefore, quite accurately indispensable for the security of the State.

The actual boycott of Arab labor -- the impediments of Palestinian proletarianization during nation-building were more the result of the concrete requirements of nation-building itself -- determined by the political, not the ideological, as in the Yishuv.

The military administration rule (martial law) was simply removed when upon the construction boom the economy needed Arab labor and had the capacity to employ it. Towards the end of the boom and the beginning of recession, Arab citizens were, like migratory labor, sent back "home" to the semi-subsistence village. In retrospect, the removal of military administration appears to be functionally similar to the removal of slavery in the United States' South -- providing "freedom" to become wage-labor. A full treatment of actual employment figures and dynamics during both this phase

and the post-1967 phase is the subject of a following chapter.

It was necessary to provide the reader with a more detailed background on the Yishuv phase in order for the changes in the post-1967 era to be more adequately comprehended.

In reviewing the second and third phases, it is only necessary to briefly point out the general features peculiar to each phase, because nation-building is only a transitional phase, and the post-1967 phase becomes the very subject of this thesis. It is the link between the phases: how one emerges from the other as simultaneously the point of both rupture and continuity is what concerns us most.

We have seen how the contradictions inherent in the theory and practices of proletarian Zionism resulted eventually in the transfer of Arab labor surplus across the borders and of Arab lands into Jewish hands; transforming the material conditions against bi-nationalism and in favor of a wholly Jewish Nation State. A Palestine exile is established and the "engathering of Jewish exiles" begins. The latter results in the over-development of the Jewish State and of the productive forces at the disposal of Israel's ruling class.

Further Jewish capitalization was fettered by confinement to the political objective of Aliyah absorption -- meaning, in effect, priority given to Hebrew labor, often at the expense of profitability. The essential internationalization of capital (as capital accumulation cannot be confined to national boundaries) motivated by the state of development and requirements of the productive force and facilitated by the overdevelopment of the State had finally to express itself in the Six-day War. This was a turning point, the emergence of the expansionist phase with immense territorial

gains, yet with reservoirs of "free" Palestinian labor that, in 1948, was thought to be transferred once and for all.

Comparing this with the 1948 War -- which he characterizes by: "a two-fold miracle occurred: territorial victory and the flight of Arabs," Joseph Weitz writes: "In the Six-day War, there was one miracle: a tremendous territorial victory. But the general population of the liberated territories remained 'stuck' in their places, and this may destroy the very foundation of our State."<sup>117</sup>

In reviewing this phase, it is, therefore, irrelevant to concentrate on the other methods of land expropriation and, hence, the creation of Palestinian labor surplus. More relevant here is to focus on the following features:

- (a) The massive mobilization of the Palestinian labor reserves into Jewish work places, both from inside Israel and from the Gaza Strip and the West Bank.
- (b) On the controversy within the ruling class regarding the use of this labor force as expressed in Israeli mass media. We try to highlight the revival of the labor ideals and slogans of the Yishuv as a means of offsetting the demographic threat presented by this immense Palestinian presence in "Greater Israel", to what is still believed to be the essential Jewish demographic superiority.
- (c) On the clash between the outlived ideals of the past and the pressures exerted by new material conditions that characterize Israel in its post-1967 phase.

The debates inside the moshav, the kibbutz, and the Labor Party may con-

firm our rationale for choosing Borochovism as the basis of our analysis and not other versions of Zionism. Public statements and debates are meant here to illustrate the historical use by the ruling class of the socialist Zionist ideals derivative of Borochovism in appealing to the Israeli-Jewish population, and mobilizing them to serve Zionism. This is to indicate that it is the Borochovist formulation of Zionism which ultimately became the material force responsible for the transformation of Palestine.

#### IV. Palestinian Proletarianization in the Post-1967 Phase: The Irreversible Breakthroughs

In the rural villages of Galilee, the Triangle, the Gaza Strip, and the West Bank, masses of Arab men, women and even children are being released from private household servitude, semi-subsistence agriculture, and small-scale commodity production. These Palestinian-Arabs are then absorbed through the Israeli rural and urban labor markets into capitalist production as seasonal cash-croppers on commercialized Jewish agricultural plantations, as modern wage-workers in construction, textile, and food processing industries, and as service employees in menial positions within various branches of this expanding economic sector. A process that has the appearance of massive Palestinian proletarianization in Israel, the content of which constitutes the subject of this thesis.

This growing penetration of Palestinian-Arab labor in the Israeli-Jewish economy has become, in recent years, a prominent feature disrupting the basic principles of Israeli society and transforming the character of both Arab and Jewish communities alike.<sup>118</sup>

As Matityahu Peled, of Tel-Aviv University and a regular contributor to Maariv, describes:



"A presently characteristic phenomenon in Arab areas is the morning mass exodus to working places into the Jewish areas and the evening mass return to living quarters. The Arab village is no longer a village in the traditional sense of the word, because a considerable part of its population no longer works in agricultural pursuits, but rather works the construction trade and/or industry. The Arab village, however, is still a village in the sense that city conditions do not exist in it." 119

The traditional scene of peasants rising up with the dawn, rushing in family style and with animals to work their own land has been wiped out and replaced with long caravans of trucks carrying workers to the Jewish work places. This morning-evening in-the-truck mobility of Arab labor seems to have become a fixed feature in the "landscape" of daily life. The Arab village which used to be a semi-subsistence community has been transformed into a "bedroom community", with its main function being that of reproducing Arab labor power for Jewish capital, with the reproduction cost falling less on the Jewish work place and more on the Arab residential place, to which labor is forced to return;<sup>120</sup> in this sense, it is becoming increasingly similar to the Bantus' native labor reserves of South Africa.<sup>121</sup>

The effects on Jewish communities are rather qualitatively different, as expressed, for example, by Debora Namir, a woman moshav member from Kfar Vetkin, who in 1972 published an open letter titled, "We live the Style of Life of Effendis," to the Minister of Defense, Moshe Dayan, in which she says:

"I was born in a moshav and am married to a moshav member. We live in a moshav in the center of the country. Until the Six Day War, we lived in peace, worked and earned our bread honorably. Since the war, the wheels have turned around because my husband has become a contractor of a serious agricultural work. There are no problems. Cheap labor force is available, and there is great demand in the market. Today we have five Arab workers, and we reached a situation where we don't do work at all in our own farm.

"My eldest son refuses today even to mow the lawn: 'Muhammed will mow the grass'....The children of the moshav are being transformed before my eyes into children of the rich of the worst and cheapest kind...until about a week ago, the Arab workers lived in the different citrus packing houses in the area. Now it appears that more work-

ers were brought over before the hot-house harvest season and the packing houses are full. My husband, therefore, built them a hut in the yard. When I protested, he sent me on a tour of the village. Well, it appears that every able man has become a contractor. Also, the number of hot-houses which are completely dependent on Arab labor have increased. The Arabs live in shacks just a few meters away from the renovated villas and the style has become the style of effendis....I do not think that this development can be combatted locally in a country flooded by Arab workers from the territories. No longer do I walk alone in the evening to the fields. It is simply unpleasant....The situation is particularly tragic for young, unskilled people who seek seasonal work. In our area, no Jew can get a job on a tractor, because this is no longer profitable for the employer. As far as I can see, Arab labor from the territories in Israel must be prohibited. If, after five years, the situation is so shocking, what will happen in another ten or more years?....The contractors, who today become rich, but with some feeling of guilt, will tomorrow become a pressure group which will not allow any changes in the situation." 122

Although the participation of Arab workers in the Israeli labor market started in the early sixties, applying then only to Israeli-Arab male labor and restricted to construction and menial services in the urban sector. It is the post-1967 period that seems to represent major breakthroughs in three respects, as follows:

First, a breakthrough in the mobilization of Palestinian-Arab labor, not only from within pre-1967 borders but also, and even more importantly, from territories occupied in the 1967 war, specifically the West Bank and the Gaza Strip.<sup>123</sup> In a study by the Bank of Israel, Arie Bergman indicates that soon after the 1967 war, workers from the "administered" areas started flowing into Israel in an ever-increasing stream, driven by the shortage of job opportunities in the areas, and the acute demand for labor in Israel, and the higher wage paid in Israel. This inflow of workers was most strongly felt in construction. By 1973, 50 percent of all of the areas' residents working in Israel were engaged in this branch. Their share in the total number of workers engaged in construction in Israel was 26 percent in 1973, compared to 3 percent in 1968. The sharing of the areas' residents in industry is also growing

constantly, thanks to the training courses conducted by the Ministry of Labor, that adjust the labor force to the requirements of the Israeli economy. In 1973, no less than one-third of all employed persons in the areas were working in Israel, as against 12 percent in 1970 and 4 percent in 1968. Evidently, the flow of workers from the administered areas will persist as long as overemployment exists in Israel, says Bergman.<sup>124</sup>

The number of employed persons increased by 45 percent in 1968-1973. The entire increase in employment stemmed from increased employment in Israel. Employment in the areas themselves went down by 3.5 percent annually between 1969-1973. Demand for labor in Israel -- which persisted throughout the entire period and was especially acute in 1972 -- and the higher wages in Israel attracted ever-increasing numbers of workers from the areas, causing both labor shortages and rapid wage increases there.<sup>125</sup>

An article published in Maariv, June 14, 1970, by Ezra Yenov, under the title, "The Gaza Strip: A Reservoir of Cheap Labour Flooding the Israeli Economy," indicates the following: Labour Exchange workers from the Strip settlements are today the main reservoir of seasonal manpower in northern Negev and southern Israel. Their penetration into the Israeli economy is increasing. They are slowly dominating the agricultural sector and now in tens and hundreds are entering into the construction industry and earth works; and their first wave is already filling the available jobs in industry. More than 80 percent of the citrus pickers are Arabs from the Strip. The number of Israeli pickers is decreasing and in some orchards the work is done entirely by Arabs. The (male) workers from Gaza can't be selective over the kind of job, still are ready to rush to the orchards for picking and not to the trucks that carry women workers to the can factories in Israel. In the can factory, the work-

er is paid less. It is harder to reach the quotas, and the chance for premiums is smaller than in picking. Since an industrious worker from Gaza's output is twice the requirement, it brings a saving of tools and supervision to the employer.

Women workers from Gaza are already in textile factories in Kiryat Gat. This outflow of labor has destructive and discouraging effects on the local agriculture. Orchard owners of the Strip are having difficulties finding workers to complete fruit picking, and the employed age in the Strip's orchard has gone down to ten; i.e., children are employed for rock-bottom wages in order to secure the continuation of the picking. The ratio between manpower resources and labor demand can be maintained in equilibrium due to the policy of employing refugees. Today, no less than 20,000 refugees from all the camps in the Strip are registered in the official Labour Exchange, and the majority are hired in seasonable jobs in the Strip and outside. The number of desperate job-seekers constantly calling at the agency for any kind of job reached, at a point in 1970, 4,000 workers. This number does not include 6,000 women flooding the agencies with their demand for jobs; most of them want to work in order to improve the family income and to survive more easily in the competitive race against the cost of living. When the main breadwinner of the family has trouble facing the cost of living on his income, his wife and/or children join him. And, indeed, the sewing workshops, engaged families in confection job work ordered by big factories in Israel, are hiring hundreds of women from Gaza. This is also the case in the rug and light furniture factories, which are crowded with boys. The Israeli Labor Ministry has also opened six training centers in the Strip which produce skilled trades-

men in trades demanded in Israel, such as locksmith, mechanic, carpenter, and building branches (construction, ironbending, plastering, and carpentry).<sup>126</sup>

As far as where in the occupational hierarchy workers from occupied territories are absorbed, Haaretz, a Party-Independent newspaper in Israel, reports that they are, in fact, replacing Oriental Jewish labor in the very bottom of this hierarchy:

"...differences between the very rich and the very poor are increasing gravely. Jews of Asiatic and African origin are moving to better-paid jobs and to lighter work, while laborers from Nablus, Qalqilia, and Ramalla [all in the West Bank] are doing the heavier work that needs a great deal of physical effort. This has resulted in a racial division of labor, a Black laborer in building or a water have become synonymous with the word Arab."<sup>127</sup>

Popular Israeli opinion expressed serious discontent with the use of Arab labor in general, and its use in "marginal" positions in particular. The penetration of Palestinian labor is perceived to be correlated with growing inequalities and defying the socialist Zionist traditions.

A prominent Israeli dissident, Yehoshova Arieli, writing in the August 31, 1972 New York Review of Books, pointed to the effects of occupation in producing political conformity, spurring new vested interests, deepening social and material inequality, and leaving "Zionist values jettisoned" by hiring Arabs to do the dirty work.<sup>128</sup>

Similarly, in his work, "The Violent Era", the internationally-known Jacob L. Talmon stated: "...the transformation of the Jews into bosses, executives, or overseers of unskilled Arab laborers is a bitter irony of the moral and social bankruptcy of the Zionist effort." He expressed the belief that he was hardly chauvinistic enough to think that the Jewish people enjoy a greater immunity to the dangers of such a situation than

any other people.<sup>129</sup>

Official opinions in Israel have expressed serious concern over the use of Arab hired labor, as they see in it a violation of Labor-Zionism, according to which Zionist colonization in Palestine was meant to "replace" not to "exploit" indigenous labor. For example, Itzhak Ben-Aharon, the powerful Secretary General of the Histadrut Labor Federation, stated in an interview with the New York Times that "...six years of occupation had eroded Israel's image of 'moral capacity and reliability' in the Western world." He charged that "Israel was 'building Zionism' on the backs of hired Arab labor from the occupied territories" -- a reference to the 55,000 Arab workers who have become the core of the manual labor force in Israel since the 1967 war.<sup>130</sup> Contrasted with these "Dovish" voices mourning the death of labor ideals are the "Hawkish" voices in the Labor Party asserting the rationale for replacing these outlived ideals.

The dominance of the economic is finally asserted over the political and ideological. A recent article in Davar, the organ of the ruling Israeli Labor Party, explicitly states:

"Workers from the occupied territories have many advantages over Israeli workers. Israeli workers shun industry and production, whereas workers from the territories are becoming concentrated more and more in industry. It is almost impossible to fire an Israeli worker or to relocate him without his permission and without a wage increase. On the other hand, an Arab worker is exceptionally mobile, can be dismissed without notice and moved from place to place, does not strike and does not present demands....From many economic considerations, workers from the territories are a bargain for the Israeli economy. They exist when and where required and make a full contribution to the production cycle. As long as we don't speak in social or political terms, the workers from the territories display an excellent economic flexibility." 131

Second, a breakthrough, not only in the legal use of Arab labor but also in the use of smuggled labor, specifically from the Gaza Strip and the West Bank. For example, it was reported in Maariv, December 5, 1971 that:

"The actual number of workers commuting daily from occupied territories was estimated in 1971 to be 10,000 higher than that number of 'officially recruited workers', which was 42,000 in November, 1971. These 10,000 are employed illegally. Fifty percent of their wages is kept by the contractors, who collect the wages for them. Haaretz, August 11, 1972, indicates that the workday of Arab labor in the moshavim is 15-16 hours, starting at 4 A.M. until 9 or 10 P.M."

The smuggling in of labor from occupied territories to Israeli work places is not practiced directly by Jewish employers but rather through Arab middle-men. The smuggled labor as a new feature in the structure of the Israeli working class is coupled with the emergence of the "Raíses" as a new feature of Arab embourgeoisement.<sup>132</sup>

In an article titled, Every 'Rais' Shall Do What is Right in His Eyes," Yaakov Haelyon writes the following in "That Which Hurts", a section of Maariv newspaper:

"'Raíses' from Arab settlements within the green line bring cheap Arab labor from villages beyond the green line: girls who are taken to Israeli settlements are picked up like 'Sardines' in tenders. Sometimes twenty girls or more travel in one tender. There 'Raíses' beat the girls, who sometimes have to wait many hours for their employers to take them to their villages at the end of a day's work."

The smuggling in of labor is increasingly becoming an acceptable practice, as expressed by the silence and indifference of the police. In the same article cited above Haelyon writes that Miriam Egozi (Moshov Rishpon) lodged a complaint about this practice in February, 1974. She reinforced her evidence with photographs in which the girls are seen waiting and the vehicles block the moshav's traffic junction. Mrs. Egozi was surprised that the police did not see the "Raíses'" vehicle, which carries

many more passengers than the number permitted. She asked further, how is it possible to lend a hand to abandoning helpless girls to drivers who enslave them? Why do we have to see and keep silent? Her appeal to "That Which Hurts" was transferred to the Staff Commandant of the Dan Region of the Israeli police.

"The police reply," writes Haelyon, " which reached us at the beginning of April, 1974, included a recommendation to approach the Employment Service about the control of the work of Arab women who come to the moshav. We were not satisfied. . .and appealed again to the police. . . and passed the reply to the complainer, who in turn, being disappointed with the police's work, wrote again: "It hurts us that in the Israel State, 1974, we all lend a hand to the creation of the "Raises", who beat and pick up uneducated Arab girls. Thus is done in the presence of our children, who are stunned. Is that the way we want to bring them up? Does shortage of workers justify such shame? Are workers in Israel of 1974 transported in such a disgraceful way? It seems that this state of affairs is convenient to all groups involved."

. . .As we deepened the treatment of the case, it seemed more and more serious. At the end of July we appealed to the police and to the Ministry of Labor, asking for a basic investigation of the problem. We also supplied them with the vehicle numbers of the "Raises" and further details. In September we received a letter from Mr. Hirsch of the State Police staff, in which the following was reported:

". . .the police had taken action in order to deal with the vehicles transgressing various traffic laws while transporting women workers to that moshav. In the police visits, tickets were given to offenders who were there; tickets for transporting passengers outside the body of vehicle, transporting more passengers than permitted by the driver's license, etc. At the end of the police operations, no offenses of the aforementioned kind were seen during visits there. The police will continue their control in order to prevent the renewal of the phenomenon."

After five months, Mrs. Egozi (who wanted to wait and see how things would turn out) replied that in spite of the police operation, the "Raises" continue to act as they please. In the meantime, however, because of the economic situation, the number of workers in the moshav went down, which seems to temporarily reduce the seriousness of the phenomenon. She argued that although Moshav Rishpon is not situated at a crossroads, the police should watch over



the security of the passengers "even if it concerns Arab women workers from the territories. . ." She noted, too, that there had been no change for the better in the work conditions of women workers in the moshav. "Nothing new under the sun, and hence comes my question: what is the role of the Ministry of Labor?"

. . .Zalman Chen, the spokesman of the Ministry of Labor, answered, "The phenomenon of the "Raises" is a nasty evil nowadays. According to law, it is prohibited to employ workers not through the employment bureau and there is an arrangement by which workers are employed within the bounds of the green line through the employment bureau in the territories. Inspectors of the employment bureau try to catch the lawbreakers and, in many cases, they succeed. But there are cases in which "Raises" in cooperation with employers in Israel, succeed in evading the inspectors and in breaking the law. Not in every case workers from the territories who are seen waiting for transportation are unorganized."

Mr. Hirsch, of the State police, finally wrote to us: "The traffic police in Hasharon area have visited and inspected the roads near Moshav Rishpon and are continuing to do so. Because of existing limitations, it is impossible to have continuous inspection."

Yaakov Haelyon ends his article with his comment: "It does not seem to us that the authorities concerned with this case were anxious to abolish it." 133

This comment, however, is not adequate. Some extra ones are necessary after listing the particular details of this article: the reluctance of the police to take strict action against the "Raises" is pretty obvious. What is more important, however, is the fact that the practice to be condemned turned into merely one of violating traffic laws, thus avoiding the real issue, the very smuggling of labor from under occupation into Israel. Furthermore, the Ministry of Labor's approach was that of rationalizing, not condemning, the existing practice of "Raises" and use of smuggled labor. Both attitudes are indicative of how law enforcement gets frozen and official labor policy relaxes when faced with economic justification and

material necessity of the ruling class, especially during a period of crisis when the State apparatus is to serve the interests of the ruling class against the effects of the tendency of the rate of profit to decline and, thus, shake up the dominant mode of accumulation. The significance of this point in the Israeli context gets magnified when compared with the attitudes in previous stages of Israeli formation, in which instances other than the economic had prevailed.

A further note on the "illegal" use of smuggled Arab labor is its link with higher ratio of profit and the development of embourgeoisement trends and values among the users of smuggled labor and in society-at-large, such as expressed in the following:

"An Israeli journalist interviewed the employer of smuggled labor:

In the evening the windows of the moshav are illuminated -- people eat their supper and watch T.V. In the darkness of the far part of the yard dozens of fires are lit: the Arab women are baking the bread.

Q: Why are you employing these Arab women?

A: It is more profitable. They receive lower wages.

Q: Did it occur to you to promise social insurance to these workers?

A: It is not customary here. We have an agreement with the contractor, and we pay him, that's it. We want to be able to expand the farm, to build, to buy cars, machines, and T.V. sets. Before the Six Day War we did not enjoy this kind of life. It has been made possible only through cheap labor." 134

Third, a breakthrough, as has already been noticed, is in the mobilization of female labor from Palestinian-Arab communities, both inside Israel and in occupied territories. Young rural Arab women long enslaved by

patriarchal oppression, imprisoned in household servitude and subsistence or semi-subsistence production, are now set free; "free" to sell their labor power to the Israeli-Jewish capitalist and even to be smuggled in as seasonal cash-croppers on Jewish agricultural plantations and as modern wage workers in Israeli textile and food-processing factories.

These women who have been historically subjugated to the traditional extended-family norms such as el-Sharaf and el-Ard (the honor of the family) are now, in response to economic necessity, being released. Women from the Arab villages in pre-1967 Israel have promoted accumulation of Jewish capital in Israel indirectly, through their traditional role in terms of reproduction of male labor power already directly engaged in Israeli capitalist production. This is particularly true of females in rural working class families, simply because of capital relation to domestic labor.<sup>135</sup> This point is nicely elaborated by Carmen Deere. In her words:

"Rural women's subsistence production in the capitalist periphery allows semi-proletarian male workers to sell their labor power to capitalist units of production for less than the subsistence familial wage. Thus women's contribution towards the maintenance and reproduction of labor power within the rural labor reserve permits the non-capitalist mode of production [the pre-capitalist social formation] to absorb the costs of production and reproduction of labor power. The division of labor by sex, based on the articulation between modes of production, serves to lower the value of labor power for capital, enhancing the relative rate of surplus value for peripheral capital accumulation." 136

Nowadays, Palestinian-Arab women, in addition, not instead, are engaged also directly in Israeli capitalist production. According to Emile Touma, more than 14,000 of the Israeli-Arab women are now modern wage workers.<sup>137</sup>

In the period between 1967-1972, 7,000 Arab women entered industrial work.<sup>138</sup> A typical example of female recruitment is the large Gibour nylon

textile plant located in Maalot and other neighboring New Development Towns which, by 1973, employed more than 1,000 northern West Bank women. In 1973, some 6,000 women flooded the agencies in Gaza demanding work.<sup>139</sup>

Most Arab women workers occupy unskilled labor categories. Specifically, in textile and food-processing factories, where wages are even lower than those on fruit plantations. In Gaza, men rush to the orchards to do harvesting work, not to the trucks that carry women workers from Jabalya or Beit Hanah to the Israeli canning factories.<sup>140</sup> Arab female workers are forced to accept the least desirable, lowest-paid work. Previous discussion on smuggled labor is most evident of the vulnerability of female labor, specifically from occupied territories, in the case of which traditional patriarchal oppression is combined with political oppression by military occupation. Sex, class, and national oppressions coincide.

In villages where the mobilization of women to Jewish work places is impossible because traditions still hold strictly, or undesirable because the Israeli authorities are careful not to offend the traditional leaders, a case which is particularly true of Druze communities,<sup>141</sup> crafts workshops and small textile and clothing factories are being transplanted in these communities to utilize their female labor reserves. Jewish national capital in Israel is thus running after cheap female labor in the Arab rural villages, following precisely the pattern of international capital mobility into the world-dependent periphery.

As Yousef Waschitz points out, Israeli-Arabs are socially and economically part of the Third World. They have been marginal and, at best, indirect beneficiaries of Israel's national development processes; and excluded from actual development projects. He indicates that the State of

Israel does not generally establish new industries. Its role in development is to direct potential investors to areas it wants to industrialize and to provide them with credits, grants, and tax exemptions. Only recently there has been an effort to direct potential industrial investors to Arab villages and towns. Some small industrial projects generally employing 30-50 workers have been established in Arab villages and towns. Most are branches of Jewish enterprises interested in the potential of women workers, generally textile and clothing plants.<sup>142</sup>

Not unlike advanced capitalism is the mushrooming service sector in Israel. As the case in the former, the expansion of this sector increases the demand for female labor. For some reasons, the service sector is distinguished by its attraction of female labor, as is evident in its wage differentials on sex lines. In Israel, for example, women earn 90 percent of a man's wage in tourism, as opposed to 55 percent in industry. Obviously, in this specifically sensitive branch in Israel, Jewish women are more reliable than Arab women for promoting "Aliyah" and contributions to, as well as the international image of, the State of Israel. For these reasons, let alone cultural and educational factors, Arab and Oriental Jewish women are more likely to be absorbed in menial positions of this branch and in other less strategic branches of the service sector.

Historically, the female labor reserve is mobilized mostly following wars or in periods of crisis. In Israel, according to Bergman, "unlike the steep and continuous rise in the Arab male participation rate between 1968 and 1973, the female participation rate took a somewhat different course, rising between 1968-1970" following the post-1967 war and resulting in a

shortage in male labor, but declining in the three following years during the economic boom.<sup>143</sup> And it is my impression, through personal contact, that it is rising again since the deepening of the post-1973 crisis.

Fourth, a breakthrough in squatting and family labor mobility. The demand for Arab female labor combined with a more important factor, i.e., landlessness resulting from increasing land expropriation for settlement and "Judiazation" schemes, has encouraged whole-family squatting on Jewish farms and plantations in West Galilee and the coastal regions. These Arab families live in huts or tents and move about in search of seasonal employment as cash-croppers (and sometimes even as share-croppers, which may not designate proletarianization). The labor of the wife as well as the children is absorbed in cash-production and in the reproduction of the labor power sold to the Jewish capitalist farmer.

The following excerpts from an article by Baruch Nadel in Yediot Ahronot give some feel for this rural squatting phenomenon and the new transformations in the division of labor within the Jewish agricultural sector, accompanied by a simultaneous evolution of racist attitudes among the young Jewish generation, who are moving off manual work to be replaced by Arab squatting labor on Jewish farms. Concrete examples are derived from Yesud-HaMaalee, where the journalist has visited and talked with the Arab squatters and with their Jewish employers. Nadel writes:

"In Ysud-HaMaalee, founded ninety-three years ago, Jews work with machines now, and Arabs do the manual work. Life is not easy for Jews, too, although there are no more epidemics and the romanticism of farming and barn have ceased to exist. The first settlers learned tilling the land from their Arab neighbors and were ploughing as they did, sowing, harvesting as they did, and the bread was wonderful. . .The fields of Ysud-HaMaalee are scattered with bizarre tents. Big tents are pitched in

the fields from the Rosh-Pina Metula Road up to the Jordan area, which was formerly Lake Khula. The tents are made of unstitched sacks sewn together to form large sheets, pieces of material from blankets or bed covers, and long strips of coarse black material made of goat's wool and reed mats. In the tents live the tillers, most of them inhabitants of Zakhnin\* village -- halfway between Safed and Acne. In each tent lives an Arab family -- seven, ten and even up to twelve members. . .The Shakur family, one of these squatters from Zakhnin village, spends about three months a year in the field of a farmer from Ysud-HaMaalee. The farmer gives them land, water, and tobacco and sows watermelons, and the harvest is divided between Shakur and the farmer. (They play, indeed, the traditional role of share-croppers or tenant farmers.)

At the end of the tobacco and watermelon season, the tents are taken down and the people of Zakhnin take on other trades. The shakur family returns home, north of the Beit-Netaja Valley in central Galilee. There in the fertile valley, the family has fifteen dumams on which it grows vegetables. The children attend school, Atalla and the girls work in the field and earn their living well out of the good soil. . .In the fields of the Settlement about forty families from Zakhnin and a few families from other villages are scattered. Most of the land in Ysud-HaMaalee is tilled by Arabs, and even the work of thinning and picking in the plantations, which are mechanically cultivated by the farmers, is almost totally done by Arabs. . . .When a tractor passes outside, Atalla says: "Those are Jews." Arabs have no tractors here. They are the manual workers, backs bent holding tools. . .

Binjamin (the employer):. . .Today we water the soil automatically, and only the thinning and picking requires many hands. There are only Arabs for such work. Once we had Jewish workers from Hazur (probably inhabited by Oriental Jews). So many workers came from Hazur that not everyone got work.

David (the son):. . .Today people from Hazur do not want to work in agriculture.

Binjamin:. . .Unfortunately, today there are only Arab workers. In neighboring kibbutzim, too, everything is done by Arab labor.

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\*Zakhnin -- one of the Arab villages of Galilee that suffered most from land expropriation and was most active in, and later most injured by, the aftermath of the internationally publicized Land-Day General-Strike on March 30, 1976.

David: . . .In the kibbutzim there are volunteers from abroad and it is easier for them. Otherwise, Arabs would have worked even in the dining room. 144

Binjamin: . . .We have a citrus plantation near Kibbutz Hulata. When I passed there, I saw a young man from Hulata who took some grapefruits from me. He said, "I see your citrus plantation is totally based on Arab labor." I said to him, "What about your vegetable garden? Is it not totally based on Arab labor?" He said, "We have not succeeded in finishing the picking. As it stands, all agricultural work is Arab work. If they went on strike agriculture would totally collapse. And the prices! A small shikse [a young gentile woman] takes 40 IL. a day and a sheigetza [a young gentile man], 50 IL. a day, and if you tell them to hurry up, they do not come back to you." 145

Rivka: . . .I cannot stand them.

David: . . .They became so impudent, you can hardly imagine!

Rivka: . . .One of them came yesterday to drink water and later came to phone! I thought I would explode.

Binjamin does not hate Arabs as do his neighbor and his son. He just weeps secretly about tilling land -- the basis of man's life and the life of the people -- which is slowly passing from the Jews back to the Arabs." 146

This squatting by Arabs on "Jewish land" seems to frighten the Israeli authorities and the original Jewish settlers, probably reminding them of their own colonization strategy, known as "fait accompli": the establishment of accomplished facts. 147

In Maariv, July 3, 1975, an article titled, "The Israeli Settlement Authorities are Taking Action Against the Leasing of Lands to Arabs," says:

"The Ministry of Agriculture and the Settlement Department of the Jewish Agency have recently launched a campaign to eradicate the "plagues" of land-leasing and orchard-leasing to Bedouins and Arab farmers in western Galilee. The Director of the Galilee Area for the Jewish Agency, Mr. A. Nahmi, said that his office sent a circular notice to all settlements in which they are warned that the leasing of national lands to be cultivated by Arab share-croppers, as well as



enting orchards for picking and marketing by Arabs contradicts the law and regulations of the settlement authorities and the settlement movements. Settlers from the Galilee who oppose the leasing of lands to Bedouins and to Arabs from Western Galilee defined the phenomenon which is very common, especially in Mishmar-Hayarden area as the area of Arab colonization and as a most negative phenomenon, bound to harm the very future of Jewish settlement in Galilee."

Fifth, this brings us directly to the last major breakthrough in the post-1967 era of proletarianization in Israel -- that is, the large-scale penetration of Arab labor into the Jewish agricultural sector and the explicit emergence of the Israeli Rural Labor Market.

This is a breakthrough, not only in the sense of violating the principle of self-labor that derives from socialist Zionism through the use of hired labor, but also in the sense of violating more specifically the principles of "Hebrew work" and "Jewish produce", of socialist Zionism by hiring Arab labor, especially in the strongholds of Labor-Zionist ideology, the kibbutz and the moshav, where this ideology has historically prevailed. Penetration of Arab labor seems to defy the dominant ideology of the rural settlers, the historically hegemonic fraction within the Israeli ruling class, hegemonic as far as political practices are concerned. It is not surprising, therefore, that Minister of Agriculture Uzan, denouncing this development, told Jewish farmers that:

"The domination of Jewish agriculture by Arab workers is a cancer in our body; the situation being created today is bound to send many Jews back to agricultural work and then problems of physical work can be solved by mechanization."

[The Minister remarked that] "...there is a danger of Jewish workers abandoning agricultural work, and that in Jewish branches, we have already arrived at an undesirable state of dependence [on Arab labor]." 148

"The Supreme Council on Settlement Law had decided to

take stronger sanctions against agricultural enterprises which lease their land to be cultivated or their "crop on the trees" or "in the field" to be harvested by Arabs. In the Council there are representatives of the Ministry of Agriculture, the Colonization Department of the Jewish Agency, the Israel Land Management and representatives of all the trends in the settlement movement. Minister of Agriculture Uzan pointed out the gravity of the situation and demanded that radical measures be taken to prevent deals of land leasing." 149

We note from the quotes presented above that the Zionist institutions of the Yishuv, represented in the Supreme Council on Settlement Law, and the formative elements of the State are still operative as another state within the State of Israel. These represent the "State" apparatus of the settlers in the period of pre-statehood. It is their role until today to maintain control over land and determine land use policies specifically in the rural sector. It is these institutions as well as their leaders and directors that are outraged most by the massive penetration of Arabs to Jewish agricultural production.

The prevalence of labor-Zionist ideology --the principle of Hebrew work -- in the Israeli agricultural rural sector has been interpreted in terms of the special attachment of Jews to land in Palestine due to their alienation from the land in "Diaspora". However, the same emphasis on controlling agricultural land by the settlers themselves persists also in South Africa. One therefore tends to interpret it more as a peculiar characteristic of colonial-settler regimes; control over rural land being strategically crucial for keeping the native population separated from their means of subsistence, in a state of dependency and, thus, kept under control.

Furthermore, in Israel the control over rural land use is seen to be directly linked to the security of the State. For example, Bar Yossef (well-known Israeli sociologist) wrote recently:

"Anyone unaware of the grave danger inherent in our transformation into a nation of bosses or anyone who has not taken to heart the lessons of Algeria, is simply blind or has taken a leave of his senses. The risk arising from an Arab labor force living in miserable hovels near large farms is ten times more dangerous than other hazards, political and military combined. A nation of bosses is, in the final analysis, a rootless people and the land to those who work it. That is an immutable law of history and if we console ourselves with the thought that use of Arab construction labor is only temporarily, the same cannot be said for agriculture. There, we got to the basic foundation of the State." 150

The links between the principles of self-labor Hebrew work, rural land and the security of the State are explicitly articulated in the 1976 May Day Proclamation of Histadrut:

". . .Our determination to continue the unceasing fight of the People of Israel in their homeland to maintain and build a Labor Society for the sake of the security of the State. . .

". . .On this May Day, we send greetings to the defenders and settlers of the border regions. The Histadrut works throughout the year to deepen the mutual solidarity of the workers and those called to serve in the army, of urban workers and those settling the land." 151

Similar attitudes seem to be expressed by the Jewish inhabitants of rural settlements, specifically the kibbutz and moshav. They view themselves as the protectors of the land and of the State. However, labor-Zionist ideology, which they long internalized, seems to conflict with their new material needs. Some resolve the conflict in a pragmatic attitude. Others resolve it in further struggle to live up to their original ideological commitment, as expressed in the following debate among moshav

members over the issue of Arab labor in Jewish agriculture and its possible effects on the State.

A stormy debate in Moshav Veer Tuvia on the issue of hired Arab labor was published in Maariv (Supplement), July 18, 1975 and sheds light on the ideological and political controversy over this issue, as perceived by the moshav members. Under the title, "Who Will be the Drawers of Water in Beer Tuvia?", Dorit Cohen-Alvaro writes:

"The atmosphere in moshav Beer Tuvia has been stormy since a few weeks ago. Some members of the moshav have violated the unwritten principle of Jewish labor in the homeland and privately bought Arab workers to work on their farms." The article reads as follows: "Two years ago, the following resolution was passed in the moshav: No Arab labor on public farms. The management will take all necessary measures to implement that resolution." A few weeks ago, the inhabitants of the moshav gathered together with the same problem on the agenda. After speeches and stormy exchange, the chairman of the meeting said: "You should know that other moshavim which have the problem of Arab labor are waiting for the resolution which will be passed in Beer Tuvia. Think about it before you vote." And the resolution passed this time is as follows: "There may be Arab labor, but only via the Management Committee, with its approval and under its control, as there is no alternative."

Among the moshavim in the southern region which have employed Arab workers in agricultural hired labor since the Six Day War, Moshav Beer Tuvia remained -- until a few weeks ago -- ideologically isolated. The phenomenon of employing Arab labor in construction, industry and agriculture, which became widespread over the whole country, did not spread into

Beer Tuvia.

The breakthrough was not made in one day. At first, only a few Arab workers were brought in by a Jewish contractor. Later some were brought in by a few farm owners, secretly -- "only for pressing work of two or three days." But not long ago some citrus growers organized and openly brought in a large group of Arabs to work. A clamour was raised and a meeting was called. The objectors raged: "What about the ideal of Jewish work? And what about the security aspects?" The supporters answered: "A few Arab workers will not destroy the structure of the moshav. The whole country is flooded with Arab labor and it is not us who will bring redemption."

Peretz, a member of the village Management Committee, was the moshav's representative in the "moshavim movement" and now volunteers to help new moshavim. Peretz expressed his objection to admittance of Arab labor on the following basis:

"In order to understand why admittance of Arab labor to the moshav is so serious, one has to know some basic facts: our State, by giving Jewish farmers land and means to maintain a Jewish village has entrusted them with a certain responsibility for the existence of the State. We must hold on to the land if we want to exist as a nation. And those who maintain the territory are the farmers. Two nations live here and each of them claim its right over that land. The one which will implement this right will be the nation which will hold the land and with its own hands till it."

Peretz expressed strong objection to the compromise in the Management's recent resolution, because that still violates the principle of Jewish work and is a start of a chain of events: "The problem does not start and does not end with picking peaches," as the supporters of the resolution

claim.

"From thinning out peaches one week a year to leasing land and residence in the moshav, that process of transferring land from Jews to Arabs is a slow process which can go on for years [says Peretz], but today we are at the beginning of a chain of events, starting with work on plantations, then work in the fields, milking the cows, lodging at the moshav and leasing land -- one leads to another. If we let normal economic processes operate in the State of Israel -- and we should take into account that the Arab population is pushed into all areas which require manual work, thus marginal as far as income is concerned -- a situation will be created in which the owner of a farm will decide, for reasons of convenience and utility, to live in Tel-Aviv and maintain Arab employees on his farm (turning into absentee landlords). It would not be because he prefers Arabs on his land, but because there are no Jews who are prepared to be agricultural workers. Hence, we will reach a stage in which the Arab population will hold most of the territories and that will cause an endless struggle between the two nations."

Peretz proceeds:

"On the one hand, we have a million Arabs for whom getting a piece of land and being an owner of land from which one can make a living is a tremendous achievement. On the other hand, we have Jews, members of moshavim, who see alternatives to the farm. At first, that process will ruin the village they live in, socially, but in the long-run it might be a threat to the State as a whole."

Yaacov Galan, another moshav member, a descendant of an old Biluist (Bilum -- early settlers in the 1880s). In support of the admittance of Arab labor to the moshav, he argued:

"In my opinion, there was no difference between our attitude towards the Arabs and the attitude of the Gentiles towards Jews in the Diaspora. The objection to Arab labor in Beer Tuvia is a discrimination against the Arab worker. This is an almost religious objection, based upon the ideology of our fathers: self-work, Jewish work, etc. But things have changed. I argue, the Jew, precisely because of what happened to him, cannot say: the Arab, since he is an Arab, will not work on my farm. And if that was the decision, then it should be an uncompromising one. Either they will not work at all -- neither in construction, nor in garbage sweeping, nor in cleaning the

dung out of the chicken coop -- or there will be no restriction in respect to the type of work."

Answering him, Peretz argued:

"There is a great difference between construction work and work on the farm. No one challenges the Arab's right to work. I see no harm in it as long as it is not directly connected with my work on the farm. Construction is a general problem of the State of Israel, and the State should deal with it. But we are entrusted by the State with the cultivation of the land. If you object to discrimination, then how far can you go? Are you prepared to admit the Arab worker as a member of the moshav, having equal rights?"

Bazar, another member of the Management Committee, compromisingly argued:

"Self-work is a lofty idea but we could not keep it. Thus, farms based upon hired labor were established in Beer Tuvia. Today, hired labor is Arab labor. I agree that bringing Arab labor to the moshav is a disaster. But we cannot change in one day a reality that has already existed for a few years. For the long-run, the solution must be changing the character of the farms. For the near future, the resolution which was passed is the best solution: controlled Arab labor."

Rami Korn, a recent member on the Management Committee, expressed a totally different point of view:

"I object to Arab labor, since it constitutes an opening [precedence] for hired labor. Up to now, hired labor was restricted, since there was a shortage of workers, and thus, it could not harm the lifestyle in the moshav. But now, there is an abundance of Arab workers and they don't mind any kind of work, and that is the danger to the framework of the moshav. It will bring a flight from manual work. Already, now, the children are encouraged to get higher education, since manual work is no longer regarded as an ideal. A young man who graduated from high school and continues at the university has the whole world open for him."

The debate in this moshav was concluded with the acceptance of the

Management Resolution of "controlled" Arab labor. The Management Committee, alone, can approve employment of Arabs. Ilana commented:

"Up to now it was the members who brought Arab labor on the moshav; from now on, the Management Committee will bring them. The Resolution was formulated in that form for conscience's sake. But for me, there is no difference as far as results are concerned. In any case, the Arabs will work in the moshav. The principle is the important thing. Just as one cannot keep "a little kosher" by eating only "a little pork", one cannot keep the principle of Jewish work by taking only "a few Arabs".

She (Ilana) strongly criticizes the attitudes which were voiced in the meeting and says:

"The debate between the supporters and the objectors is like a 'dialogue des sourds'. Most speakers evaded the main point. They speak about hired labor, world-wide justice, rights of Arabs, and who is a Jew. But they were afraid to say why do they object to the Arab worker as an Arab. They ignored the issue -- i.e., it is not a question of discrimination, but a question of hatred -- the Arabs' hatred for us. The way we go will lead to the destruction of the moshav, the destruction of the State and the creation of a people of parasites. And one should not say that I am exaggerating. In neighboring moshavim, e.g., Nir-Banim, Arugat, etc., which did not pay heed to this issue from the beginning, they use Arab workers in all branches of the farm. Some workers even lodge there. And there are families which go abroad and leave the farm to the Arab workers. Their daughters are afraid to walk at night on the path from the main road to the moshav. Now those moshav members say that if it were possible, they would put back the clock. Perhaps one cannot put back the clock, but one can stop it."

This debate expresses quite clearly the crisis of the moshav, crisis in the sense of incompatibility between the ideology of self-labor it embodies and new material conditions of the moshav community as a microcosm of what is happening in the country-at-large.

Moreover, this crisis in the "base" is mirrored by a similar one on the level of the "superstructure", as expressed in the following debate inside the Labor Party itself:

"Yediot Aharonot reported in a series of articles the discus-



sions that took place at the Secretariat of the Israeli Labour Party on the future of the occupied territories.

"The doves were more concerned about keeping Israel a predominantly Jewish state and therefore advised returning the heavily populated centres to a Jordano-Palestinian state and planning Jewish settlement in the territories. The hawks called for a policy of dynamic annexation and settlement in all of the occupied territories, of integrating their economy with that of Israel and of leaving the problem of the Arab population in them to be solved at a later date.

"Dayan's advice was to allow conditions and the new facts to develop into a solution without having to reach an agreement with the Arabs. Allon feared that integrating the territories without giving Palestinians an Israeli citizenship would raise political issues.

"Sapir objected to Arab labour in Israel, as giving Israel a racist character, the Arabs doing the "black work" and having to return to sleep in their own villages. He objected to integrating a million Arabs into the Israeli economy and having to pay for improving their social conditions. He also objected to having them send their representatives to the Knesset and feared that by the end of the century, the Arabs would equal the Jews in Israel.

"Peres agreed with Dayan on keeping all of the occupied territories. He advised establishing a kind of local autonomy in them, to be federated with Israel. He said Israel should not be touchy about Arabs doing the "black work", for that is what they can do.

"Eban, a dove, was on the side of returning the populated areas and of keeping all lands needed for Israel's security. He recommended the Allon plan, but said the map could be altered.

"He advised not drawing a map, since keeping things dark added a flexible element to negotiations. Eban said that peace in the territories had so far been preserved because Israel had not closed the options for a solution since it had not annexed the territories nor had it tried to unify the economic and legal statutes. Eban spoke about the advantages derived by Israel from providing work for the Arabs in Israeli industries, since this deprived the occupied territories of its labour force and stagnated its economy." 152

This dovish-hawkish polarization of the Labor Party reflects the internal crisis of the hegemonic power bloc in the dual transition from the domi-

nance of the political instance to that of the economic, on the one hand, and from the dominance of the sectarian tendency in Labor-Zionism to that of the secular.

The doves are concerned more with preserving the Jewish character of the State of Israel and therefore advocate the return of the populated territories, as they represent a threat to the imperative of Jewish demographic superiority. They object to the integration of Arab labor into productive employment by Israeli-Jewish capital, believing that it gives Israel a racist character and reduces its proletarian settler-colonialism, which does not exploit but rather expels and replaces native labor, into a classical secular settler-colonialism. This is the conservative view characterized by a pre-monopoly conception of the Jewish State.

Hawks like Dayan and Peres advocate, to the contrary, annexation of the occupied territories and exploitation of Palestinian labor. Political (demographic and security) considerations are overridden by economic ones. Their views express the subordination of Labor-Zionism's sectarian tendency to its secular tendency in the face of the essential internationalization of local capital. The hawks, therefore, favor transformation in the sense of secularization of the Jewish settler-colonial formation. What is it that compels this faction in the hegemonic power bloc to advocate positions that are pregnant with what is believed to be security and political risks? To answer this question, it is necessary to identify the fraction of ruling class (i.e., the source of capital) they represent! It is our thesis that the hawkish position represents the political articulation of local private capital and its urge to integrate less-developed forms of production and subordinate them to the requirements of its extended reproduction in the

face of increased penetration of foreign investment capital. The earlier quote (page 81) on the importance of workers from occupied territories as a source of economic flexibility is the culmination of this hawkish position and it perfectly coincides with the Likud's. This coincidence is one evidence of transformation of the Labor-Zionist relations of production and, hence, the emergence of a new epoch in Israel's history.

### Conclusions

This chapter presented an historical review of Palestinian proletarianization since the beginning of Jewish colonial settlement in Palestine. Three phases were identified with regard to the creation of Palestinian labor surplus and its absorption in productive employment, the two faces of the proletarianization process. These phases were distinguished by a differential dominance of instances. During the Yishuv phase, the separation of Palestinian producers from land and the boycott of Arab labor by Jewish employers was motivated by an explicit ideological commitment for exclusive Jewish proletarianization and class struggle. The formation of a Palestinian working class was impeded precisely through ideological appeals. Underlying the Zionist movement's objection to the integration of native Palestinian labor into Jewish economic enterprises was the urge for exclusive Jewish proletarianization and class struggle as a material prerequisite for the emergence of the Jewish State.

Since Statehood, during the nation-building phase, the boycott of Arab labor was rationalized by political appeals concerning sovereignty requirements: the imperative of Jewish demographic and defense superiority. It was also practiced through political/military means. The military and political victory won by Israel in the Six Day War proved that military super-

iority is the function of technical know-how, not size of the army. In both phases, the absorption of Jewish immigrants and of Palestinian-Arabs in productive employment by local Jewish capital were necessarily mutually exclusive. The class interests of Arab and Jewish producers were, therefore, counterposed. Only in the post-1967 phase, characterized by the dominance of the economic and by a higher degree of the development of the productive forces, was the absorption of both Jews and Arabs simultaneously made possible. The rotation in dominance of instances (ideological, political and economic) is therefore not accidental. This historical review suggests that it is related to the specificity of the relations of production and the degree of development of the forces of production peculiar to each phase, as will be documented later in this thesis.

A common feature in all three phases is the massive separation of Palestinian producers from the means of production. A distinctive feature of the present phase is the massive integration of Palestinian labor surplus into productive employment by Israeli capital. It is simplistic, therefore, to explain the proletarianization of Palestinians in Israel today in terms of the mere availability of a pool of cheap Palestinian labor in the aftermath of the 1967 war. Jewish settlement in Palestine has been historically correlated with the creation of Palestinian labor surplus. The Zionist "conquest of land" always resulted in displacement of Palestinian producers and the presence of cheap "free" labor. In order to comprehend the current proletarianization of Palestinians, it is thus more revealing to focus on the forces underlying the demand for, not the supply of, Palestinian labor in Israeli productive employment.

As expressed in the introductory quote to this chapter, the prole-



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tarianization of Palestinian peasants at a later stage was already foreseen as early as Borochoy. This quote, therefore, reinforces our argument that the proletarianization was bourgeois in character. This, however, does not negate the possibility that it was meant to be proletarian also in character; neither does it negate the fact that it was taken to signify, and internalized by, segments of the Jewish people as such.

The debates inside the moshav and the Labor Party are very indicative of the conflict between this outlived sectarian aspect of the Labor-Zionist ideology and the new material conditions characteristic of the post-1967 era. It is interesting to see the role of the social scientists and intellectuals (Bor Yosef, Tolmon, etc.) in their attempt to reproduce and reactivate this outlived ideology of the past in the face of a forceful social change.

This historical review of the relationship between the actual historical practices of proletarian Zionism, specifically the attempt to implement the imperative of exclusive Jewish proletarianization and class struggle, on the one hand, and the proletarianization of Palestinians, on the other, suggests that the latter follows as an objective contradiction from the former. This is different from and even refutes the static view that Palestinian proletarianization in Israel contradicts socialist or Labor-Zionism. This apparent logical contradiction is irrelevant to the dialectical materialist perspective.

It is important to identify and comprehend the objective contradiction inherent in Labor or proletarian Zionism, the unity of materially contradictory tendencies, namely, that it is not only capitalist in character, but also sectarian. This review leads us to examine the proletarian-

ization of Palestinians in Israel today as a consistent outcome of this objective contradiction. The development of the productive forces under capitalist relations have forcefully transformed the sectarian character of Labor-Zionism.

During the Yishuv it was necessary to activate the proletarian ideology, for mobilizing Jewish immigration, and for the formation of Jewish social classes and class struggle; and therefore, for Jewish social formation dominated by capitalist relations of production (follows from the imperative of Jewish proletarianization and capitalization). This was necessary to give rise to the State as the object, outcome, and unifier of struggling Jewish social classes.

After Statehood it was unnecessary to activate this ideology, as there were other forces for mobilizing Jewish immigration (Nazism, in particular, and expulsion of Jews from Arab countries upon the establishment of the State). The nation-building project became, itself, a concrete Aliyah incentive. The State apparatuses were, instead, used to regulate land and labor policies.

In the post-1967 era, the sectarianism of Labor-Zionism was already undermined by the effects of its capitalist character on the relation and forces of production. The economic became the ultimate regulator of labor policy and the incentive for Jewish immigration, as will be seen in a later chapter.

This chapter tried to demonstrate that Borochovism was actually implemented, and that even this most extreme left version of Zionism could only be implemented on capitalist development lines because Borochovism was bourgeois in character.

If the Borochovist proletarian strategy was, indeed, proletarian in character, aimed at a socialist transformation of the relations of production in Palestine, it would have not involved, either in theory or in practice, the commitment for exclusive Jewish proletarianization and class struggle, mainly because a genuinely socialist development strategy is necessarily aimed at the abolishment, not the formation, of social classes.

The three historical phases point out the undevelopment and underdevelopment of the productive forces at the disposal of the indigenous population. The indigenous labor has been almost invariably dependent on foreign sources of wage employment. The non-ascendency of a Palestinian industrial bourgeoisie undoubtedly retarded the formation of the proletariat and intensified the vulnerability of Palestinians in the labor market.

The point of this chapter was to illustrate how, under the historical practices of Labor-Zionism, the class interests of native Arab and settler-Jewish laborers were necessarily counterposed, owing to the sectarian capitalist relations of production and the low degree of development of the productive forces at the disposal.

Attempts by Zionist left and Communists to organize Arab and Jewish producers and politicize them on the basis of commonality of class interests were, if not ignoring, at least obscuring contradictory class interest. This historical review which culminates in large-scale mobilization of Palestinian labor into Israeli economic enterprises suggests that the history of Palestinian non-proletarianization in the past and of their proletarianization in the present is the history of the rise and decline



of Labor-Zionism as the hegemonic ideology ruling Israel's social formation. This sets up the context and rationale for the present study, specifically for assessing the possible development of commonality of class location and hence interest as a solid base for future politicization aimed at actual cross-national proletarian alliance.

The description of the mobilization of Palestinians into Israel's labor market does not examine either the class transformation involved or the class locations they are entering. This is the first task to be accomplished by this study. It is to demonstrate that what is happening is, in fact, proletarianization, the formation of a Palestinian proletariat.

Then, we examine the place of this source of labor in relation to other sources of labor that are engaged in Israel's production process and what the differential locations of the various sources of labor may imply in terms of objective conditions for potential Jewish-Arab proletarian alliances. These twin tasks are the subject of the following chapters.

## FOOTNOTES

## Chapter III

1. As Engels, for instance, points out, during the decline of the Roman Republic, the Italian peasants who were expropriated from their land formed a class of "poor whites" similar to that of Southern slaves before 1861, a class unfit for self-emancipation. The Gypsies may present another example of separation without proletarianization.
2. K. Marx and F. Engels, On Britain, Foreign Language Publishing House, Moscow, 1962, pp. 10-11.
3. Remember the "land enclosure" movement and the violent struggle of peasants against their separation from the land in the development of European capitalism.
4. Karl Marx, Pre-capitalist Economic Formations, edited and with introduction by Habsbawn, New York, International Publisher, 1965, p. 67.
5. K. Marx, Capital, Vol. 1, pp. 768, 504.
6. K. Marx, Capital, Vol. 2, p. 241.
7. Generally, I disagree with this Hegelian scheme associated, in the Marxist tradition, with Lukacs: class-in-itself (economic class-location) and class-for-itself (class endowed with its own class consciousness = class struggle); the essence of the analysis of social classes their place in the class struggle; they do not exist independently of class struggle. This scheme seems, however, appropriate for understanding the Zionist practices, its arbitrary formation of a Jewish proletariat through ideological and material incentives; its approach to the creation of not only classes, but also class struggle itself. A Jewish proletariat was to be formed in order for Jewish class struggle to emerge; a Jewish class formation not in, but rather for, class struggle. This, of course, raises serious questions with regard to the genuine being of the Israeli Jewish proletariat. This will be discussed again in later chapters.
8. Some Arab oil-producing countries like Kuwait and the Arab Emirates are probably an exception. Capitalist relations of production were immediately generalized, in terms of embourgeoisement that applies only to nationals (e.g., Kuwaitis) and proletarianization that applies mainly to foreigners (non-Kuwaitis); contrary to the classic settler-colonial case, here we have an indigenous bourgeoisie with a non-indigenous proletariat.

9. Bernard MaGubane, "The 'Native Reserves' (Bantustans) and the Role of the Migrant Labor System in the Political Economy of South Africa," in Helen Sata...Labor Migration..., p. 227.
10. Archie Mafeje, "The Fallacy of 'Dual Economies' Revisited: A Case for East, Central Africa and Southern Africa," Unpublished Manuscript, 1973, quoted by Magubane, in Ibid.
11. Ber Borochov, Selected Writings, op. cit., p. 32.
12. Abd-El-Kadder Yassin, The Struggle of the Palestine People before 1948, Palestine Monograph No. 102, P.L.O. Research Center, Beirut, 1975, pp. 9, 10, 12.
13. Nathan Weinstock, "The Impact of Zionist Colonization on Palestinian Arab Society before 1948," Journal of Palestinian Studies, Vol. p. 54.
14. D.R. Polikau (and others), Contemporary History of the Countries of the Arab World, Moscow, 1968, p. 115; mentioned in Yassin, op. cit., p. 14.
15. F. Lutski, Contemporary History of Arab Countries, Moscow, 1971, pp. 22-23; mentioned in Yassin, op. cit., p. 15.
16. Ibid., p. 22.
17. Ibid.
18. Frederick Engels, "The Foreign Policy of Tzarist Russia," in K. Marx and F. Engels, Collected Works, the Russian Edition, Vol. 22, quoted by Yassin, op.cit., p. 17.
19. Yassin, op. cit., p. 92. See also Ghassan Kanafani, The Revolt of 1936-1939 in Palestine: Backgrounds, Details and Analysis, Popular Front for the Liberation of Palestine, Central Information Committee, 1974, p. 11.
20. Parliamentary Debates, House of Commons, Vol. 155, Col. 531; documented by Yassin, op. cit., p. 163.
21. Yassin, op. cit., pp. 161-162.
22. Ibid., p. 16.
23. Weinstock, op. cit., p. 58: According to D. Horowitz, "Arab Economy in Palestine" in J.B. Hobman, ed., Palestine's Economic Future (London: Percy Lund Humphries, 1946), p. 62.
24. Ibid., p. 58: According to Shlomu Sitton, Israel Immigration et Croissance, 1948-1958 (Paris: Cujas, 1963), p. 69.

25. Ibid., p. 58.
26. Yassin, op.cit., p. 192.
27. From the standpoint of historical materialism, one cannot explain why something has not occurred. One cannot provide a scientific explanation for the non-emergence of a Palestinian progressive (i.e. industrial) bourgeoisie. Many historians attribute this fact to Zionist practices (see, for example, Nathan Weinstock). Although the argument for this may sound very plausible, it remains methodologically unverifiable. Historical materialism refers to the logic of the actual historical process. Furthermore, not unlike Palestine, in other parts of the Levant (specifically, Syria and Lebanon) industrial development stimulated by mercantilism had not been able to outgrow mercantilism and destroy it and consolidate capitalist relations of production. The mercantilists remained there to be the dominant class (see on this, "Debate with F. Trabulsi," Al-Hourriah, No. 834, October 3, 1977) independently of Zionist settler-colonialism. Of course, one may hypothesize that the causes lie in colonialism and neo-colonialism, but one cannot examine such hypotheses until this process (the actual emergence of an industrial bourgeoisie) takes place.
28. Many writers refer to Hovevi Zion movement as spiritual Zionism, to be distinguished from political Zionism. This is, in my opinion, a false distinction, as all postulates of Zionism are political. Zion is nothing but a political movement; the Zionist idea is nothing but the idea of a Jewish State. I wish to argue that the differences among the various postulates of Zionism are only with regard to the strategy by which the idea of Jewish State is to be realized; the strategy for actualizing the Zionist aim.
29. On this sharp dichotomy of the Yishuv economy, consult Eliezer Brutzkus, Regional Policy in Israel, Jerusalem, 1970.
30. The Jewish Case: Before the Anglo-American Committee of Inquiry on Palestine as Presented by the Jewish Agency for Palestine, Jerusalem, 1947, p. 66; quoted by Ian S. Lustick, "Institutionalized Segmentation; One Factor in the Control of Israeli Arabs" (Unpublished Paper presented at the Middle East Study Association Conference in Louisville, Kentucky, November 19, 1975).
31. Quoted by H. Hanegbi, M. Machover, A. Orr, "The Class Nature of Israel," New Left Review, 65, January-February, 1971, pp. 3-26; p. 14.
32. Noam Chomsky, "Israel and the Palestinians," in Socialist Revolution, No. 24, June, 1975, p. 140, based on Y.T. Kolton, Lesheelat Hayehudim Ufitrona (On the Jewish Question and Its Solution), Tel-Aviv, 1932.
33. Esco Foundation for Palestine, Inc., Palestine: A Study of Jewish, Arab and British Policies, Yale University Press, New Haven, 1947, Vol.

34. Christopher Sykes, Orde Wingate, London: Collins, 1959, p. 106. Quoted by Nathan Weinstock, "The Impact of Zionist Colonization on Palestine Arab Society before 1948."
35. "The Arab Population in Israel," Arakhim, No. 3, 1971, p. 10. Quoted by Fouzi El-Asmar, "I will Remember the Land," Leviticus, XXVI:42, p. 9. This may be the place to point out that under genuine socialist relations of production the necessity to dispossess an already producing class in order to form a new producing class is not likely to hold. As labor is the source of value, and the higher the labor/land ratio, the greater is productivity per unit of land. This necessity for mutual exclusiveness in access to land and work testifies to the capitalist essence of the "socialist" Zionist settlement program in Palestine.
36. "Keren Kayemeth Le'Israel - The Jewish National Fund - Who's Who in Israel (Tel-Aviv: Bronforman and Cohen Publishers, Ltd., 1972). Quoted by Lustick, op.cit., p. 11.
37. Walter Lehn, "Zionist Land: The Jewish National Fund," Journal of Palestine Studies, Vol. III, New York, Summer, 1974.
38. I. Lustick, ibid.
39. As summed up by Noam Chomsky, op.cit., p. 66. From Report on the Legal Structure, Activities, Assets, Income and Liabilities of the Keren Kayemeth Le'Israel Head Office, 1973), pp. 17, 19, 21, 56-58. See also, Lehn, op.cit.
40. From Elmer Berger's Forward to El-Asmar, op.cit., p. 4.
41. Weinstock, op.cit., p. 56. Based on Doreen Warriner, Land and Poverty in the Middle East, London, 1948, p. 54. Also, on D. Horowitz, "Arab Economy in Palestine," in J.B. Hobman, ed., Palestine's Economic Future (London: Percy Lund Humphries, 1946).
42. Weinstock, ibid. Based on Great Britain: A Survey of Palestine, I. (Jerusalem, 1946), p. 372.
43. Warriner, op.cit., p. 63. Quoted by Weinstock, ibid.
44. Lehn, op.cit.
45. Yassin, op.cit., p. 58.
46. Ibid., p. 75. From the Arab League, The Basic Documents Regarding the Palestine Problem, First Collection, 1915-1946, pp. 128-137.
47. Ibid.

48. Ibid., p. 90. For example, 75,000 donams were granted to the Butasium Company; 18,000 to Rotinberg Electrical Company, etc.
49. Ibid.
50. Ibid., pp. 25, 91.
51. Ghassan Kanafani, The 1936-39 Revolt in Palestine; Background, Details and Analysis, Popular Front for the Liberation of Palestine, Central Information Committee, 1974 (pamphlet in Arabic), p. 10.
52. Ibid., pp. 9-10. Based on Nathan Weinstock, Le Sionisme Contre Israel, Maspero, Paris, 1968.
53. Musa Goldenberg, Ve-hakeren Odenna Kayemet (And the Fund Had Survived), Sifriat Poalim, Tel-Aviv, 1965, p. 162 (Hebrew).
54. Examples on this are also documented by Goldenberg, ibid., pp. 124-125.
55. Documented by both Yassin, op.cit., and Kanafani, op.cit.
56. J. Rudey, "Dynamics of Land Alienation," in Abu-Lughod, ed., The Transformation of Palestine, Evanston, 1971, p. 134. Other sources indicate that it constituted only 7 percent.
57. Sabri Jiryis, The Arabs in Israel, Beirut, 1964, p. 56.
58. Ruedy, op.cit., p. 135.
59. MaGubane, op.cit.
60. Davar, September 29, 1967, translated and quoted by Uri Davis and Norton Mezvinsky, Documents from Israel, 1967-1973, Ithaca Press, London, 1975, p. 21. See also Arie Bober, The Other Israel, Anchor Books, Garden City, 1972, p. 13.
61. Ibid.
62. Bober, ibid.
63. Esco Foundation, op.cit., Vol. II, p. 1166.
64. "The Arab Population in Israel," Arakhim, No. 3, 1971, p. 12. As quoted by El-Asmar, op.cit., p. 10.
65. For example, in 1935, 6,214 Arab workers were employed in four Jewish settlements (Petah Tekva, Diran, Vadi Haneen, and Hadera). A year later, this number declined drastically reaching 677 workers. This is probably in response to the 1936 General Strike of Palestinians in protest of British and Zionist colonial practices. Based on Yassin, op.cit., p. 133.

66. Henry Rosenfeld, "The Arab Village Proletariat," New Outlook, Vol. 13, No. 5, 1962, p. 8.
67. Yassin, op.cit., p. 132.
68. Youseph Majli, Palestine and the Geographic Appearance of its Problem, Cairo, 1943, p. 95 (Arabic). Mentioned in Yassin, ibid., p. 132.
69. Yassin, ibid., p. 151. Based on Kanafani, op.cit., p. 46.
70. In this sense, it can be said that Nazism as an unrelated historical factor had, in effect, contributed to the success of Zionism.
71. Quoted by Yassin, op.cit., p. 133.
72. E. Zurik, Chapter II, p. 28. (Said to be based on J. Zoghy, "The Palestinian Revolt of the 1930s," in I. Abu-Lughod, and B. Abu-Laban, eds., Settler Colonial Regimes in Africa and the Arab World, but I did not find it in this reference.)
73. Percy Lund, Palestine's Economic Future, London, 1946, p. 61. Quoted by Kanafani, op.cit., p. 22.
74. This point is discussed and developed further in Chapters I and V.
75. Z. Abramovitz, "Wartime Development of the Arab Economy in Palestine," The Palestine Yearbook, Zionist Organization of America, Washington, D.C., pp. 130-144. Contrary to Abramovitz, however, it is emphasized by other sources that this labor force was rather unemployed on their own land. The "Fellah (peasant) Farm Community contains a large reservoir of unemployment. G.E. Wood's investigations suggest that from 1939-1942 that reservoir was drawn upon so heavily as to raise the ratio of total gainful employment in the non-Jewish population from 32 percent to about 38 percent. During these years, according to his studies, non-Jewish, non-farm employment more than doubled, while non-agricultural employment remained approximately constant at roughly 248,000 persons (full-time equivalent)." R. Nathan, Palestine: Problem and Promise, op.cit., p. 457.
76. See Kanafani, op.cit., Yassin, op.cit., and others.
77. Tom Nairn, "The Modern Janus," New Left Review, November 12, 1975, Nairn argues that Third World nationalism, unlike metropolitan nationalism, is progressive, and is not necessarily a false bourgeois consciousness. Nationalism in the Third World may originate as a kind of "antithesis" to the "thesis" of metropolitan domination. It therefore coincides with, not obscures, class struggle, and it corresponds with the principal, not secondary, contradiction of the conjuncture. In the Palestinian case, subject to Zionist settler-colonialism as an imperialist practice, the national question remains the dominant aspect of the principal contradiction in the present conjuncture; without obscuring the fact that in the last instance it is the class struggle that constitutes the main aspect of the principal contradic-

tion. The class question and the national question, however, do overlap.

78. Great Britain and Palestine, 1915-1945, Information Paper No. 20, London and New York: Royal Institute of International Affairs, 1946, p. 36, as cited by Elia Zureik, The Arabs in Israel: A Study of Internal Colonialism, Unpublished Manuscript, 1977.
79. Esco Foundation for Palestine, op.cit., Vol. I, p. 560. (emphasis added)
80. Ibid., p. 561.
81. Nathan, op.cit., p. 287.
82. Ibid., p. 288.
83. Yaacov Roi, "The Zionist Attitude to the Arabs, 1908-1914," Middle Eastern Studies, IV, 2 (April, 1968), pp. 201, 202, 227, 233.
84. Nathan, op.cit., pp. 284-285.
85. Yassin, op.cit., p. 91.
86. Borochoy, Selected Writings, op.cit., p. 34.
87. Trabulsi, "The Palestine Problem," op.cit.
88. Esco Foundation for Palestine, op.cit., pp. 561-562. Although it is stated that in large-scale foreign industrial monopolies Arabs were granted access to employment in accordance with the terms of the government concessions, probably the very nature of the labor categories involved generate demand for Arab labor, as large-scale quarrying generates unskilled, physically tough manual labor categories, that organized Jewish labor is not willing to perform. This is different from the case in the current phase where Israel-based foreign subsidiaries invest mainly in high-technology military production that generates little demand for unskilled manual labor and for this, among other reasons, employ no Arab labor.
89. Esco, Vol. I, pp. 561-562.
90. Esco, Vol. II, pp. 1126-1127.
91. Jewish Frontier Anthology, 1934-1944, Jewish Frontier Association, Inc. New York, 1945, p. 304.
92. The most comprehensive discussion on bi-nationalism is in Peace in the Middle East? Reflections on Justice in Nationhood, Noam Chomsky, "Forward" by Irene Gendzier, Vintage Books, New York, 1974,



93. Esco, Vol. II, op.cit., p. 1127.
94. Jewish Frontier, op.cit., pp. 308-309.
95. According to Joel Beinen, MERIP Reports, No. 55, 1977: the Socialist Workers' Party (Mifleget Poalim Socialistit - MPS), which adhered to the Borochovist theory "proletarian Zionism", collapsed and its pro-Comintern remnants formed the Palestine Communist Party (PKP), whose first congress was held in September, 1922. In February, 1924, the PKP was formally recognized as a member of the Communist International and a decision for the "Arabization" of the PKP was made by the Comintern, formulated as follows:

"The future of the Party is in its territorialization. Until now, the Party was composed of immigrant Jews. In the future, it must become a Party of Arab workers, to which Jews can belong who have acclimated and rooted themselves in the Palestinian conditions, people who know Arabic."

Two months later, the Histadrut expelled the PKP's workers for "subversive activities." This forced the Party to turn more towards the Palestine Arabs. The Party tried to re-enter the Histadrut by establishing Ihud (Unity) Clubs in 1926 and in the elections of that year, the Party demonstrated increasing strength. In 1927, the first Palestine Arab was sent by the PKP to study in the Moscow University of the Toilers of the East. From October, 1929-1934, the PKP's work was implementing the Arabization decision of the Comintern. Many Arabs were sent to study in Moscow in order to train Arab cadres and leaders for the Party.

It was necessary for the PKP to concentrate its efforts on the Arab population, "as it was not able to fully realize the fruits of its efforts in the Jewish working class. Whenever Jewish immigrants were won away from Zionism, their reason for being in Palestine was eliminated -- all the more so if economic conditions were harsh, as in the late 1920s."

For further details, see also Z. Lockman, "The Left in Israel: Zionism vs. Socialism," MERIP Reports, No. 49, July, 1976.

96. Nathan, op.cit., p. 297.
97. According to Nathan, op.cit., pp. 326-327, most capital available in Palestine during the Mandate came from import, not from accumulation on a local scale. The domestic Palestinian economy made no net savings. Indeed, in most years, the Palestinian economy dissaved on a substantial scale; its net investment was less than its capital import.
- .

## Capital Flow into Palestine, 1919-1939 (millions of LP)

Source	Magnitude
Immigrants	75
Jewish Funds (philanthropic)	20
Christian and Moslem Funds	6
Foreign Investment	28
Total:	129

Capital brought in by immigrants, accounting for 60 percent of the total, reached its peak of LP 10 million in 1935, the year of greatest total immigration and a year in which immigrants came dominantly from Central Europe. In subsequent years, the imposition of "high political level" principle of immigration policy and the increased restrictions on the export of capital from Germany, had severely reduced the inflow of capital from this source.

Foreign investments in the Consolidated Refineries, Palestine Electric, Palestine Potash, Nesher Cement, etc., showed remarkable increase in the late 1930s and all during the Second World War, for reasons noted earlier.

98. Merhav, p. 103, quoted by Lockman, op.cit., p. 6.
99. Esco, Vol. II, op.cit., p. 1165.
100. Peretz Merhav, Toldot Tru'at Hapo'alim Be-Eretz Yestra'el (History of the Workers' Movement in Eretz-Yesrael), Merhavia, 1967, p. 37, quoted by Z. Lockman, op.cit., p. 4.
101. Lockman, ibid., p. 6.
102. Ibid.
103. Merhav, op.cit., p. 128, quoted in ibid.
104. Ha'aretz, November 15, 1969, quoted in Arie Bober, ed., The Other Israel: The Radical Case Against Zionism (Garden City, New York, 1972), p. 12.
105. Esco, Vol. II, op.cit., p. 1169.
106. Efarim Orni, Agrarian Reform and Social Progress in Israel, Jerusalem; Keren Kayemeth Leisrael, 1972, p. 64, cited by Noam Chomsky, "Israel and the Palestinians," in Socialist Revolution, June, 1975, p. 73.
107. The actual economic ownership which is different from legal ownership (which signifies possession only) was left vague, both in terms of the owner and the form of relation or appropriation (feudal, capitalist, etc.).

108. Sabri Jiryis, The Arabs in Israel, Monthly Review Press, New York, 1976. This work was originally prepared as a Master thesis for the Law School of the Hebrew University. It was published in Israel, originally in Hebrew, in 1967.
109. Noam Chomsky, "Israel and the Palestinians," op.cit., p. 67.
110. Seventy Years of Facts and Figures, Keren Kayemeth Leisrael (Jewish National Fund), Jerusalem, 1971. (Pages are not numbered.)
111. Report on the Legal Structure, Activities, Assets, Income and Liabilities of the Keren Kayemeth Leisrael (Jewish National Fund), Keren Kayemeth Leisrael, Jerusalem, 1973, p. 6. It is stated:
- "The agreement was given legal effect by a Covenant made between the State of Israel and Keren Kayemeth Leisrael with the sanction of the World Zionist Organization and finally signed on the 28th November, 1961, as well as by two further laws, viz, the Israel Lands Law, 5720 - 1960, and the Israel Lands Administration Law, 5720 - 1960."
112. Ibid., p. 5.
113. Ian S. Lustick, "Institutionalized Segmentation: One Factor in the Control of Israeli Arabs" (Unpublished Paper delivered at the Middle East Studies Association Conference in Louisville, Kentucky, November 19-22, 1975).
114. Walter Lehn, "Zionist Land," The Jewish National Fund Journal of Palestine Studies, Summer, 1974, cited in Chomsky, "Israel and the Palestinians," p. 73.
115. Yossi Amitai, writing in the Israeli Magazine, Hedim, cited in Le Monde, April 11, 1973.
116. For further details on this land, consult Brutzkus, Regional Policy, op.cit.
117. From an earlier quote published in Davar, September 29, 1967, quoted by Bober, op.cit., p. 14.
118. Using the term "Jewish" economy instead of "Israeli" economy, which I consider as a more appropriate term, may seem strange to the reader, also. However, this is an official distinction in Israel. "Jewish" and "non-Jewish" are two major official statistical categories. On this issue, to which he refers as statistical apartheid, consult Israel Shahak, the Chairman of the Israeli League on Human Rights.
119. Matityahu Peled, "The Arab Minority in Israel," Maariv, August 1, 1975, Maariv is the most widely-circulated newspaper in Israel.

120. Residential or spatial Arab-Jewish segregation is a most prominent feature in Israel. Arabs are not allowed, by indirect or unwritten law, to live in Jewish settlements, be they kibutz, moshav, mishavah, New Towns and even major urban centers, except for Haifa, Greater Jerusalem and Acre; Arab citizens of Israel are mainly rural population, inhabitants of the overcrowded villages of Galilee and the Triangle, whose number never increased since the establishment of the State; and with a small urban segment in Nazareth and the mixed cities mentioned above.

Arab labor in Jewish work places is, therefore, commuter labor; this applies both to Arab workers from occupied territories as well as citizens of Israel. A case that got much publicity in Israeli press is that of workers from the territories locked in an Israeli factory, which was exposed when five of them were found dead as a result of a fire explosion in the work place. This was smuggled labor, hidden in the work place to avoid both penalty as well as security risk caused by free movement of Arab labor in Jewish quarters. Arab labor, thus, can either commute daily to distant Jewish work places or be locked in these places.

121. On this function of the Bantustans in South Africa, see, for example: Richard Morrock, "The South African Bantustans," in Socialist Revolution, No. 3, October-December, 1976, pp. 107-116, and Bernard Magubane, "The Native Reserves," (Bantustans) and "The Role of the Migrant Labor System in the Political Economy of South Africa," in Migration and Development, H. Safa (ed), Mouton Publishers, The Hague, Paris, 1975, pp. 225-260.
122. Deborah Namir, Yediot Aharonot, October 6, 1972.
123. In addition to the West Bank and the Gaza Strip, Israel has been mobilizing Arab, but not Palestinian, labor from the Syrian Golan Heights, also captured in the 1967 War and recently, since her intervention in the Lebanese Civil War, is absorbing labor from South Lebanon also. However, this thesis focuses on Palestinian labor only.
124. "Administered areas" is the Israeli official term for "occupied territories". "The participation rate of men in the occupied territories is lower than that of the Arabs in Israel (65.5 percent, compared to 74.9 percent), which is even higher than Jewish participation, 67.7 percent in 1972. The difference between the latter stems essentially from the fact that Jewish men spend more time at school and must serve in the Defense forces." Arie Bergman, "Economic Growth in the Administered Areas, 1968-1973," Jerusalem, 1974, p. 31.
125. Bergman, Ibid., p. 33.
126. Maariv, June 14, 1970 (Uri Davis, p. 55).
127. Haaretz, June 5, 1973.
128. Quoted from M. Rodinson, Israel: A Colonial Settler State?, Monad Press, 1973, pp. 15.

129. Palestine Digest, Vol. 3, Issue 3, translated from Le Monde, April 11-12, 1973, p. 13.
130. From interview by Terene Smith, Tel-Aviv correspondent of the New York Times, reported on February 14, 1973.
131. Davar, May 18, 1976.
132. Rais is the Arabic word for boss or chief. According to I. Shahak, the chairman of the Israeli Commission of Human Rights, "The so-called "Raisses" are the quislings supported by the Israeli regime among the Palestinians. At the price of their support, they are permitted to oppress their own people." This is the typical colonial strategy of divide and rule, and more importantly an approach for splitting the Palestinian national minority, specifically the segmentation of its working class. The use of "Raisses" for smuggling labor increases the profits and reduces the risks on the part of the Jewish employer; thus, risk falls on the Arab contractor or Raise.
133. By Yaakov Haelyon, Maariv, January 3, 1975, p. 10. Translation from The Non-Jew in the Jewish State, prepared by Professor Israel Shahak, of the Hebrew University.
134. From an interview by S. Har-Even, "Further Impressions from Lakhish Region," in Maariv, April 4, 1971.
135. Wally Secombe, "The Housewife and her Labour Under Capitalism," New Left Review, No. 83, 1973. According to Secombe, while domestic labor achieves value in the selling of labor power, it still remains a privatized labor outside the exercise of the law of value. It thus contributes directly to the creation of commodity labor power while having no direct relation to capital. It is this special duality which defines the character of domestic labor under capitalism.
136. Carmen Deere, "Rural Women's Subsistence Production in Capitalist Periphery," The Review of Radical Political Economics, Vol. 8, No. 1, Spring, 1976.
137. Emile Touma, "Al-Aqaleyah L-Qawmeyah L-Arabeya Fi Israel, Buniatuhal Ejtimaeyah Wa-Atharuha Syiasi," Al-Jadeed (Arabic), 1976, pp. 5-11, 71-74.
138. Davar, March 10, 1972.
139. Davis, Documents..., op.cit., p. 56.
140. Ibid., p. 56.
141. Druze refers originally to a particular sect of Islam. The Druze community was historically concentrated in the mountainous regions of

Syria, Lebanon, and Palestine. Since the establishment of the State of Israel in the latter, the Israeli authorities co-optively favored this segment of the Palestinian national minority in Israel and distinguished them as non-Arabs. In return, and through collaboration of its traditional "leadership", this community was subjected to compulsory military service in the Israeli Defense Army. Recently, a radical Druze movement is growing in Israel, rebelling against compulsory draft and challenging all co-optive policies.

142. Yosef Waschitz, "Commuters and Entrepreneurs," in New Outlook, Vol. 18, No. 7, October-November, 1975, p. 50. Contrary to the strict opposition to the development of Arab-owned industries in Israel, Waschitz indicates in the same source that some industrial enterprises have been established by Arab entrepreneurs. The largest, employing 150 production workers, belongs to the Qadmani brothers of Yirka, and makes steel constructions, fuel tanks, pipelines, etc. The enterprise was given generous government help, especially when it had difficulties because it provided employment for Druze ex-servicemen. Lately, the number of industrial ventures with Arab capital and technical personnel has increased, and the range has broadened to include small chemical industry, marble-cutting, and food-processing. There are about fifty enterprises now -- Arab and Jewish -- small- and medium-sized. In addition, there are carpentry shops and car repair garages. (p. 50) Waschitz, however, does not document this information and it does not sound accurate to me.
143. Bergman, op.cit., pp. 30-31.
144. The dining room is mentioned in this context because it has symbolic significance in the kibbutz, where the members gather for collective discussion and self-education on the principles of socialism and self-labor, etc. On the symbolism of the dining room in the kibbutz, see for example, Paula Rayman's study of kibbutz Hanita in her unpublished Ph.D. thesis, Boston College Sociology Department, December, 1976.
145. In 1975, 8 IL = 1 U.S. dollar.
146. By Baruch Nadel, Yediot Ahronot, August 1, 1975. (Weekly Supplement, pp. 10-11). Translation from the non-Jewish in the Jewish State, Shahak, op.cit., pp. 44-46.
147. The necessary "fait accompli", as the Zionist colonization strategy was expressed, first by Ber Borochov, the leading theoretician of left-wing Zionism, in his statement:

"From a political point of view, propaganda is less productive than action. Create facts and more facts -- that is the cornerstone of political strategy..., the political colonization work in Palestine

. . .has created those political facts which have paved the road for our present status. . .No matter how small and weak the Jewish colonies might be, no matter how great the shortcomings in their system of colonization. . .a fallen shomer [member of the movement] plays a greater role in the realization of Zionism than all declarations." See S. Levenberg, The Jews and Palestine: A Study of Labour Zionism, Poale Zion (Reprint of 1945), 1975, pp. 36-37. This same strategy was advocated and practiced by Arthur Ruppin, one of the chief architects of the Jewish colonizing enterprise and later head of the Palestinian Bureau of the Jewish Agency, through which colonization was implemented. See:

Ruppin, Arthur, Arthur Ruppin: Memories, Diaries, Letters, Edited by Alex Bein, New York, Herzl Press, 1972.

\_\_\_\_\_, The Agricultural Colonies of the Zionist Organization in Palestine (the rise of Jewish nationalism and the Middle East service), Hyperion, Connecticut (Reprint of 1926), 1975.

\_\_\_\_\_, Three Decades of Palestine Speeches and Papers on the Upbuilding of the Jewish National Home, Greenwood (Reprint of 1936), 1975.

More importantly, the same strategy is still used today as a settlement policy by Israeli authorities, as in the case of New Development Towns and as by squatting settlers, as in the case of Gush Emunim. In Haaretz, November 20, 1975, p. 5, it was reported that the spokesman for Gush Emunim, Mr. Chanan Porat, stated:

". . .in our opinion, the main part of the answer must be realization and action. . .All forces must be mobilized in a campaign amongst world Jewry for immigration and to establish dozens of settlements on the West Bank, the Golan Heights and the Sinai Approaches. . ."

In the same day, Haaretz, p. 1, reported:

"A list of twenty-nine suggested settlements to be set up in 1976 in the framework of 'the Zionist answer to the U.N. decision against Zionism' was presented by the Jewish Agency and the Zionist organization to the participants of the Ministerial Committee for Settlement Matters, headed by Israel Galilli."

148. Haaretz, December 13, 1974. Translation from Shahak, op.cit., p. 3.
149. Al-Hamishmar (of the organ of the Socialist-Zionist Party MAPAM), July 21, 1975.
150. Yediot Ahronot, translation from Facts (no date). Also, see Amal Samed, "The Proletarianization of Palestinian Women in Israel," MERIP Reports, No. 50, August, 1976.

151. Labor in Israel, Vol. XXVIII, No. 3, April-May, 1976, p. 3. Publication of Histadrut International Department. The Histadrut (General Federation of Labor in Israel) is simultaneously a trade union and the second major employer in Israel. It was established in the Yishuv, is one of the formative elements of the State, functioned as a State within the settlers' community in Palestine until the establishment of the State in 1948.
152. IPS Bulletin, September 16, 1973. Cited also in Facts.



CHAPTER IV

JEWISH LABOR SUPPLY AND MILITARY INDUSTRIALIZATION:

EFFECTS ON DEMAND FOR PALESTINIAN LABOR

## I. Introduction

In this chapter we examine the nature of the Israeli labor force, in terms of peculiar characteristics that derive from the settler-colonial nature of this social formation. We focus on the prominent features prevalent since the 1967 war, believed to have affected the militarization of the Israeli economy and, indirectly, the growing demand for Palestinian labor.

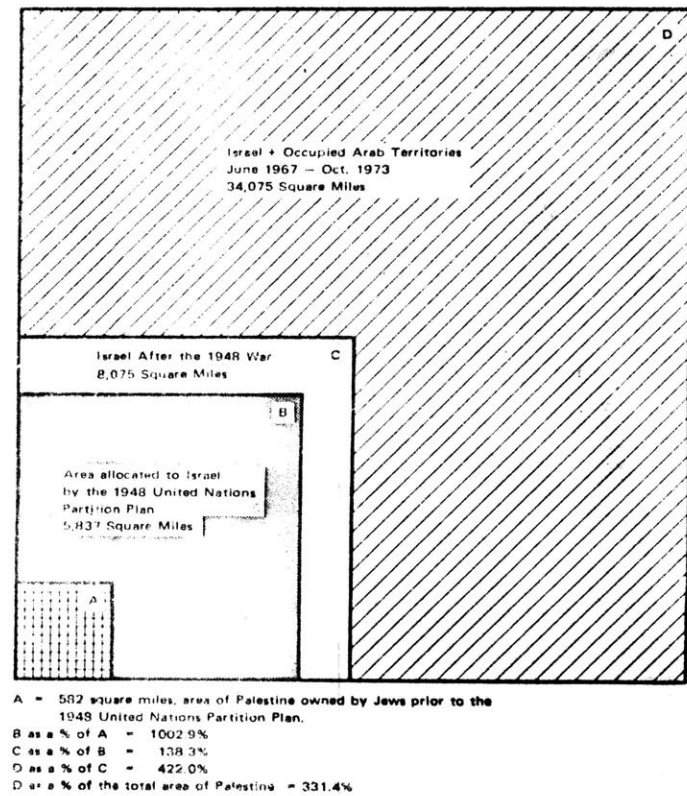
We focus first on the sources and composition of the labor force: the ethnic/national composition of the labor force; the civilian/non-civilian dichotomy in the process of economic transformation. We interpret the participation rates and patterns and describe the various segments of this labor force and their different modes and locales of reproduction. Finally, we examine prospective sources of labor in light of the conflicting investment versus immigration incentives. We conclude the chapter with a discussion of the implications of the structure and composition of the labor force for the prospects for proletarian alliances.

To understand the internal structure of the working class as well as the class-locations of the various segments of the labor force in later chapters, we reconstruct a holistic picture of the labor force as a unity (a fragmented unity) within the unity of the division of labor. Identification of the origins and characteristics of the labor force reveals some of the determinants underlying the differential locations of its various segments in Israel's economic structure as well as specifically in the social division of labor. Most importantly, this chapter helps us to establish the extent to which segmentations of the labor force by ethnic origins, religious affiliations, national identities, as well as on the basis of managerial dichotomies are, in the last instance, superseded by or co-

**Table 1**  
**Israeli Territorial Expansion**  
 Total Area of Palestine = 10,282 Square Miles  
 (figures in square miles)

People	(1) Before 1948 UN Partition Plan	(2) UN Partition Plan (1948)	(3) 1948 War	(4) 1967 War
Jews	582 sq. mi. (5.66%)	5837 sq. mi. (56.77%)	8075 sq. mi. (78.54%)	34075 sq. mi. (331.4%)
Arabs	9700 sq. mi. (94.34%)	4376 sq. mi. (42.56%)	2068 sq. mi. Annexed by Jordan + 139 sq. mi. of Gaza Strip un- der Egyptian administration (21.46%)	
International Jerusalem		69 sq. mi. (.67%)		
Total	10282 sq. Mi. (100%)	10282 sq. mi (100%)	10282 sq. mi. (100%)	34075 sq. mi. (331.4%)

**Figure 1**  
**Israeli Territorial Expansion**



Source: Ibrahim Oweiss, The Israeli Economy - A War Economy, Georgetown University, Washington, D.C., December, 1974.



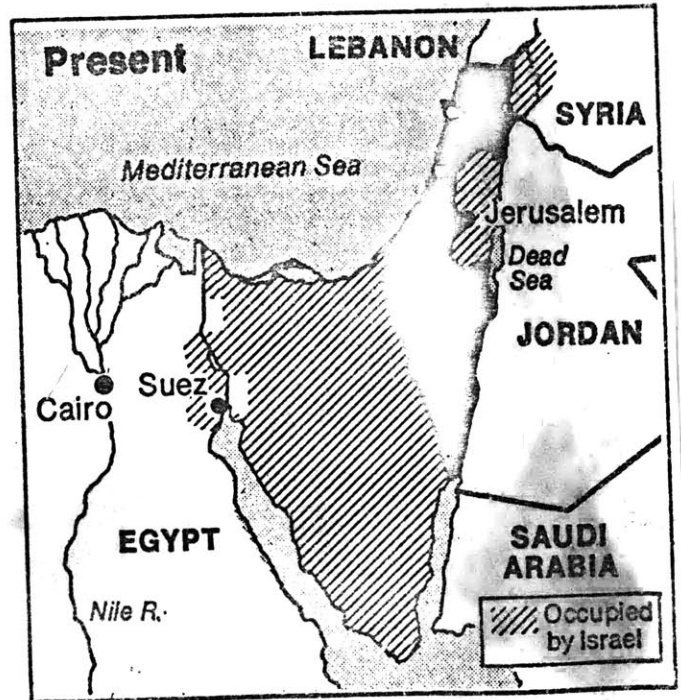
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*pages 268, 269*

ILLUSTRATION 2



Source: Ismail Shammout.

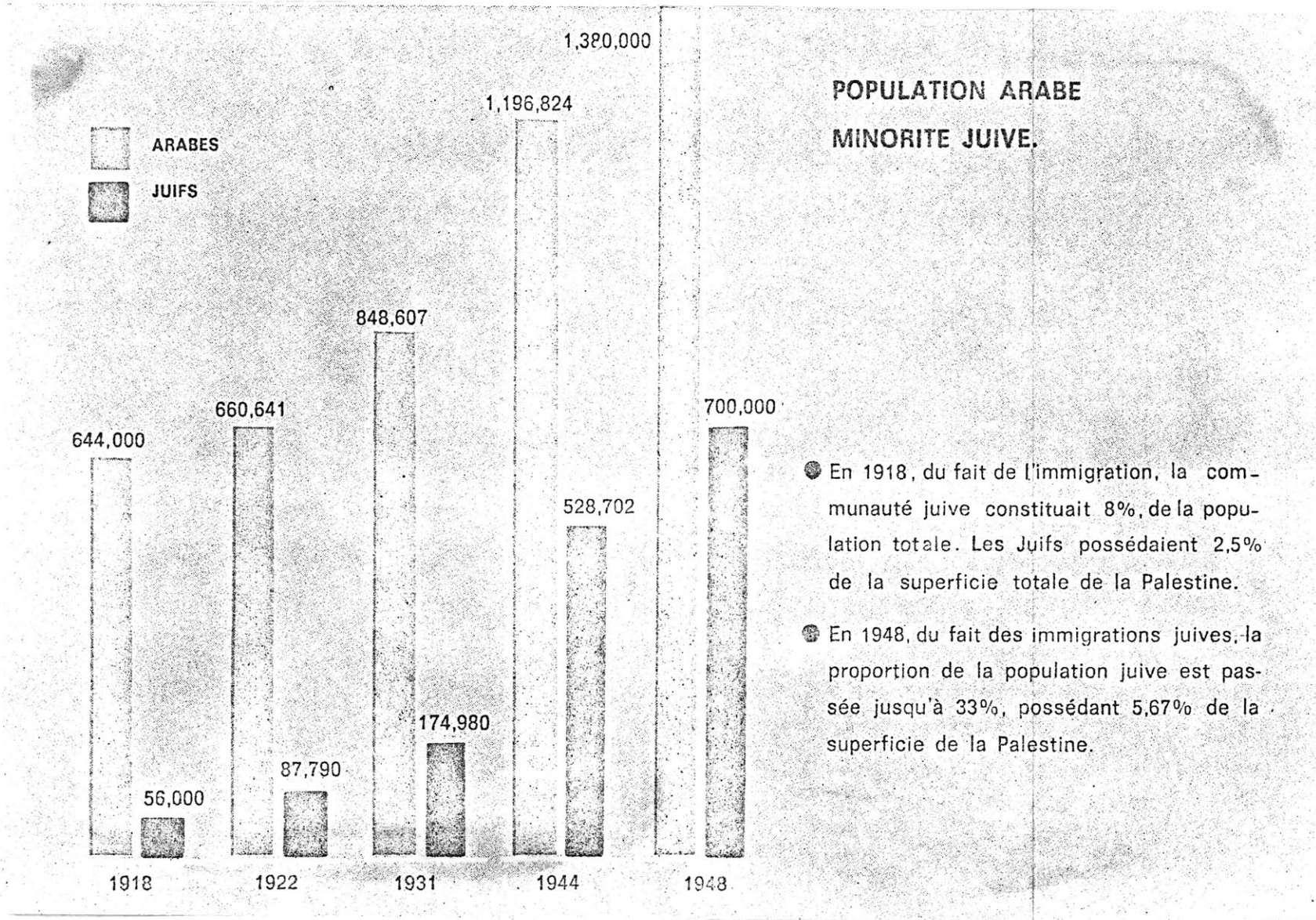
TABLE I. JEWISH IMMIGRATION TO ISRAEL

Year	Immigrants	Year	Immigrants
1944	15,552	1958	27,082
1945	15,259	1959	23,895
1946	18,790	1960	24,510
1947	22,098	1961	47,638
1948	118,993	1962	61,328
1949	239,576	1963	64,364
1950	170,249	1964	54,716
1951	175,095	1965	33,698
1952	24,369	1966	18,510
1953	11,326	1967	18,065
1954	18,370	1968	20,696
1955	37,478	1969	37,900
1956	56,234	1970	38,000
1957	71,224	1971	41,000

Source: Zionist Year Book, 1972, London, p. 399

Source: Ibrahim Oweiss, The Israeli Economy - A War Economy, Georgetown University, Washington, D.C., December, 1974, p. 21.

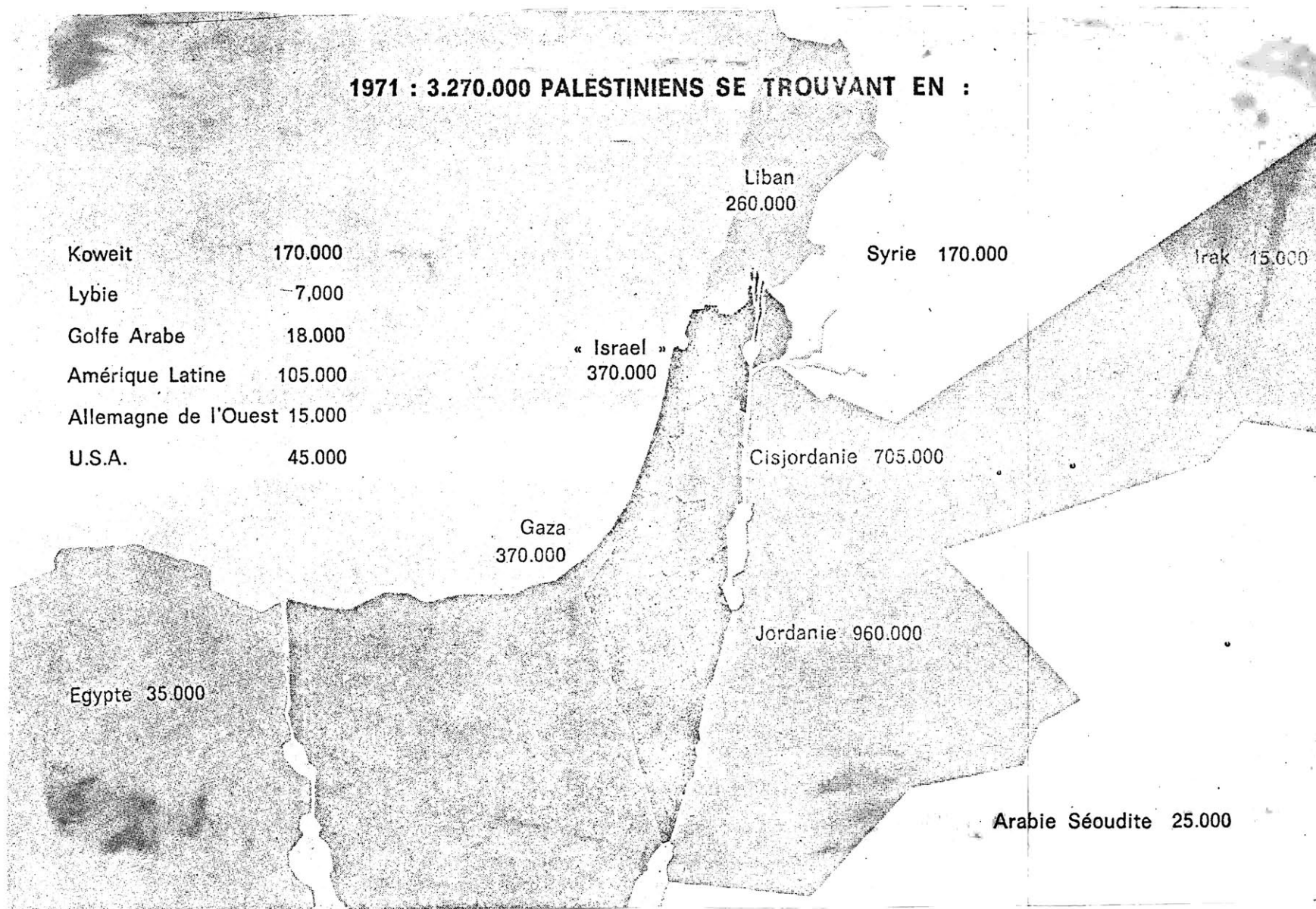
ILLUSTRATION 3



Source: Ismail Shammout.

ILLUSTRATION 4

1971 : 3.270.000 PALESTINIENS SE TROUVANT EN :



Source: Ismail Shamnout.



TABLE II. JEWISH AND ARAB POPULATION OF ISRAEL (1948-1975)

Year	Total Population	Jews	Arabs	Percentage Arabs
11/8/1948	834,317	716,678	117,639	14.1
1949	1,173,871	1,013,871	160,000	13.6
1950	1,370,094	1,202,993	167,101	12.2
1951	1,577,825	1,404,392	173,433	11
1952	1,629,519	1,450,217	179,302	11
1953	1,669,417	1,483,641	185,776	11.1
1954	1,717,814	1,526,009	191,805	11.2
1955	1,789,075	1,590,519	198,556	11.1
1956	1,872,390	1,667,455	204,935	10.9
1957	1,975,954	1,762,741	213,213	10.8
1958	2,031,672	1,810,148	221,524	10.9
1959	2,088,685	1,858,841	229,844	11
1960	2,150,358	1,911,189	239,169	11.1
5/22/1961	2,179,491	1,932,357	247,134	11.3
1962	2,331,801	2,068,882	262,919	11.3
1963	2,430,125	2,155,551	274,574	11.3
1964	2,525,562	2,239,177	286,385	11.3
1965	2,598,424	2,299,078	299,346	11.5
1966	2,657,410	2,344,877	312,533	11.8
1967	2,708,082	2,383,554	324,528	12.8
1968	2,772,012	2,434,832	337,180	12.1
1969	2,847,745	2,496,438	351,307	12.3
1970	2,928,056	2,561,400	366,656	12.5
1971	3,018,900	2,636,600	382,300	12.7
1972*	3,226,600	2,749,400	477,200	14.9
1973*	3,331,800	2,834,200	497,600	14.8
1974*	3,409,000	2,890,300	518,700	15.2
9/1975**	3,451,000	2,921,000	530,000	15.4

Source: Sabri Jiryis, The Arabs in Israel, Monthly Review Press, 1976. \*Statistical Abstract of Israel, 1975, p. 287.

\*\*Maariv, September 8, 1975.

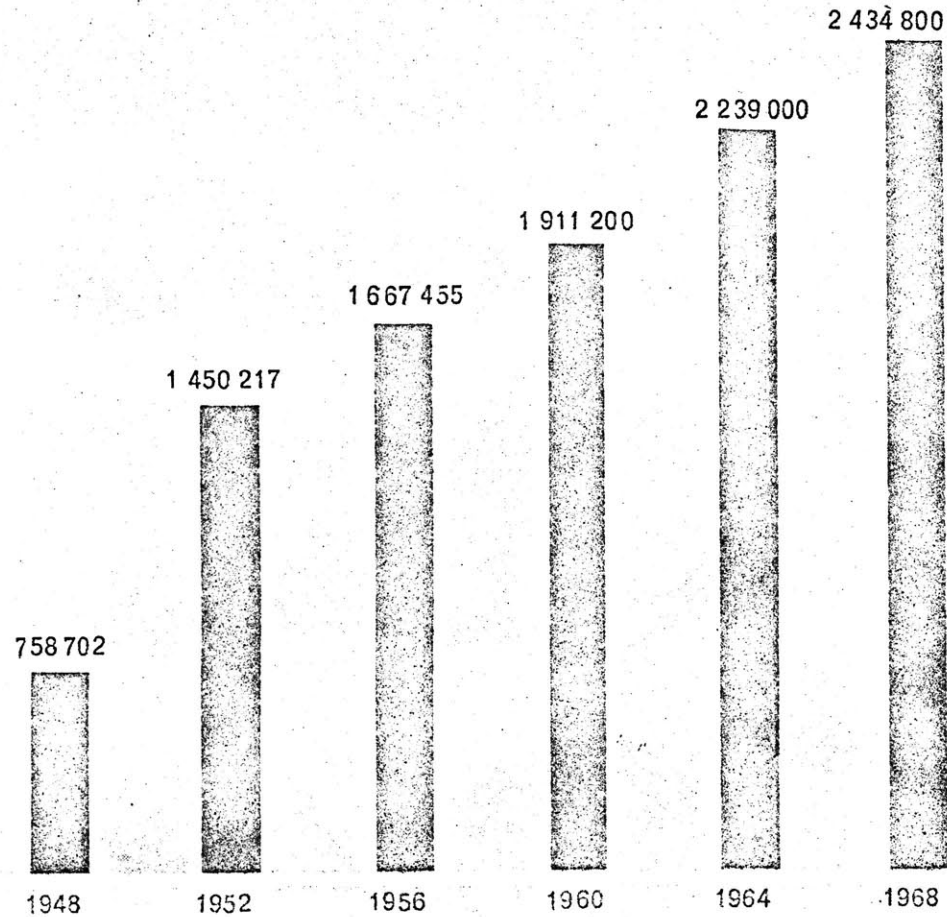
in the native population. By the end of 1947 (prior to the establishment of the Jewish State), the population of Palestine totaled 1,380,000 native Palestinians, plus 700,000 Jewish settlers. With the founding of the Jewish State, the greater majority of Palestinians were expelled to neighboring and other countries, where they are still scattered (Illustration V). The State thus was established with a total population of 834,317, with only 117,639 Arabs. In 1949, West Galilee and the Small Triangle were annexed, resulting in increasing the native Palestinian Arabs to 160,000 (14 percent of the total population) and with a 4.6 percent birth rate, became 380,300 (12.8 percent of the total population) in 1967, and 530,000, or 15.3 percent of the total Israeli population (3,451,000), in 1975.

According to Israeli statistics, there were 599,000 Palestinians on the West Bank in 1967 and 675,000 in 1974. In Gaza, there were 390,000 in 1967 and 417,000 in 1974. This is to say that 1.5 million native Palestinian-Arabs are now within the boundaries of "Greater Israel"; the ethnic composition of the total population being roughly 31 percent Western Jews, 33 percent Oriental-Jews, and 36 percent Palestinian-Arabs.

A high fertility rate has been consciously used by Palestinian-Arabs in Israel as a political national survival and de-Zionization strategy, in the sense of undermining the Zionist imperative of Jewish demographic superiority in Palestine. According to the Koenig Report, the natural population increase of Arabs in Israel amounts to 5.9 percent per annum, compared with 1.5 percent for Jews.<sup>2</sup> This high fertility rate has some effect on the rate of participation in the labor force, which is lower among Arabs as compared with Jews. The relatively higher rate of labor force participation among Jews is largely the function of the reliance of

ILLUSTRATION 5

L'IMMIGRATION JUIVE CONTINUE



Depuis 1948 jusqu'à nos jours, l'immigration juive en Palestine s'est poursuivie amenant les Juifs de partout le monde.

Source: Ismail Shammout.

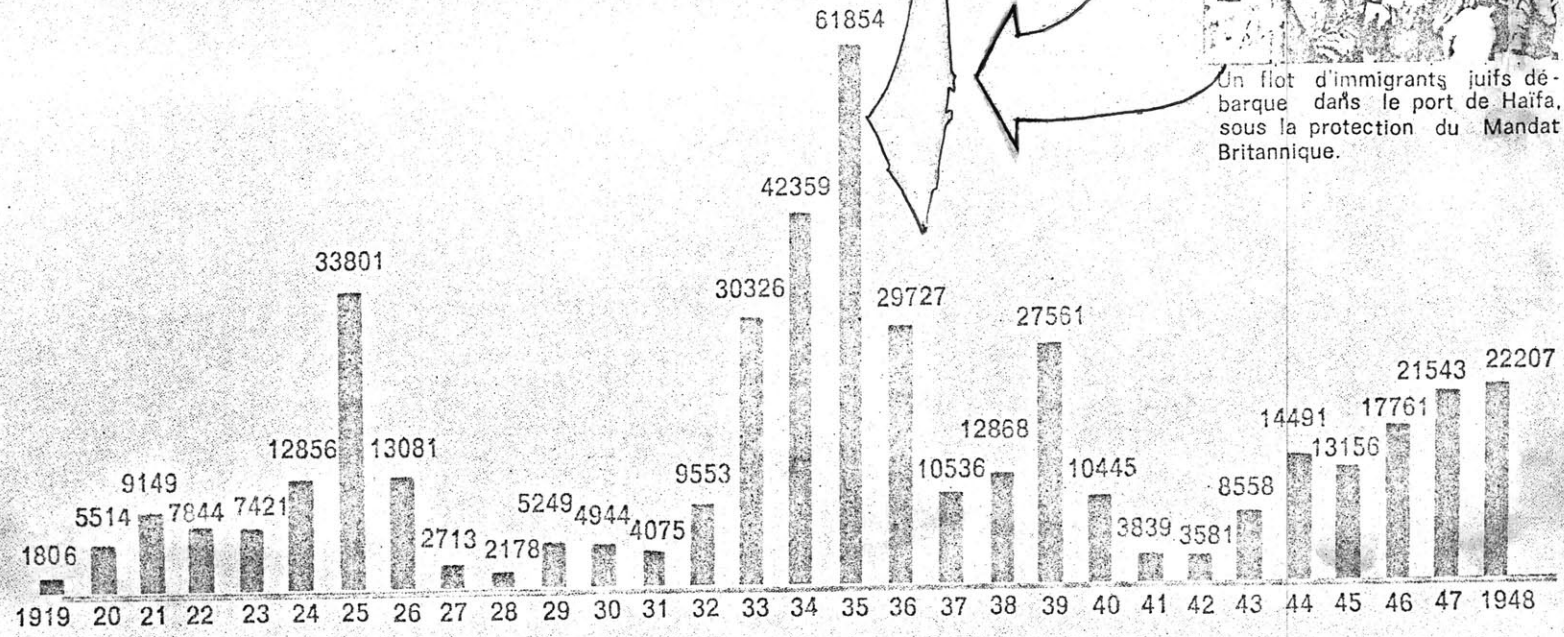
ILLUSTRATION 6

IMMIGRATIONS JUIVES EN PALESTINE ENTRE 1918 et 1948

● Des chiffres d'immigrants juifs en Palestine, tels que notés dans les registres officiels britanniques. N'y sont pas incluses les immigrations faites par des voies illégales.



Un flot d'immigrants juifs débarque dans le port de Haïfa, sous la protection du Mandat Britannique.



Source: Ismail Shamanout, Resume Illustré de l'Histoire Politique de la Palestine, Organization de Liberation Palestinienne, 1972.

the labor force on immigration of persons in their most productive age.

From the founding of the State in 1948 until the end of 1974, Israel received 1.6 million Jewish immigrants, most of whom came in the first years of Statehood, during the nation-building phase, as shown in Table II. In recent years, however, specifically following the October, 1973, war, Jewish immigration to Israel has been declining and growth in the Jewish labor force has become increasingly dependent on birth rates.

According to Maariv and Yediot Aharonot of January 2, 1975, the number of Soviet Jews who arrived in Israel in 1974 was 17,000, compared with 33,000 in 1973; 900 in December, 1974, compared with 3,000 in December, 1973. The percentage of "Vienna drop-outs" in December, 1974, was 36 percent. Haaritz, March 17, 1977, reports 49 percent of Soviet Jews who immigrated to Israel in February had already emigrated away from Israel. The number of United States Jews arriving to settle in Israel in 1974 was 3,000, compared with 4,000 in 1973. In sum, the number of new Jewish immigrants arriving in Israel in 1974 was 32,000, compared with 56,000 in 1973, a decline of 40 percent. Between 1974-1975 there was a further decline of 52 percent. The Jewish population increased by 53,000 (2 percent birth rate) and the Arab citizen increased by 17,500 (3.5 percent birth rate). Of this total increase in the Jewish population of Israel, 46,500 were due to "natural excess of births over deaths" and 7,000 were due to the balance of immigration (including those Jews who came to settle in Israel but refused Israeli citizenship) over emigration. The crisis in immigration seems matched by a corresponding increase in emigration. 1975 was the worst year for immigration in a decade; with emigration (17,000) exceeding immigration (12,600); compared with 32,000 immigrants versus 25,000 emi-

grants in 1974.<sup>3</sup> A Ministry of Labor Report states that 200,000 Israelis live in North America, more than half of them in the New York City area. Others estimate the number to exceed one-quarter of a million. The same report, covered in Yediot Aharonot (March 31, 1975), states that among these, only 12,000 are students and the rest are legal immigrants, either permanent residents or U.S. citizens with dual Israeli-American citizenship.

The ethnic/national composition of the labor force has been already discussed but now we focus on those characteristics specifically related to, or affecting, differential locations in the employment structure, our concern in this essay. These may differ from the characteristics underlying their differential locations within the social division of labor. Accordingly, the Jewish labor force consists of:

1. The early pioneering settlers (Vatikim) of European origin and their Israeli-born children (Sabras), who laid the foundation of Israel's social formation. They transplanted its settler economic base and political/ideological superstructure, including the revival of the Hebrew languages; they have, over time, acquired skill in operating and managing the State apparatus in administrative and clerical work, and are over-represented in the State bureaucracy. This segment of the labor force is also over-represented in skilled labor categories in general and skilled manual categories in particular.<sup>4</sup> This is probably due to their seniority in the country and their long-term experience in small-scale artisan production (especially in traditional industries, to which they were accustomed in Diaspora, such as clothing and other finishing-level production [diamonds and metal products]); this population group represents the larger portion of those who internalized and practiced the principles of Hebrew work and opposed hired labor. They represent the core of the Histadrut "labor" sector and the

kibbutz labor force.

Ironically, this group is also highly represented among emigrating Israelis in the seventies.<sup>5</sup>

2. Asia-Africa immigrants (Eidot Hamizrah) were mobilized by the Zionist movement, since the Yishuv. But they were not made participants in the planning and design and in laying the institutional foundations of the State. They were brought in only at the implementation phase, to fulfill the demographic requirement for nation-building; i.e., the creation of Jewish majority for legitimizing the establishment of a Jewish State.<sup>6</sup> They were initially brought and later expelled from Arab countries to become a part of the base (demographic and economic) but not to take part in the superstructure, following Borochoy's proposal.<sup>7</sup> They were not Zionists, because Zionism is a Western capitalist movement aiming at a State. Yemenites, who on their own began the "return to Zion", were probably motivated by religious sentiments, not political cause. They come from Middle-Eastern pre-capitalist social formations and cultural and socio-economic background similar to that of the native population; potential competitors for, and therefore supplanters of, cheap Palestinian labor. They were brought in to provide for the essential unevenness of "closed" capitalist development, closed to non-Jews. They were imperative for sustaining a sectarian Jewish capitalism. It is not, therefore, accidental that this population group continued to occupy a marginal position in the Israeli employment structure. It is over-represented among the welfare recipients. Their "marginality" is essential for Jewish capital accumulation under the hegemony of Labor-Zionism and thereafter.

Middle-Eastern Jews were also to constitute the core of the unskilled agricultural and industrial labor force, much in demand during the early

stages of the country's economic development. The mobilization of these Jews from pre-capitalist social formations dominated by semi-feudal and small-scale commodity production, in which they were skilled craftsmen and traders, and their transfer into the Western Jewish economy, transplanted in the Palestinian social formation, resulted necessarily in the "de-skilling" of this population in Israel. This de-skilling has persisted until recently, when the emergence of the Black Panther movement exerted moral and political pressure on the Jewish State and raised demands for human capital investment and manpower development efforts, and concomitantly, when an abundance of unskilled Palestinian labor was made available and desirable in the aftermath of the 1967 war. These two factors have resulted in a shift towards public and community services, hence this population group increasingly became State and local government employees.

The recent massive penetration of Oriental-Jews into the mushrooming public services sector, where wages are higher, has significantly improved their standard of living, due to a higher effective demand. Their increasing access to income was not accompanied by an increasing access to economic ownership. Oriental-Jews, since they were alienated from their means of subsistence upon their transfer into the Jewish State, have had no access to the means of production in Israel, except for possession, not ownership, of agricultural "national" land, off which they are now moving into services. Their increased share in revenues as they penetrate the service sector promotes the downward-commodity-mobility providing for a false sense of an upward-social-mobility, hence the co-optation and pacification of this group, as evident in their voting in the recent elections.<sup>8</sup> The resulting transformation in their consumption habits and ownership of durable goods<sup>9</sup>



reinforces the role of this group in promoting realization on a domestic scale. This major transformation of consumption patterns among Oriental Jews must be considered in the analysis of demand for Palestinian labor. It has special bearing on the rise of subsistence cost, the cost of reproduction of labor power, i.e., wage.

Finally, it is important to indicate here that Oriental Jews, as well as the previous early settler-Sabra groups, constitute the main segment of the labor power whose reproduction is endogenous, i.e., whose cost falls on Israel. "Aliyah absorption" is the major form of reproductive effort, provided mainly by the settler-Sabra generation through the Yishuv public capital and State capital.

3. Europe-America immigrants: In the present, this group constitutes the major source of Jewish labor in Israel. Historically, it has represented an inflow of human capital from advanced capitalism and recently, also from the industrialized Soviet Union, into Israel. This population group provides that proportion of the labor force with the highest levels of professional training in technical and scientific skills. In this sense, Jewish immigration from European-American countries into Israel is a form of free technology transfer. For Israel, it is also a form of saving human capital investment through "brain-gain", while for the immigrants' countries of origin, it may represent disinvestment in human capital through "brain-drain". In the unity of the world capitalist system and its single international division of labor, however, this portion of Israel's labor force does not represent disinvestment in human capital; on the contrary, as a part of international technocracy, it is uniquely positioned to directly promote accumulation on a world scale.<sup>10</sup> For our purpose, however, it is

more important to focus on the place of this segment of the labor force within Israel's employment structure, and how its integration into this national entity, in turn, affects Israel's economy and place in international trade. It is argued here that this portion of the labor force leads the economy and ultimately determines the nature of the relations of production and the development level of the productive forces. It is this population group that made possible the shift into high technology production, through its contributions to Israel Research and Development. Unlike the settler-Sabra Jewish population, whose contribution focused mainly on nation-building, this group has its principal effect on the advancement of Israel capitalist accumulation.

Like the Western early settlers, the recent Western immigrants form together the core of Israel's "labor aristocracy".<sup>11</sup> In recent years, since the sixties, Jewish immigration into Israel has been almost exclusively from highly industrialized countries. This is also expected to be true in the foreseeable future, as projected by Israel Manpower Planning Authority.<sup>12</sup> These immigrants represent that segment of the Israel labor force whose labor power is the most costly to reproduce, and whose reproduction cost falls not on Israel but mainly on the country of origin. These Jewish citizens of advanced countries have acquired their skills and training experience at the expense of the economies of their origin. They put these skills into use in the Israeli economy, and hence develop the productive forces of Israel as well as the U.S. (as this highly skilled labor is employed mainly by Israel-based American subsidiaries).

It is by virtue of this inflow of European-American immigrants that it is possible for Israel to have and sustain an international comparative

advantage in high technology production, which is the optimal development strategy for Israel in terms of rates of profit. Israel does not pay for the training of the largest portion of its technical labor force; and training for technical skill is the most costly input in high technology production. Israeli-made high technology products thereby gain a competitive position in the international market because they can be sold for prices lower than those of qualitatively equivalent high technology products made elsewhere in central capitalism, yet with the same rates of return.<sup>13</sup> This is made possible precisely because most of the training cost is not included in the cost of production of such Israeli-made commodities. This is to say that Israeli capitalists, and for that matter international subsidiaries in Israel, can realize their profits by selling their products at lower prices; and it is in this sense that high-skill labor force immigration into Israel directly provides Israel with comparative advantage in high technology production, and indirectly, with competitive position in the sphere of realization.

This advantage, however, may generate an opposite reaction. Capitalist development is nothing but a series of successive contradictions. The competitive position of Israeli-made high technology commodities on the international market may generate repercussions for the detriment of Israel. European-American countries may start to impose quotas on immigration of their scientific Jewish citizens into Israel if they become convinced that this is a factor in promoting the competitiveness of Israeli products at the expense of their own competitive position in the sphere of realization.<sup>14</sup> In an article titled "Israel Seeking Aid for Arms Industry," it has been already reported in the New York Times (December 19, 1976) that "Pentagon

officials have complained that Israelis are competing with American arms producers." If Jewish immigration from advanced countries is impeded through such measures, Israel will face both a political and a serious economic crisis. Especially from now on, since the high technology (mainly military) production has become the leading economic sector, and much long-term investment in sophisticated scientific infrastructure is underway, and since most other economic branches have become closely integrated with and subordinated to this potentially stabilizing branch.

Our examination of this sector of the labor force underlies the importance of the sources of Jewish labor in Israel. The locations of reproduction of its labor power, as a settler-colonial social formation totally dependent on exogenous sources of labor, means that changes in Israel's employment structure and industrial production are not a function of local manpower development policy, and therefore, simultaneously presents specific advantages as well as specific high risks.

4. The "non-Jews" in the Israel labor force: It is consistent with the non-secular character of the Jewish State to classify its citizen labor force as "Jews" and "non-Jews".<sup>15</sup> For if this dichotomy is superceded by a common "Israelism", then what significance to non-Israeli Jews will the Jewish State of Israel have?

The apologetic view usually points out the heterogeneity of the non-Jewish population in Israel as a rationale underlying the use of this dichotomy. "Non-Jews" as an aggregate category that includes all the minorities, when disaggregated, the category includes: Arabs, Druze, Bedouins, Circassians, Armenians, etc. Because we are concerned about the prospects for cross-ethnic/national proletarian alliance, it is important to give some

attention to these dichotomies. Later, we will examine whether or not class segmentations cross these lines.

This disaggregation of the "non-Jews" is inaccurate and, indeed, misleading. The Druzes are an Arab religious sect that has departed from Islam and existed historically in Syria, Lebanon, and Palestine. The Arab identity of the Druze religious sect has never been questioned before the Israeli authorities expropriated their Arab identity in an attempt to isolate them and co-opt them as allies, hence making them equal to Jews in their subjection to compulsory military service, from which the "Arabs" were excluded. The isolation of the Druzes as part of a divide-and-rule strategy has, in the long-run, failed to contain their growing Palestinian-Arab nationalism, increasingly expressed by Druze resistance poets<sup>16</sup> in Israel and in the emergence of a political movement (Lajnat Al-Mubadarah), led by Sheikh Farhoud. Their insistence on asserting their Arab identity is being reflected in the growing number of Druze prisoners jailed for resisting the compulsory military service in the Israel army. The role played by Kamal Jumblatt, the Druze leader of the Lebanese National (Patriotic) movement during the Civil War, and even more so, his assassination by the Phalangists, had a profound effect on the Druze community in Israel and, indeed, represented a turning point in the assertion of their own Arab identity in mass public events.<sup>17</sup>

The Bedouins are also Arabs. They maintained a tribal social structure and nomadic style of life, subsisting from a mix of gathering and cattle-raising economy. These nomad Bedouins in Palestine are an integral part of the indigenous social formation representing a pre-tribute-paying-feudal mode of production that has historically co-existed with the former as well

as with the small-scale commodity production which prevailed until the capitalist mode fully asserted its dominance in the Israeli-Palestinian social formation. Zionist land expropriation and settlement policies, including Bedouin "relocation" schemes, have uprooted this form of life and radically transformed this group. It applied methods for isolating this population as it did in the case of the Druze, and for integrating them in military service as an imposed expression of gratitude for these "modernization" efforts. This is ultimately to contain the Bedouins, as their way of life represents a potential security risk to the objectives of Zionism in Palestine.

In sum, both the Druze and the Bedouin population are Palestinian-Arabs. The Palestinian-Arab population of the various religious affiliations, Muslims, Christians, and Druzes, is deeply-rooted in that place, with a long history, reflected in the residuals of various modes of production co-existing, outliving, and reproducing each other in that social formation. As evident in the rather historical segmentation of the Palestinian society, residual classes dynamically co-exist with those classes distinctive of the dominant mode of accumulation: the landlords and the peasantry, urban merchants, artisans, and the nomadic Bedouins. With the consolidations of capitalist accumulation through Zionist colonization, these historical forms are quickly vanishing. This is so because "the capitalist mode of production is characterized, in its extended production, by a two-fold tendency: to reproduce itself within the social formation in which it takes root and establishes its dominance, and to expand outside of this formation."<sup>18</sup> This is the qualitatively new dimension of capitalism as opposed to all previous modes of production; in its constant reproduction it exists

only by subordinating other modes to itself and integrating remnants of previous modes into its own system.

Unlike the "Arabs", the Bedouins and the Druzes, the other population groups included in the "non-Jews" category, i.e., the Circassians, Armenians and Bahaies, are not the by-product of the economic history of that place. They are rather national and religious minorities from European countries, who found refuge in Palestine and have chosen to integrate themselves into that social formation, hence becoming a part of and not being apart from the native Palestinian population. The size of these populations in Israel today is quite insignificant, and more importantly, they do not constitute a politically oppressed national minority in their own homeland, as the former Palestinian-Arab citizens do. What is important, however, is that the emphasis on the dividing characteristics of these groups has been systematic and instrumental for the sake of political stability and security of the State.

It will be interesting to find out how this separatist-differential treatment (which was also true under the Ottoman rule and the British Mandate) affects the class location of these various groups, and whether or not capitalist transformation in Israel today is likely to promote or impede the commonality of the class location and interest of the various religious, ethnic and national components of the labor force. The question, in other words, is whether or not capitalist class "segmentations" do ultimately assert themselves against ahistorical societal segmentations, and are not obscured by the latter.

Given that all the above segments of the labor force are non-Jewish citizens of an essentially Jewish State, they all have in common one thing that distinguishes them from Jewish citizens, including Oriental-Jews;

this is their political status, a relation of political subordination which is an important determinant of class location, as will be demonstrated in the next chapter. In describing the employment structure, however, we refer to all this heterogeneous non-Jewish labor force as "citizen Palestinian-Arabs", i.e., Palestinians with Israeli citizenship. We use "Jews" and "non-Jews" categories mainly when we need to compare the phenomenon over time, using previous studies and tables that talk in those terms. We are reluctant to use even the more liberal "Israeli-Arabs" (as distinguished from Israeli-Jews) simply because of its ahistorical connotation. The "Israeli-Arabs" are historically Palestinians, and their "Israeli" being is a function not of their choice, but rather an ahistorical managerial imposition by the architects of the Zionist project in Palestine. The systematic denial of their Palestinian identity and the imposition on them of a "non-Jewish-Israeli" identity derives, again, from the settler-colonial and non-secular character of Israel.

In this position, the Palestinian citizens of Israel are not unlike the native American Indians, made into a vulnerable minority in their own homeland, except for the fact that the Palestinians had already developed a national consciousness and had become a national entity prior to the establishment of the Zionist regime, while the American Indians were still a tribal society when the European settlers colonized their homeland. Also, the great majority of the native Palestinian population was expelled and made refugees in the neighboring Arab countries in order to render the national entity and make possible the creation of an alien one in its place.

In the aftermath of the 1967 War and its large territorial expansion, a large segment of the Palestinians expelled in 1948 were forcefully integrated into Israel's labor force under military occupation, with neither



citizen nor immigrant status. Although this Palestinian segment and the citizen Palestinians in the Israel labor force constitute an historically organic unity, in the analysis of Israel's employment structure, we find it more revealing to distinguish them from the "non-Jewish" citizens, including Palestinians; and for the purpose of this study, we also distinguish them from other non-citizen Arab participants in the Israeli labor force;<sup>19</sup> thus referring to them in a separate category as "non-citizen Palestinian-Arabs".

It is important to remember that reproduction of labor power for the non-Jewish segments of the Israeli labor force does take place within the remnants of a Palestinian social formation -- within the semi-subsistence, extended-family unit of production or, using the dualists' terminology, in the "traditional" sector, forcefully integrated into the "modern" sector of "Greater Israel". This is so partly because Arab labor (citizen and non-citizen) in Jewish work places is essentially commuter, a subject discussed later in more detail.

To sum up the sources and composition of the Israeli labor force is mainly to see through these apparent segmentations and to try to think in terms of the locale of its reproduction cost and the relation of its various segments to the means of production and to ideological-political domination/subordination.

### III. Labor Force Participation

The Israeli statistics are based upon labor force surveys, which define as belonging to the labor force employed persons (both self-employed as well as employees, including those temporarily absent from work) and persons actively seeking work in the survey's determining period.<sup>20</sup> This

definition generates several difficulties, one of which is that the determining period is generally brief. The labor force participation figures are thus subject to considerable seasonal fluctuations, which are particularly sharp in agriculture and construction, where Arabs are primarily employed. Further, where there is no organized labor market, the distinction between unemployed and non-participants is not always clear, and some of the unemployed slip out of the labor force.<sup>21</sup> Another problem in this definition is one regarding persons employed other than through the market mechanism; hence their labor power is not exchanged for capital. This is especially true in the case of unpaid employment on family farms, especially women, both in domestic work and subsistence agricultural production. This is also true in the cases of illegal employment, which was often applied to Palestinian-Arab citizens in the earlier stage of the country's development, when their penetration into the labor market was regulated by military administration rules and work permits. The same applies today to labor smuggled in from the territories occupied in 1967.

A further problem lies in the dependence of the rates of labor force participation on the demand for labor, so that they cannot correctly reflect the supply of labor.<sup>22</sup> Most important, however, are the problems this definition of the labor force poses in regard to understanding the dynamics of the labor market and the employment structure, let alone the problems it poses regarding class analysis and transformation.

According to Y. Ben Porath:<sup>23</sup>

"In 1961 the ratio of labor force to total population was 25.3 percent among Arabs (43.5 percent for men); for the Jewish population the figures are 36.8 and 53.1 percent respectively, and these cannot be considered high, either. Among the Arabs of Palestine, in 1931 the proportion of active population was also higher. In most European countries, the active population constitutes over 40 percent of the total population (over 60 percent of men), and in Africa and South America over 30 per-

cent (over 50 per cent of men). Among the countries included in the international comparison of participation rates prepared by Kuznetz there is only one (Puerto Rico) where the rate was less than 30 per cent. Even if unpaid family members are excluded, the labor force proportion is still generally higher than among Israeli Arabs.

The main reason for the low ratio among the Israeli Arabs is the age structure.... The Arab population in Israel today is one of the youngest in the world, especially in comparison with the old countries of Europe (illustrated by Denmark in the table). Israeli Arabs are younger than Israeli Jews today, and they are also younger than the Arabs of Palestine were in 1931. A relatively large part of the Arab population is outside the working ages; and a large proportion of the over-14 population is in the younger working-age groups, with a low rate of participation."

Comparing the labor force participation of Arabs, Asian-African immigrants, and the rest of the Israeli Jews, Ben Porath identifies the following features:

"...(a) the participation rate of all men is roughly the same in the three population groups; (b) at age 14-34, the rate is higher for Arab than for Jewish men; (c) at 35 and over, the rates are higher for Jews than for Arabs, the difference increasing with age; (d) the participation rate of Arab women is lower than that of Jewish women. In most of these comparisons the group of Jews from Asia-Africa stands midway between all Jews and Arabs."

He also interprets these differential participation rates: As far as men are concerned, the participation rate of youths (aged 14-17) is not exceptionally high in comparison with other countries, but it is much higher than among Jews. It complements the low percentage of students of this age among the Arab population (23 percent for boys and 11 percent for girls in 1961, as compared with 58 percent for both sexes among the Jewish population.  
24  
tion.

In the 18-34 age group the difference in school still exists, and in addition, the Jews serve in the army, while Arabs do not, and this also con-

tributes to the higher participation rate of the Arabs. Contrasted with this, in the older age groups the participation rate declines to a low level. The rate for old Arab men is low, even when compared with the rates of highly developed countries, and it is certainly much lower than the rates in some of the less developed countries of the region. Ben Porath attributes this to a combination of large family structure and market conditions; specifically, the character of the demand for hired labor, which comes mostly from the Jewish sector.

These reasons are accurate; however, more is needed for a fuller explanation. For example, the special alienation and humiliation the older Palestinian-Arab generation had to face in the job-seeking process, when they were made overnight into strangers in their own country, not knowing the language of the imposed foreign regime of the alien employers, let alone the estrangement consequent upon forceful proletarianization of a generation who have historically subsisted from self-employment. This is on the supply side of labor. On the demand side, however, one must also consider the savings in terms of social security and similar benefits the employer makes by not hiring older Arabs and the profitability implied in selective hiring of Arabs in their most productive years. The fact that Arab labor most in demand falls in the 18-34 age group, when Jewish labor during these most productive years is absorbed either in non-productive activity (education) or non-civilian productive and non-productive activity, is indicative of the substitution effect of, and flexibility provided by, Arab labor in Israel. In this sense, the use of Arab labor makes it easier to invest in Jewish human capital and to release Jewish labor power to the military; as a result, Jewish labor, upon military and/or educational training, becomes more

eligible for job opportunities and more competitive in the labor market than Arab labor. Hence, the higher rates of labor force participation among Jews than Arabs in the older age groups.

Comparing the participation rates within the civilian labor force of Arabs and Jews before and after 1967, indicates a persisting difference; the participation rate of Jews is still higher than that of Arabs. In 1975, for example, 49.4 percent of the 2,077,800 total Jewish population of working age belonged to the civilian labor force, compared with 39.5 percent of the 280,000 total Arab population of working age.<sup>25</sup> Although it includes the population of East Jerusalem, the latter figure does not take into account the 69,000 other workers from occupied territories employed in Israel during that year.

In recent years, a constant decline is witnessed in the share of the civilian labor force in the total population of working age. In 1975, only 48.3 percent of this population belonged to the civilian labor force, compared with 48.5 percent in 1974 and 49.7 percent in 1973.<sup>26</sup> The Ministry of Labor attributes this decline partly to the crisis in immigration, coupled with increased emigration in recent years.<sup>27</sup> This decline is especially true in male participation.

A trend of decrease in the percentage of men in the civilian labor force has persisted over time: 77.3 percent in 1964, 70.4 percent in 1969, 68.3 percent in 1973, and 66 percent in 1974. The number of men in the civilian labor force decreased even in absolute terms, reaching 758,500 in 1974, as compared with 764,600 in 1973 (a decrease of 0.8 percent). Although their number in the civilian labor force increased by 3.1 percent and reached 364,000 persons in 1974, women's participation

rate in the civilian labor force stayed the same after the War. 31.3 percent in 1974 and 1973, respectively. <sup>28</sup> According to Labor Force Survey 1974:

"The percentage of Jews in the labour force in the 14-17 age group continued to decrease: 26.5% in 1967, 23.3% in 1970, 19.6% in 1973 and 16.2% in 1974, both among men and women. It is possible to explain the decrease in the participation of the 14-17 age group in the civilian labour force by the rise in the percentage of those studying in this age group [74.4%]....

Among Jewish men in the 18-24 age group there was also a long-term trend of decrease in the percentage of those in the labour force: 47.2% in 1967, 41.8% in 1970, 41.0% in 1972, 41.2% in 1973 and 35.2% in 1974. Again, among Jewish men in the 25-34 age group there was a decrease in the percentage of those in the civilian labour force: 92.7% in 1967, 90.1% in 1970, 89.2% in 1973 and 86.9% in 1974. The decrease can only partially be explained by the increase in the percent of those studying and not working aged 18-34.

Among Jewish women in the 25+ age group there was a rise in the percentage of participation in the labour force: among the 25-34 age group from 32.8% in 1967, 37.3% in 1970, 42.7% in 1973 and 46.2% in 1974.

Finally it seems that a part of the decrease in the labour force participation among the younger ages can be explained by the increase in percentage of those studying (14-17 ages), increase in the number of those on compulsory army service (18-34 ages) and a larger number of people called up to reserve and regular army service (25-34 ages) and in the last two age groups--an increase in those studying and not working." <sup>29</sup>

Furthermore, the proportion of those in the civilian labor force but temporarily absent from work has, in October-December 1973, during the war time, reached 253,000, compared with 71,000 a year after the War and with 52,000 a year before the War. <sup>30</sup>

In sum, trends in the Jewish labor force participation patterns seem to differ much in the post-1967 phase from those mentioned previously. Their declining percentage in the civilian labor force, due to extending schooling time or to absorption by the army service are inseparable from

the drastic intensification in the militarization of the economy and the expansion of the defense following the 1967 War, and the shift into high technology military production; from the requirements for sustaining military occupation of Arab territories and probably, from the mushrooming of the service sector, requiring more skilled persons. The massive penetration of Palestinian-Arabs into the Israeli labor market since 1967 therefore continues to provide for flexibility and substitution effects in the use of Jewish labor. This is so, in spite of the fact that the citizen Palestinian-Arab segment, belonging in 1975 to the labor force, makes up only 10 percent of Israel's total civilian labor force, and together with non-citizen Palestinians, 15 percent.<sup>31</sup> More importantly, according to the Jerusalem Post, citizen Palestinian-Arabs have, in 1976, reached 25 percent of the productive (produces surplus value, not in service and circulation branches) segment of the Israeli civilian labor force. If we consider the share of all citizen and non-citizen Palestinian-Arabs (exchanging their labor power against capital through the Israeli labor market during the same year) in the total citizen Palestinian-Arab population of working age (14+), who are residents of Israel, then one can say Palestinian-Arabs participated in Israel's civilian labor force at a rate of 66 percent.<sup>32</sup> This is especially significant later in assessing the reproduction cost in respect of this labor power.

In sum, the massive penetration of Palestinian labor into the Israeli economy in recent years must be analyzed, partly in the context of this concomitantly declining rate of Jewish participation in the civilian labor force, in response to the drastic expansion of the defense sector. This may help in revealing the meaning of "labor shortages", justifying the

hiring of Arab labor.

#### IV. Civilian/Non-Civilian Labor Force Dichotomy

Labor Force Survey 1974 defines as "in civilian labor force" age 14 and over who were "employed" or "unemployed" during the determinant week.<sup>33</sup>

"Employed person: a person who had worked for at least one hour during the determinant week in any form of work or gainful activity; a worker in a qibbuz (in services or in any other branch) plus any unpaid family member or unpaid inmate of an institution who worked more than 15 hours during the determinant week. Also included are those temporarily absent from work who during the determinant week have not been seeking other employment. Yeshiva members actively employed in teaching are treated as employed persons (from 1967 those aged 18 and over).

Unemployed: all those who did not work at all during the determinant week (even one hour) and actively sought work in that week through registration in the Labour Exchanges or in other employment agencies, by personal or written applications or in an attempt to establish private enterprise. Also included in this category are temporary absentees from work who have actively sought other employment.

Not in civilian labour force: all the adult residents who in the determinant week were neither "employed" nor "unemployed". This group includes students and pupils (except for Yeshiva students aged 18 plus acting in a teaching quality), housewives (who did not work even for one hour outside their home), persons incapacitated for work, pensioners and rentiers who did not work even for one hour during the determinant week, service men in the Armed Forces (either a compulsory term of service or regular army) and unpaid family members and inmates of institutions having worked less than 15 hours per week." <sup>34</sup>

Accordingly, the civilian/non-civilian (specifically military) labor force dichotomy is being, by definition, officially obscured. The "employed" category within the civilian labor force "also includes those temporarily absent from work who, during the determinant week, have been seeking other employment." The latter refers, most likely, to persons temporarily mobilized into the Reserves or regular army service.



In this sense, the military labor force can be simultaneously in and not-in the civilian labor force. Also, as a result of this definition, the absorption into the military indirectly provides the masking of unem-ployment.

As a case in point, Quarterly Economic Review - Israel reports:

"...as the risk of unemployment grows, unemployment in fact fell from 3.5 percent in the first quarter of 1975 to 3.0 in the second. Such slack as existed was still being masked by the demands of the military service which had absorbed the surplus population (115,000 since 1973); while the labor force had expanded during the same period by only 35,000." <sup>35</sup>

Another evidence of the correlation between military mobilization and the masking of unemployment is illustrated by Ibrahim Oweiss in Table 4 and Figure 3, showing that unemployment reached its highest level prior to the 1967 War. A drastic decline in unemployment occurred immediately in the third quarter of 1967, which was followed by a steady decline until it reached a full employment zone.<sup>36</sup> Oweiss is thus also saying that in Israel, war efforts not only absorb a substantial part from the labor supply, hence masking unemployment rates, but also (especially when accompanied by territorial expansion) they stimulate production, thus creating further demand for labor; and further, the increase in military production generates even more jobs. The correlation between militarization and promoting employment multiplier effect has been best demonstrated in the American economy (Leontief) and the world economy (Kidron).

This brings us directly to the next point, which is the difficulty involved in distinguishing the civilian from military labor force, resulting from the increasingly systematic and comprehensive integration of civilian and military production since the 1967 War.

This systematic integration is best articulated and reinforced by Eli Ginzberg, an American consultant to the Manpower Planning Authority in the Fifth Report on Manpower in Israel, 1968.<sup>37</sup> In this report, Ginzberg emphasizes the imperative of "closer articulation between military and civilian enterprises" if Israel is to survive and prosper. He supports his advice with the following rationale:

"Because of the critically important role of the defense in the nation, sizeable budgetary allocations have been made and will inevitably continue to be made to modernize and improve the Israel Defense Forces. The Ministry of Defense is without question the single largest customer in the nation...and has taken the lead in many areas to develop a military industrial complex. This has proved highly successful in many sectors because the military enterprises were able to move ahead with degrees of freedom, tighter management, and superior labor morale."

Ginzberg tries further to advocate not only that military production be the leading sector, but also the subordinating of the civilian economy to its servitude; hence, furthering circulation linkages in production.

"...If the demand of the military for a broad range of items can be placed on the civilian economy; if the standards which the military requires can be established as norms within the civilian economy; if the advanced sectors of the military industries can penetrate foreign markets as part of a larger Israeli export effort; if military requirements can be used as a basis for developing imports substitutions, the entire economy will be stimulated."

Ginzberg does not forget to mention the potential spill-off effects on the civilian economy:

"...The fact that the military is increasingly dependent on advanced technology, particularly in the field of electronics, means that it can stimulate branches of that industry, not only to meet military needs but also to develop civilian specializations."

"Lately [he adds], more attention has been paid to the potential gains from more closely articulating the military and

civilian economies....Since the survival and prosperity of Israel depend on the strengthening of its economy as well as the maintenance of strong defense forces, important gains would accrue by extending to the civilian economy the leadership of defense industries in design, production, distribution, quality control. Some movement has been made in this direction but more can and should be done to diffuse the many points of strength that the defense industry has acquired."

A survey of the ex-generals, conducted by Youram Peri in 1972,<sup>38</sup> shows that they are to be found in all branches of the economy and seemingly very much in accordance with Ginzberg's report: army people are taking control of more and more branches of the government and industry. Even three out of Israel's four universities are run by generals. For example, Yaacov Dori was, until recently, the President of the Haifa Technion, Israel's Institute of Technology. Mordechai Makleff is Chairman of the Citrus Marketing Board and thus in charge of Israel's leading export organizations. Haim Laskov, Moshe Dayan's successor as Israel's Minister of Defense, was, until recently, Director of the Port Authority. The newest ex-Chief of Staff of them all, Haim Bar Lev, is now in the Cabinet as Minister of Commerce and Industry. Aluf (Major General) Meir Amit, who was Chief of the Operations Branch and Chief of Intelligence, is now Director of Koor, the giant Histadrut concern that controls one-fifth of Israel's industry. Aluf Dan Tolkowsky, formerly Chief of the Air Force, is General Manager of the Discount Bank Investment Company; Aluf Ahoran Doron is Director General of Tel Aviv University, and Aluf Elad Peled is Director General of the Ministry of Education.

After the Six-Day War, the prestige of senior officers increased even more and the demand for them by the civilian market skyrocketed.

Air Force Chief, Ezer Weizman, had set a precedent when he doffed his uniform and the very same week in 1969 became Minister of Transport, representing the Herut Party led by Menachem Begin. When his party left the Government in July, 1970, in protest against a Cabinet decision to accept the American Peace initiative, he became a Director of Maritime Fruit Carriers, a giant company by any standards. In 1968, Aluf Uzi Narkiss was appointed Head of the Jewish Agency's Immigration Department. He staffed seven of the fifteen top posts in his department with ex-army people. Most of the generals have brought other army officers along with them. After the conquest of the West Bank, and since retirement from his post as the first military Governor of "Judea and Samaria", Chaim Herzog has penetrated a variety of civilian occupations: heading a public corporation called G.U.S. (air conditioning motors and spare parts, elevators, textiles, etc.); a member of the Executive Committee of Israel Aircraft Industries, of the Industrial Development Bank, and of the company that publishes Encyclopedia Judaica.

Identifying the locations of some ex-generals in the civilian economy and employment structure is very indicative of how civilian and military labor forces are becoming increasingly interwoven. Peri attributes this phenomenon partly to the fact that the Israel Defense Force is a civilian army based on the reserve force and thus does not permit a barrier to be erected between military and civilian society; and partly to the increasing technological sophistication of the Israel army, hence the need for constant innovation, and the importance of vitality. Thus, the imperative of early retirement of standing officers in their mid-40s, resulting

in that each year large numbers of officers--majors, colonels, and generals--are ejected into the civilian market. Although these points are accurate and, in part, explain the higher rates of participation in the labor force among Jews than among Arabs of the 34+ age population, a complementary and rather stronger explanation of this increasing inseparability of the civilian/non-civilian productive forces is to be found in the irreversible shift into high technology production, which seriously affects the type of labor to be in demand, and likely to constantly generate new demands for more and more skilled labor with technical sophistication, usually found concentrated in the military. Put differently, we argue that military production is becoming, itself, the leading export sector in the civilian economy and is behind the increasing oneness of the civilian/non-civilian labor force. This is not only speaking of the linkages military production generates and promotes in the economy, but also and more importantly, of deeper structural transformations, specifically, the merger into a single division of labor. Later on, we will also see how the militarization of civilian economy integrates the Israeli labor force more directly into the international division of labor, with an increasingly privileged labor aristocracy on the one hand, and an increasingly exploited segment of the labor force, on the other.

A point directly related to the segmentation of the working class is central to a following chapter.

A concrete micro-scale example of the integration of military and civilian production is in Clal Industries, Ltd., the largest private supplier to the Israel Defense Forces. Clal Industries, Ltd. is very much in aerospace, producing and exporting sophisticated, custom-built equip-

ment. It is also Israel's biggest private industrial conglomerate, operating in varied spheres; heavy and light industries and construction, aerospace and communications, vehicle assembly and textiles, with 10,000 employees. Similarly, Elta Electronics Industries produce, along with weaponry, medical electronics.<sup>39</sup> Also, Process Control Instrumentation (PCI), relatively new to Israel industry, is used both in military and civilian production. According to Aviation Week & Space Technology, "with the tremendous expansion of the chemical and food industries, PCI will expand proportionately. This is due to the need for automation to substitute for the lack of manpower and the need to export products to sophisticated markets."<sup>40</sup>

A macro-example of the increasing integration of civilian and military production and personnel is reflected in transformation of the army, industry and the universities into the "three musketeers". Most of the metal products manufacturing, rubber, textiles, and even clothing, is integrated into the defense and feeds into military production directly or indirectly. Therefore, the question is no longer one of what is military and what is civilian, but rather how strategic each industry is for military production. This formulation reveals its significance when we examine joining/replacement trends by economic branch and when we compare the horizontal labor mobility and differential access of the various ethnic groups to the economic branches more or less politically, economically and scientifically strategic.

In high technology production, it is occupational status that matters most. How much access to information and to the acquisition of technical skill one has in these industries determines whether one is primarily part

of the military or the civilian labor force. Here comes the importance of the technical division of labor, hence the alienation from knowledge as a means of production. Although military production tends to require mainly highly skilled labor force, this, however, must not obscure the generation of the routine unskilled labor category which allows for no possibility of learning about military production and maintains that unskilled segment of the labor force "laymen", civilian labor compared with the technical military personnel.

An evidence on the persistence of unskilled labor categories within Israeli military production is found in "Agan", one of the three engineering works of the Koor Metals, Ltd. Agan's arch panels are made of heavy gauge galvanized steel products used often as military shelters, and are easily assembled with bolts and nuts by unskilled manpower.<sup>41</sup> Another evidence, rather within the international division of labor, is found even in higher technology production. For example, U.S. mini-computers industry, in which the construction of memory boards from millions of wires requires immense labor input, is sent to Korea, where unskilled and semi-skilled labor is abundant and therefore more cheaply available.<sup>42</sup> Although involved in military production (probably unknowingly), this is yet to be considered a civilian mass of labor.

Some vulnerability, however, is implicit in the integration of military and civilian production. It lies in the realm of labor unrest and political instability. Integration results in an inevitable concentration and centralization (essential for both guaranteeing secrecy as well as efficiency), and necessarily magnifies the risk involved in labor

unrest and sabotage. This, in turn, increases the need for repressive measures, including "layoffs", and the call on State intervention for, using Manuel Castell's expression, "the socialization of the cost and the privatization of the profit."<sup>43</sup> This issue is directly related to the "political-business-cycle" and the fiscal crisis of the State, affecting, in turn, the "economic-business-cycle", a series of contradictions to which we will return later on.

It must be kept in mind that labor unrest is reinforced by the decline of unemployment rates. Under capitalism, a certain rate of unemployment is systematically maintained precisely for its disciplinary function--disciplining the labor force. It follows that labor unrest is highest under conditions of full employment. These conditions are promoted by the expansion of the military as it absorbs the surplus population, hence the diminishing of labor reserves. These dynamics in the Israeli realities are most evidenced in the figures on labor unrest characterizing the post-1967 War in general, and the post-1973 economic/political crisis in particular.

It is important to indicate that absorption of the surplus population by the military (for security considerations) applies most to the Israeli-Jewish labor force and least to the Palestinian-Arab labor force. In fact, the expansion of the military makes more room in the civilian labor market, furthering the demand for Arab labor. Both the availability of unmobilized reserves of Palestinian-Arab labor in Israel, as well as an unlimited supply of non-citizen Palestinian labor in occupied territories under conditions of severe political vulnerability, provide for the utmost disciplining of the Arab labor force. This fact is evident, for example, in the lack of labor unrest in the construction branch, where



Palestinian-Arab labor is concentrated.<sup>44</sup> Although the import of cheaper labor power from occupied territories is potentially disciplining to the Palestinian-Arab labor force inside Israel, it has, if any, very little disciplinary effect on the Jewish labor force of Israel. Since the integration of the territories occupied in 1967 into the Israeli economy, and with the increasing penetration of Palestinian-Arabs into the Israeli labor market, a negative correlation existed between the former and Israeli labor unrest. Labor unrest has been constantly rising, more in correlation with declining rates of unemployment or the persisting of full employment conditions.<sup>45</sup>

The fact that importing Palestinian-Arab labor power inflicts no disciplinary effect on the Jewish labor force is probably linked to the increased integration of the civilian economy into military production. Considerations of security (both of the State and of this dominant industrial capital) do indeed shelter Jewish industrial workers (who are increasingly moving into military and military-related production) from the competitiveness of this cheaper Arab labor. This point may explain the import of labor -- non-Jewish labor -- from European countries like Yugoslavia in 1972.<sup>46</sup>

During the peak of the economic boom, full employment and a shortage in Jewish labor, the import, on a temporary basis, of this skilled European labor that represents no security risk for the State of Israel, is more likely to discipline the Jewish industrial labor force in these strategic sectors of the Israeli economy.

This point has some bearing on our central question regarding the prospects for Jewish-Arab proletarian alliance in Israel. The relation of political domination/subordination prevalent today provides the subordi-

nate Palestinian labor force, particularly that imported from occupied territories, with the potential for security risk and sabotage. This risk, in turn, reduces its potential to replace, hence discipline and split the Jewish industrial labor force in strategic economic sectors, thus neutralizing the import of Palestinian labor as a systematic method to impede the possibility of cross-national proletariat alliance. At least one potential obstacle to such an alliance is, in effect, removed. This, however, is not to deny the possible existence of other far more impeding factors; neither is it to imply that the use of imported or resident Palestinian-Arab labor is neutralized from its disciplinary effect regarding all segments of the Jewish labor force. It is mainly to point out the potential contradictions in this realm, and the emerging need to explore other disciplinary methods and means for the labor aristocracy. Such other means can be material and non-material incentives, the import of labor with higher disciplinary potential, increasing the division of labor, already suggested by Eli Ginzberg in light of United States experience in labor management. Central to the policy of the Likud is the implementation of rather tough management of labor, especially since the penetration of the military ex-generals into civilian management and administration. The question to be posed here is how to manage the contradictions likely to emerge from these managerial alternatives? This leads us into the final issue -- prospective sources of labor, in light of the conflicting investment/immigration incentives.

V. Immigration Versus Investment Incentives: Implications on Prospective Sources of Labor

The post-1967 era, as we have previously mentioned, represents a shift in emphasis regarding the primary function of the Jewish State. The shift

is from that of Aliyah (immigration) absorption, the "ingathering of the exiles" as part of the nation-building objective into that of furthering the internationalization of capital.

Although these two functions are essentially complementary, yet the fulfillment of one is likely also to generate contradictions that are detrimental to the fulfillment of the other. It is these simultaneously complementary and contradictory functional requirements that constitute the subject matter of this section.

It is important to make clear that since its inception and by virtue of its transplantation in the Middle East, Israel has served the political objectives of world capitalism and its expansion. It has maintained spheres of influence to prevent the transformation of the prevailing order and the imposition of a socialist alternative. It has postponed the ripening of the principal contradiction between the bourgeoisie and proletariat and the development of a revolutionary proletarian movement. As an instrumental target of massive discontent, it has been systematically used by ruling classes in the Arab countries to divert the attention of their exploited masses from class struggle.

Recently, the State of Israel promotes in a more direct manner the economic objectives of international monopoly capital, specifically in the sphere of realization. Israel is not like other developing countries in the periphery of world capitalism. It does not promote the internationalization of capital mainly by offering a market for capital goods, cheap labor power and primary products under terms of trade that guarantee unequal exchange, hence higher rates of return. Israel, in some respects like European advanced countries, belongs to the center of world capitalism because

and in spite of its location outside, and strategic to, central capitalism. Israel, therefore, by virtue of belonging in some ways to the developed center and in other ways to the developing periphery, provides unique incentives for foreign investment, even as it promotes the internationalization of capital in special ways.

For example, most of the incentives for investment in Israel are built on provisions that Israel can offer those foreign firms in the sphere of realization. Aviation Week & Space Technology, June 14, 1976: Special Israel Advertising Section presents a comprehensive articulation of all the factors that make Israel a market for high technology products, an excellent base of business opportunities for advanced technology and for international marketing by U.S. companies. This is an articulation of the potential the Jewish State has for furthering the internationalization of monopoly capital. It shows how the Jewish State, like secular nation-states, is virtually compelled to abide by the requirements of international capital.

For details on these incentive provisions, see attached copies from the original advertisement. What concerns us most here are two of these incentives: the "higher foreign tax credit through U.S. LDC [less developed country] tax status" and, in General Bar-lev's words, "a very sophisticated lower-paid labor market," the two being among the main factors that reduce the cost-of-doing-business in Israel by foreign, specifically United States companies, hence promoting higher rates of return on investment.

One can immediately notice the irony and contradiction implicit in

the provision of higher foreign tax credit based on the U.S. LDC tax status, as an incentive for investment in high technology production. More important, however, is the fact that this advantage is likely to be manipulated and gained by Israel on the basis of having a large proportion of its labor force coming from less developed countries (Oriental-Jews and the Palestinian-Arabs). The second advantage is, as mentioned previously, made possible precisely because an equally large proportion of Israel's labor force immigrated from advanced capitalist and post-capitalist economies with an already acquired experience and training in high technology production. Therefore, even in furthering the internationalization of capital and not only in her nation-building efforts, the State of Israel capitalizes on both poles of its labor force. This combination of labor force gives Israel a unique advantage over all industrialized as well as underdeveloped countries.

In advertising her industrial climate favorable to the interests of foreign capital, the State lists as a first item, "skilled labor at relatively low wages: Israel's labor force ranges from highly skilled engineers familiar with modern American technology to untrained workers. Wages are considerably lower in Israel than in most Western countries."<sup>47</sup>

Similarly, in explaining why more U.S. companies are using Israeli facilities for contracting (30 new American projects were established in 1975, in addition to the 150 successful American companies) the Special Israel Advertising section in Aviation Week & Space Technology highlights the fact that "industrial wages in Israel are relatively low, as compared with those prevailing in other industrial countries with the result that local industries are capable of meeting customers at attractive terms."

The same source, recognizing the centrality of the manpower factor in attracting foreign investment capital in high technology production, points out also the externality of the very source of this investment incentive, saying:" one of the most important factors that enables Israel to mount a significant research and development program is its scientific and technical manpower. In many ways, this is a crucial element. Capital, even sophisticated equipment, can quite easily be moved from one country to another on very short order. Human skills, however, can be imported only on a very limited basis, and their development at home is a long, complex and vulnerable process. The human capital, essential for the operation of a modern technological society, is available in significant quantities. In 1974, some 100,000 Israelis held academic degrees, and another 79,000 had graduated from post-secondary education institutions other than universities. Something like one of every five Israelis in the civilian labor force has had more than twelve years of schooling. To some extent, this is the result of a significant "brain gain" through the larger-scale immigration of often highly qualified people."<sup>48</sup> The more effective this incentive becomes in attracting foreign investment, the more industrialized Israel becomes, hence, the less fit to the U.S. LDC tax status, which is another unique advantage Israel has over other Western countries for attracting business opportunity. It has already been expressed: "We are on the verge of moving from an underdeveloped country to an industrial state and it is solely because our defense industry...Before the war broke out in 1967, Israel was bogged down in its first serious recession; scientists were leaving the nation because of

the lack of opportunities."<sup>49</sup> The more foreign investment attracted, the lesser is emigration, the greater becomes the demand for more of this technically sophisticated lower-paid labor, and hence Labor and National Insurance, a monthly review of the Ministry of Labor, states in May, 1976: "The need for more academicians to be integrated into our industry is a national and economic goal we cannot overlook."<sup>50</sup> In light of such growing need, the question becomes, what are the potential sources of technical and scientific labor force to be mobilized in response to this growing need? Hypothetically, at least five alternatives exist: (a) intensive investment in human capital -- training of labor force already available in Israel; (b) mobilizing into the civilian labor force scientific Israeli labor force residing abroad or absorbed in the military; (c) intensifying selective immigration of professionally-trained Jews from technologically advanced countries; (d) import of non-Jewish European labor; and (e) heavier reliance on Arab labor.

However, not all these hypothetical sources are feasible in fact. If Israel were to pay the reproduction cost of her technically sophisticated labor power, she would not have the advantage of lower cost of production with favorable effects on realization. Thus, it would cease to provide one of its major investment incentives. Since it is the inflow of highly trained labor whose training cost falls outside the boundaries of her economy, that makes it economically feasible for Israel to provide foreign companies with lower-paid high-skilled labor. This is principally at the expense, not of this portion of the labor force (which is usually subsidized by philanthropic capital as an absorption cost), but mainly at the expense of the immigrants' countries of origin and also of the lower strata of the

working class in Israel. More importantly, the dependence of this alternative source of scientific labor force is also politically not viable, as far as Jewish demographic superiority is concerned. Continuous Jewish immigration is imperative for the sovereignty of the Jewish State, especially under the annexationist program of the Likud. Otherwise, Arabs can soon become an absolute majority and demand a majority rule in accordance with the laws of the essential bourgeois democracy of Israel.

Efforts have been underway to increase Jewish participation rates in the civilian labor force. This is particularly true in the case of Jewish female labor. In light of the troubling decline of Jewish male participation in the civilian labor force during the last decade (from 75.5 percent in 1965 to 64.3 percent in 1975), Minister of Labor, Moshe Bar'am, has stated in the Knesset in March, 1976: "Our women are today a great potential for our labor force and we are doing our utmost to involve them therein."<sup>51</sup> To facilitate the mobilization of Jewish female labor reserve, the Ministry of Labor had devoted immense efforts for child day care centers. Today, for example, accommodations for 27,000 are available, compared with only 12,000 five years ago.<sup>52</sup> This source is not only insufficient, but also may result in further decline in the Jewish birth rate, which is again detrimental to the national objective.

Another approach for increasing the rates of Jewish participation in the labor force, specifically technically trained labor, has been that of activating the Emergency Regulations to forcefully mobilize Israeli citizens residing abroad back into Israel. The increased integration of the civilian and military labor force in high technology production makes it easier to use these regulations in times of peace, not only in a military emergency.



Shortage in scientific labor and academicians can be regarded today a security emergency.

According to Davar (June 22, 1975), in an article titled, "IDF Musters Israelis in the U.S.," in early November, 1974, an Israeli Colonel arrived in the United States and, after a month of what was termed "hard work", compiled a list of thousands of Israelis "sorted by their addresses, ranks, military professions, and abilities. If a state of emergency were to be called in Israel tomorrow, IDF (Israel Defense Forces) could send them mobilization notices on the same day." According to Israeli law, part of the Emergency Defense Regulations, every Israeli citizen is required to register in an Israeli consulate if he or she stays in a foreign country for a period longer than one month.

The Israeli Military Office had prepared, among other things, mobilization calls "a perfect recruiting system" and "an exercise of mobilization by telephone" (probably to avoid publicity of the event).<sup>53</sup>

Under the title, "Treatment of Israelis Abroad Who Do Not Fulfill Their Duty to IDF Will Harden," Yediot Aharonot (December 8, 1974) reports shortly after the arrival of the Israeli Colonel to the United States: "...the Israeli passport may be taken away [also] from those who are called to a special reserve service at time of emergency -- and will not comply."

More importantly, another report, titled, "IDF Tries to Enforce Reporting for Mobilization Abroad," in Maariv (June 18, 1975), states that Head of the (IDF) Manpower Department, General Moshe Gidron, has met recently with the Heads of the Ministry of Interior in order to establish regulations enabling measures to be taken against young Israelis who stay out of the country and do not comply with mobilization calls sent to them.<sup>54</sup>

The real question that emerges in light of this information is not with respect to the effectiveness of those measures in mobilizing skilled Israelis back home; a far more serious question is, rather, the disincentive effect those measures are likely to inflict on the immigration of non-Israeli Jews, promoting reluctance among potential newcomers to come.

The Israeli Development Economist, Michael Bruno, views the problem of labor shortage in Israel as rather one of maldistribution, not absolute shortage.<sup>55</sup> Maldistribution, probably in terms of the tendency of the economically active labor force to concentrate in unproductive labor categories -- categories that do not involve creation of surplus, hence enlargement of the surplus product. In this sense, maldistribution is most evident in the mushrooming of the service sector among all economic branches, absorbing the largest portion of the civilian labor force. It may also apply to the mushrooming size of the police army, the latter totalling, in 1976, 75,000 soldiers in the Regular Army, which includes those serving on a permanent basis and those on a compulsory temporary basis, in addition to 307,000 in the Reserves.<sup>56</sup> The military force thus constitutes 30 percent of the total civilian labor force. Further, the size of the army seems equivalent to the size of the non-citizen Palestinian labor force imported from occupied territories. Does this suggest a replacement as opposed to a joining trend in the technical and/or social division of labor? This question is to be explored in Chapter V.

The training of an Israeli labor force and/or the making available of an already trained labor force neither economically nor politically present a viable alternative for Aliyah (Jewish immigration). Neither does the use of skilled migratory labor from advanced European economies, as

was the case in 1972. This is not to say that such migratory labor will not have an important function, specifically a disciplinary one; pacifying Israeli labor in high technology production and stabilizing labor unrest under full employment conditions.

Migratory labor (even if restricted to Jews alone) is still a transitory, not a permanent, resident and citizen that can be automatically subjected to compulsory military service. Such a solid base of civilian labor force that can at any time be mobilized into the military is essential for the security of the Jewish State. It is on this basis that Zahal, the Israel Defense Forces, created by David Ben-Gurion in 1948, was formed on two principles:

(1) Every Israeli person at the age of eighteen (except for the religious or physically or mentally disabled) puts in compulsory military service (36 months for males and 20 months for females);

(2) Upon release from compulsory service, the young man remains a soldier in the Reserves and is called up for active duty once a year for a month or more until he is forty, and after that, for two weeks until he is fifty-five. Every Israeli citizen (except for Palestinian-Arabs) is, as some Sergeant Major put it, "a soldier on leave eleven months a year."<sup>57</sup>

An Israeli-Jew who is primarily a potential soldier cannot be simply a transitory immigrant in Israel, one who immigrates and emigrates in accordance with capital mobility and incentive availability, as citizens of other countries can be. This fact, in itself, constitutes an immigration disincentive. The reliance on migratory labor, as opposed to

immigrants who are potential citizens in coping with labor shortage is neither economically nor politically viable; in the case of Israel, it can be a very risky deal, capable of promoting the vulnerability both of the State, as well as her very strategic high technology industry.

A remaining alternative to be explored in the face of an immigration crisis and in response to a growing demand for labor resulting from increasing foreign investment in the country is heavier reliance on Palestinian-Arab labor. Of course, Palestinian-Arab labor for clear security considerations cannot be integrated into Israeli high technology production. Perhaps it can replace, hence release, Jewish labor in less strategic economic branches. The availability of this reservoir of Palestinian labor (specifically from Gaza and the West Bank) is made possible by military occupation, and it can be maintained under control only by a growing army and police force, consisting mainly of Jews.

In his article "Israel 1976: A Bi-national State," Moshe Eter, Economic Editor of The Jerusalem Post attributes one of the problems of the economy and maldistribution of the labor force to the necessity to contain terrorists and to maintain security and political stability in the country and therefore, the police force increased by 120 percent and the civil employees by 40 percent. In addition to 19,000 in the police force, 150,000 are employed by special security agencies; this does not include the civil guards.<sup>58</sup>

In part, this explains the constant decline in male Jewish participation in the civilian labor force. Palestinian-Arab labor is not likely to replace this Jewish labor force in such strategic apparatus of the

Jewish State;<sup>59</sup> as a result of this inevitable maldistributional problem, the shortage of Jewish labor power is likely to persist even in the non-strategic sectors of the civilian economy, making more room there for Palestinian-Arab labor. Let us now examine the potential viability of further reliance on Arab labor as an alternative adjustment in the face of an increasing demand for technical labor force in high technology industry, concomitant with a simultaneous decline in immigration, and rise in emigration, rates.

Reliance on Palestinian-Arab labor is being discussed here in the context of optimizing the utilization of available sources of labor force as an alternative adjustment to immigration decline. In this sense, it is also related to the possibilities for optimizing the utilization of available Jewish labor precisely by means of redistribution of both segments of the labor force in the employment structure.

Palestinian-Arab labor was historically and still is underutilized in the Israeli economy. Underutilization applies both to those in, and not in, the labor force. In the first case, underutilization is in the form of subemployment due to the nature of labor categories within which Palestinian workers are situated, in the case of citizen male labor these are usually menial personal services in garages, restaurants, etc., and to non-citizen Palestinians these are mainly seasonal cash-cropping jobs, etc.

Underutilization, both in the form of subemployment regarding participants in the labor force, as well as in the form of non/subproletarianization regarding the non-participants in the labor force applies most dramatically to female Palestinian labor, citizen and non-citizen alike.

Only 30 percent of citizen-Palestinian-Arab females are in the labor force, many of whom are only seasonally employed as agricultural cash-croppers. Subemployment applies dramatically also to the Palestinian-Arab intelligentsia unemployed or situated in unskilled manual labor categories or subjugated to skill-mismatch for the usual "security considerations."<sup>60</sup> Non-citizen Palestinian-Arab workers from Gaza and the West Bank, especially smuggled workers with no work permit, are the ones victimized the most by various forms of subemployment and for a rather longer span of time.

Several efforts for higher mobilization, overutilization, and alternative relocation of Palestinian-Arab labor force are now underway; this is true for Israeli citizens, as well as non-citizens.

As demonstrated in Chapter VI, citizen-Palestinian-Arab labor is increasingly penetrating new economic branches and industries. The differentiation in Arab-Jewish distribution by economic branch is lessening in recent years. As far as not talking about a particular industry, one can say that citizen-Arab labor is increasingly allowed to join or replace Jewish labor in the industrial branch. Furthermore, industrial plants owned by Israeli-Jews are now penetrating Arab residential locales to utilize more Arab labor on the very site of its reproduction. Although the employment of Arab labor in such plants seems to provide neither for joining nor for replacing Jewish labor, this method of mobilizing unutilized Arab labor force does, in effect, provide for indirect replacement of Jewish labor by Arab, hence releasing the former for an alternative utilization.

According to Y. Harari, the year 1970 represents a turning point in Government policy towards industrializing the Arab village, institutionalizing this shift in 1973 by appointing an Arab citizen (Kamal Qasim) advisor on this affair to the Ministry of Industry and Commerce. As a result, the industrialization process was speeded up, reaching 100 industrial projects, 18 of which were established during the first half of the year 1976. These industrial projects are no longer restricted to textiles, as was the case in the past; they are geared towards a larger variety of products: ceramics and stone-polishing products. Production includes also fairs, shoes, carpets and diamond-finishing products. This is in addition to 2,500 small workshops, 80 of which produce bricks, 38 for olive oil, etc.<sup>61</sup>

Reaping super-profit by employing oppressed Arab females is probably the motive for placing Jewish industry in Arab villages. Moreover, mobilization of Arab females into the Israeli labor force does, in effect, coincide with the national demographic objective since it is likely to delay the marriage age of the now "productive" women. Consequently, the fertility rate among the Palestinian-Arab population may decline. Child day care centers are not made part of the government effort to mobilize Arab female labor, as is the case in mobilizing Jewish female labor into the labor force.

The inflow of Jewish industrial capital into Arab villages as a recent alternative to intensifying the outflow of female village labor into Jewish work places which constitutes only a semi-proletarianization process, does also coincide with economic, specifically profitability considerations. This is because it contributes to minimizing the cost of

production in general, and of reproduction in particular. This is true not only in regard to that labor employed on the site of its reproduction, but also, and more importantly, in regard to labor employed in Jewish work places outside the village. As we earlier noted, one of the factors most conducive to profitability in hiring Arab labor is the fact that the reproduction of the latter is exogenous to the "modern" sector, and its cost falls mainly on the "traditional" sector. It is female domestic labor, including agricultural production for direct consumption that constitutes this semi-subsistence "traditional" sector, in which a large portion of the cost of production and reproduction has been absorbed. A massive outflow of female labor from the village to employment in Jewish work places is likely to eliminate the village potential for absorbing the reproduction cost of commuter Arab workers in Jewish work places. The effect of this penetration of industrial capital into the village is thus two-fold: cheaper utilization of unutilized labor, as well as maintaining the possibility of women's contribution to the reduction of subsistence cost of commuter labor, hence making possible the extraction of higher rates of surplus value from the latter.

Of course, a further utilization of available female Arab labor reserves, most likely in unskilled labor categories, is not likely to replace skilled Jewish labor that can then be released for high technology production in which shortage in labor is most severe. But it does potentially contribute to improving conditions of skilled Jewish labor, as a way or coping with emigration, etc.

The most recent form for industrial utilization of Palestinian labor in rural localities is the "Regional Factories" (Mifalim Ezoryim) of the



kibbutzim. "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.<sup>62</sup> 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.<sup>63</sup>

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 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 on Palestinian-Arab labor to replace, hence release, kibbutznik labor into managerial 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 to make invisible the violation of labor Zionist ideals, specifically the principle of

self-labor, as opposed to hired labor is only in part an attempt to restore the utopian "socialist" image of the kibbutz, hence to reinforce its potential for attracting Jewish immigrants. This point, however, must not divert the attention from the dominant profit motive underlying this development scheme.

The victory of the Likud over the Labor Party; its doves (the advocates of withdrawal from occupied territories), as well as its hawks (the advocates of Greater Israel--Eretz Yisrael Hashlema) eliminates the controversy regarding the integration of occupied territories as a periphery with "unlimited-supply-of-labor" into Israel economy. Not unlike the Labor Government, the Likud leaves no room for diplomatic peace settlement, hence eliminates the feasibility of a Palestinian State in the near future. Employment of Arab labor from those territories will therefore continue to be under Israeli control, unless forces external to Israel's internal dynamics impose alternative employment conditions. This source of labor supply, being now more ensured, can be mobilized to replace Jewish labor in agriculture and non-strategic industries, hence release the latter into training for, or directly into, high technology production. This unskilled Palestinian labor is technically capable of replacing Jews only in unskilled labor categories in which Asia-Africa immigrants are over-represented. The latter, however, when replaced by Arab, seem to move into services, not production. Furthermore, training them for high technology production, where demand for labor is highest, is a very costly and vulnerable endeavor, if it is to become a national priority, which is very unlikely.

In pointing out the "paths to more effective manpower utilization," Eli Ginzberg warns Israel Manpower Planning Authority that:

"...serious problems will rise in Israel as the number of students completing elementary school from recent immigrant families from Africa and Asia begin to outnumber those who are native-born or who come from the families of immigrants from Europe....

...The birth rate of recent immigrant families from Africa and Asia is much higher than that of the earlier settlers from Europe, which carries the threat that "Oriental" Jewry, with values and goals different from the older population, will soon form a majority of the citizenry; that educated Israelis are going abroad and that many are delaying their return; that the number of immigrants from the West--Europe, North and South America, and South Africa--remains low.

...Against these demographic facts, to which must be added that... the Arab population in Israel and surrounding Israel ...continues to multiply at high rates; the gross disparities in manpower in quantitative terms is certain to worsen in the decades ahead." 64

In light of these "ominous implications", Ginzberg emphasizes the necessity of special attention to be "devoted to devising ways and means to help in accelerating the flow of trained manpower from the West."<sup>65</sup>

This is not the place to discuss the Moynihan-like "culture of poverty" argument and "blaming the victim" tone in his analysis of why the Oriental-Jews are potentially unfit and untrainable for high technology production and his racist view as a serious threat, the becoming of the Oriental element (Arab and Jew) an overwhelming majority in the Israeli labor force; which, in turn, necessitates the devotion of all effort to accelerate the inflow of trained manpower from the West. It is the place, however, to conclude that sophisticated training of unskilled Oriental-Jewish labor force in Israel is neither a national priority nor one of

the objectives of the Ministry of Labor. It seems an unconsidered idea. Therefore, the use of Palestinian labor in the place of this segment of the Jewish labor force seems very unlikely to promote the mobility of the replaced Jewish labor into high technology production, where shortage in manpower prevails. It provides, indirectly, an alternative for immigration of trained Jewish manpower from the West. The integration of this Palestinian labor force, on the one hand, intensifies the imperative of Aliyah on the basis of the demographic threat its presence represents, and can also promote, though very indirectly, material incentives for immigration -- better wages, housing, etc., to the newcomers at the expense of the heavy appropriation of non-citizen Palestinian labor force value. The appropriation of a higher surplus value from Palestinian workers can allow for maintaining a labor aristocracy not at the expense of capital -- without decline in the rates of profit. The conquest of Palestinian labor in Israel today, indirectly constitutes a material incentive for Jewish immigration from the West, the only alternative source of labor likely to accommodate both the economic and the political objectives simultaneously.

#### The Immigration Potential: Incentives and Disincentives

In the following, we examine the transformation in immigration incentives over time and in response to the inflow of foreign investment capital, and the implications of those transformations on the future of Aliyah.

In the Yeshuv, prior to the establishment of the State, Zionist leaders relied primarily on ideological, and secondarily on material, incentives for Jewish immigration into Palestine. The pioneer (Hehalutz) paving the road for the building of a National Home (a State in disguise)

was presented as the heroic Jew in Zionist literature. From its inception, the concept of "Aliyah" (immigration) versus "Yerida" (emigration) has a connotation of blackmail that exerts moral pressure on Jews to immigrate to "Eretz Yesrael". This has been used since H. Bialik until the present time as a non-material "incentive" for immigration.

Similarly, Zionists used religious sentiments based on archaic Bibli-cism, the strongest of which was the "redemption" of the land -- the Pro-mised Land -- as a Divine Command. In Zionist practice, the land is re-deemed once it is colonized and settled by Jews. The "return-to-the-soil" appeal in "spiritual" Zionism, as well as later on in proletarian Zionism, was a non-material incentive used precisely for guaranteeing the material base for a Zionist State superstructure in Palestine, both territorial and demographic.

The emergence of Labor "socialist" Zionism provided the most solid ideological incentive for Jewish immigration; the whole idea of constructing utopian socialism in collective living forms (the kibbutz) and "labor sector" (the Histadrut) were most appealing to East European Jews, who were very involved in the revolutionary debates and actual struggle in the East European scene, then disappointed by the defeat of the first Russian revolution. It is important to indicate that even then in the Yeshuv, ideological incen-tives were not sufficiently effective in recruiting pioneers; Judah Matras indicates that the provision of material incentives (such as subsidized or guaranteed housing, employment and services) was necessary, and that indi-viduals with skill and/or wealth were recruited to, and if they were re-cruited did not long remain in, the rural settlements.<sup>66</sup>

Since the Zionist movement made explicit its objective of establish-

ing a Nation-State in Palestine and all through the nation-building phase after 1948, political/patriotic immigration incentives became more prevalent. Historical events external to Zionism have also coincided with the immigration objective. For example, the rise of fascism in Nazi Germany and anti-semitism in the West become a powerful push for Jewish immigration to Palestine prior to and right after the establishment of the State. The segment of the labor force victimized by Nazism came as refugees, not as colonial settlers; they came to Palestine as "free" laborers and were, therefore, coersively proletarianized, unlike the majority of the settler proletariat.

With the exception of this group and some segments of the Asian-African immigrants, most Jewish immigration after Statehood seems to be positively correlated with wars, specifically those resulting in territorial expansion (unlike the exceptional case of the 1973 October War). Nation-building and national security (security of the State) became the most instrumental slogans in increasing both Jewish philanthropic capital and Jewish human resources for national infrastructural development, including the army. Wars and territorial expansion required immigration for maintaining sovereignty through demographic superiority, as Zvi Gitleman points out:

"After 1967, with the inclusion of large numbers of Arabs in the boundaries of the State, and with the realization that the birth rate of Israeli Arabs is much higher than that among Jews, the Government launched a campaign to attract additional immigration in order that the relative weight of the Jewish population be preserved, and that the total Jewish population grow, partially in order to enhance Israel's military security." 67

Included in the nation-building objective is, of course, the development of Israel's economic and urban infrastructure that generates job opportunities, in turn used as incentive for more Jewish immigration. The

innovative forms of rural and urban settlements have always been used by the Zionist leaders as a source of attraction to immigrants, especially Jewish youth interested in experimenting with new styles and forms of life. This applies, though, less to Oriental and more to Western Jews; it explains the immense Zionist effort devoted to publicizing the kibbutz, the moshav, and the Histadrut, emphasizing their utopian aura and egalitarian premises, and hence the potential for young immigrants to participate in the construction of an ideal society.

All the above are basically non-material incentives that have appealed to "Diaspora" Jews in the past.

In the current expansionist phase, Israel occupies by military force territories of three neighboring countries. Therefore, Israel can no longer capitalize on utopian slogans such as the construction of an ideal society to promote Jewish immigration. Further, the Jewish remnants from the age of "egalitarianism", as far as wage policy and workers/management relations are concerned, have been overridden by conditions necessary for promoting the internationalization of capital, specifically as they conflicted with requirements for attracting foreign investment capital. Examples of such requirements are: concentration of capital-large-scale production, and the development of foremanship and other supervisory labor categories for increasing the productivity of labor for capital. All this implies further division of labor in the pursuit of optimization.

Conditions necessary to pave the road for foreign investment, "with the Aliyah objectives in mind," that necessarily undermine the non-materialistic Aliyah incentives of the past, were explicitly advocated by Eli Greenberg and seriously considered by the Ministry of Labor.

"It is startling and revealing [he writes in 1968] that there is no adequate Hebrew word for "Foreman". Yet the Foreman plays a critical role in the industrial life of most advanced nations....Israeli industry cannot grow rapidly in sophistication without institutionalizing the role of the Foreman. Among the important duties of a Foreman is to help orient the newcomer and to see that he acquires the requisite skill to perform his task as rapidly as possible....The slow development of foremanship in Israeli industry is unusual in light of the fact that the Israel Defense Forces rely heavily on the non-commissioned officer. The industrial Foreman should discharge functions that parallel in many respects those of the non-commissioned officers. If Israeli industry is to grow in scale and sophistication, the growth of foremanship must be speeded." 68

Ginzberg further emphasizes the development of management skills, coupled with liberalization policies, if Israel is to attract foreign entrepreneurs, and if her enterprises are to expand, particularly overseas, and more importantly, to erase the residuals of the egalitarian doctrine; for example, by tying wage increases more closely to productivity gains.

The post-1967 phase, therefore, represents an almost total shift into material incentives for both investment as well as Aliyah. Profitability has become the primary consideration for international subsidiaries to choose Israel as an operation site. Material provisions and benefits have become the primary incentives for Jewish immigration. The quality of housing and employment increasingly determine immigration/emigration trends. Furthermore, the kind of investment that Israel has been trying to attract (mainly in the realm of high technology production and industrial research and development) does predetermine the kind of labor-in-demand; hence comes the emphasis on selective Aliyah of professional and technically trained persons with the United States being the most promising of all potential sources for the supply of Jewish trained manpower in the near future.<sup>69</sup>

As Gitelman points out:



"The recent immigration (since the 1967 War) differs from previous movements in its participants' age structure and educational and occupational distribution. By and large, the recent immigrants are younger, better educated, and more concentrated in professions than were the immigrants of the first two decades of the State. In 1970, for example, 34 percent of the immigrants were 19 years old or younger, 46 percent were between 20 and 49 and only 8 percent were over 65. Fully 43 percent of the 1970 immigrants were classified as professionals (akademaiim), whereas such people constituted only 15 percent of the Israeli population as a whole.

To encourage immigration of trained manpower from advanced countries is to provide new immigrants with special privileges strongly resented by, and seen as discrimination against, the old-timers. Although the Israeli population has been taught to regard immigration of Jews as one of the most important national goals, a survey commissioned by the Ministry of Absorption found that in 1971 half of the Israeli population had not spoken to any immigrants in the past year. In another survey, 55 percent of the population thought that the help given to immigrants comes at the expense of the poor strata in Israeli society. When respondents were divided according to ethnic origin and age, it was discovered that 60 percent of Oriental Jews thought the poor were suffering because of the Soviet immigration and more than 66 percent of young (18-29) native-born Israelis (Sabras) thought so; unlike the older settler generation. When asked whether all the demands of Georgian Jews should be granted rather than have them return to the Soviet Union, 64 percent of the adult population said they should leave the country and their demands ought not be met." 70

The above is only to point out some of the internal contradictions selective Aliyah provokes in Israel; increasing social inequality means, potentially, intensifying class struggle among "Israeli Jews" and between the latter and Diaspora Jews. This, at one point, may lead to political instability, which is risky for business operations there. This is to say, selective Aliyah as incentive for foreign investment may, in effect, result in disincentives for foreign capital. In the meantime, by intensifying class struggle among Israeli Jews, selective Aliyah may also broaden the base for cross-national proletariat alliance.

Because of the superior knowledge and training of the recent immigrants, and consequently, their higher wages, let alone the special privileges they are granted by the government and absorption agencies, the veteran population, who have paved the road for the latter and "made the desert bloom" are now losing out in competition with the newcomers for access to jobs and housing. Perhaps the most extreme expressions of resentment towards immigrants have been the physical harrassment of immigrant tenants in a building in Ramat Gan, where an atmosphere of terror was created by young Oriental Jews, and a letter sent by "Sabras in Need of Housing" to Georgian immigrants, which said: "We the Sabras were disappointed to learn that Jews like you exist in our State....You should know once and for all: you will not milk this State like a cow....New immigrants, the Ma'abarot,\* will await you; please clean them and let us try out your apartments."<sup>71</sup>

Material incentives and privileges to attract technically trained manpower (which is increasingly in demand) are also increasingly required. Further encouragement of foreign investment in high technology industry promotes inequality and is a possible source of intensified conflict within the ruling class, as the Sabras and veteran settlers are forced out of their historically hegemonic position. The dual inflow of capital and of a trained scientific labor force directly linked with international monopolies promises more potential for the development of the productive forces. This potential lies in the expansion of high technology industry, the optimal strategy for economic development in the Israeli realities. This strategy, however, results ironically in increasing emigration of Israelis in general,

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\* Shanty housing in which the majority of previous immigrants, especially during periods of massive immigration, had to live during a transitional stage in their absorption in the country.

and Sabras in particular.<sup>72</sup> This is emigration of the petty bourgeoisie, both "old" and "new", who are, according to Borochoy, the class most needy for national territory and, more importantly, who were the vanguards of Zionism; the actual creators of the Jewish State.

Emigration of Sabras back to Diaspora is, therefore, an extremely sensitive issue in Israel, for it may be taken to signify the ultimate bankruptcy of Zionism and its territorial solution to the Jewish question. After all, only 20 percent of world Jewry have chosen to become citizens of the Jewish State, and of this 20 percent, even Sabras, the more deeply rooted "native Israelis", are beginning to sail away back to "Diaspora". Not only that, emigration of Sabras may itself constitute a disincentive to Aliyah. It also designates a vicious circle: the early Jewish settlers pushed out the indigenous Palestinians and now recent Jewish immigrants are pushing out the only indigenous Israelis.

This view of the petty bourgeois settlers is contrasted with the view from Diaspora. The current emigration/immigration dynamics are not troubling the latter. On the contrary, these dynamics are taken to provide a relieving excuse for the absence of commitment to Zionism (in terms of Aliyah) on the part of the traditional and "new" Jewish petty bourgeoisie, who are still residing in Diaspora. These dynamics (specifically with regard to emigration (Yeridah) of Sabra Jews), in fact, provide legitimization for the advocacy of a new position: dynamic integration of Diaspora and Israel (ironically parallel to the "open-bridges" policy advocated by the Israeli "Hawks" with regard to the "Diaspora" of the Palestinians).

This new position is expressed most eloquently in Ginzberg's recommendations on Israel's manpower development strategy. In Ginzberg's words:

"...the multi-cornered flow of persons into and out of Israel, temporarily and permanently, must be viewed in the larger context of the development and vitality of both Israel and the Diaspora. The security and welfare of each will be strengthened as the bonds between them are made closer. When an Israeli scientist goes abroad to assume a position in a major industrial company...he may be the direct or indirect cause of new business ties which can aid in stimulating the growth of the Israeli economy. And the ability of Israel to attract trained people from the West depends more on the rate of its economic expansion than on any other single factor....The more complex relations that exist between Israel and the Diaspora...may require a more circular flow of people than is suggested by a direct approach to Aliyah." 73

Nothing is more indicative of the crisis of Aliyah than these words, hence the bankruptcy of proletarian Zionism. The position expressed by Ginzberg is probably representative of the aspirations of the "new" Jewish petty bourgeoisie (technicians, engineers, managers, etc.) who, unlike the big capitalists and the old petty bourgeoisie, are free of property relations. They are, therefore, more mobile in accordance with the requirements of monopoly capital. It is by virtue of its relation to monopoly capital that this class, or class-faction, is reproduced. In this respect also it differs from the traditional petty bourgeoisie, who are constantly threatened with extinction by monopoly formation.

The pragmatism expressed in Ginzberg's recommendations with regard to Jewish immigration/emigration derives from a more correct assessment of the actual material realities binding Israel with Diaspora in the age of monopoly capitalism. This dynamic integration by means of free labor inflow may be taken to signify a proposed alternative to Aliyah, as the only remaining solution to the problem of Jewish labor supply in Israel. This alternative, however, may lead to the disintegration of the Jewish national entity "manufactured" by the Zionist movement in Palestine, hence the transformation of the Israeli settler-colonial formation into a mere secu-

lar "appendix" to United States imperialism. The proposed form of integration between Diaspora and Israel (which signifies transformation in the material life of the Israeli society) may also give birth to a new form of consciousness among the Israeli masses, specifically Oriental-Jews, as such integration is likely not to benefit them but be to their own detriment. If it actually develops, such consciousness will probably be for de-Zionization. In that case, subjective conditions for Israeli-Palestinian proletarian alliance becomes a more plausible possibility.

### Conclusions

This chapter presents an examination of the sources and ethnic/national composition of Israel's labor force. It focuses on problems concerning Jewish labor supply in an attempt to identify the impetus underlying the growing demand for Palestinian-Arab labor in Israel today. This is also to assess the material prerequisites for proletarian alliance among the various segments of the labor force.

Evidence from this analysis suggests that the growing demand for Palestinian-Arabs in Israeli Jewish economic enterprises can be only partially and indirectly explained in terms of changes in Jewish labor supply.

The growing demand for Palestinian labor is not unrelated to the fact that the majority of Jewish immigrants in the recent decade have come from advanced capitalist countries (specifically the United States). These are not "labor freaks" but rather professionally trained scientific labor force. The result is concentration of scientific technological know-how in Israel. This, in turn, constituted a major impetus for the development of high technology military industry as the main exporting industry in Israel's

civilian economy and the most strategic economic sector in the country.

For security considerations, the shift to military industrialization urged the revival of the "only Hebrew labor" policy in this expanding sector of the economy. The intensification of demand for Jewish labor in the sector of arms and arms-related production, on the one hand, and the shortage of Jewish labor supply, on the other, are probably responsible for boosting the demand for Palestinian-Arab labor in traditional Jewish industries, specifically consumer goods production.

Central to this chapter is the argument that transformations in the composition of the labor force presented an incentive to foreign investment and high technology military production in Israel. This, in turn, urged concentration of capital for economies of scale. One implication of concentration is more division of labor for further control of the labor process. More division of labor implies more and more unskilled labor categories are generated. Such unskilled labor categories in Jewish industry were, in the past, performed by Oriental-Jews. Now Israel witnesses an absolute shortage of new Oriental-Jewish labor supply, as well as "maldistribution" of the existing Oriental-Jewish labor stock, reflected in the overwhelming tendency to move into public services. In light of this development, the growing generation of unskilled labor categories compels the Israeli ruling class to mobilize the reservoirs of Palestinian labor which it has historically boycotted. This analysis points out a possible correlation between shortage in unskilled Oriental-Jewish labor force and the demand for unskilled Palestinian labor force. It is not profitable to deskill new Jewish immigrants, coming predominantly from advanced capitalist countries. This point is demonstrated later on, as it belongs to the

differential locations of the various segments of the labor force in the technical and social divisions of labor, the subject of the following chapter.

This analysis suggests that the growing demand for Palestinian labor in the productive sectors of the Israeli economy is not accidental. It corresponds to structural transformations in the social and technical organization of production. Therefore, it is more likely to be a permanent, not a temporary, phenomenon -- as was the case in previous historical phases. This point has special bearing on the national proletarian alliances, as it is only conceivable to discuss the possible development of common proletarian class interest, hence the potential for cross-national proletarian alliance, when Palestinian masses are allowed to labor productively (to exchange their labor power against Israeli capital) on a long-term basis. Occupying a permanent place in the labor process is a prerequisite for class formation as a social force with distinct interest and mission.

Another evidence from this chapter that suggests more favorable material conditions for proletarian alliance is the following:

The shift into military production is the most optimal strategy for furthering the development of the productive forces at the disposal of the post-1967 Israeli society; for reasons repeatedly elaborated in this chapter, and for market considerations. Given its settler-colonial nature, Israel cannot afford (if for nothing more than security reasons) to employ Palestinian labor in this economically strategic and politically sensitive sector. These considerations urge the Israeli ruling class to maintain a core Jewish proletariat and to appeal to it as its ally. The

latter, in turn, presents a guarantee against the transformation of Israel's class structure into a South Africa-like one: polarization into Western settler bourgeoisie and native proletariat. Put differently, security considerations reduce the possibility of the replacement of Israel's Jewish proletariat by Palestinian-Arab proletariat and increases the possibility for joint class locations among Arabs and Jews. Proletarian labor categories in the military industry are most likely performed by Oriental-Jews, increasing the similarity in the material conditions of Arab and Oriental-Jewish labor.

Finally, the essence of this chapter is the revealing of contradictions concerning Jewish labor sources, specifically contradictions inherent in the Aliyah versus investment incentives. The urge for selective Aliyah and how it intensifies class struggle among the Jewish labor force and, consequently, reinforces the commonality of class interest among Oriental-Jewish and Arab toiling masses. Ways of accommodating these contradictions are identified but only superficially treated in this chapter. They were presented to shed light on the possible transformation of the settler-colonial formation in Palestine; specifically in terms of deZionization (secularization), subject to the essential participation of the Jewish State in the internationalization of capital. More adequate treatment of these dynamics at the level of social formation is presented in Chapter VI, after the dynamics at the level of division of labor are illustrated in the following chapter and in the internal structure of the proletariat, illustrated in the next one.



## Chapter IV

Footnotes

1. Ibrahim Oweiss, The Israeli Economy: A War Economy, Georgetown University, Washington, D.C., December, 1974, p. 23.
2. The Koenig Report, op.cit., as translated in Palestine, Vol. 2, No. 7, November, 1976.  
The estimates of the rate of Arab versus Jewish natural population increase, as given by this report, seem to be higher than those provided in public statistical sources; however, the fact that this is an internal, classified as "very secret" report, means its estimates are likely to be more accurate than those of any other sources.
3. Quarterly Economic Review - Israel, No. I, 1976.
4. Skilled manual work in which the early settlers seem to be over-represented until today is not only traditional Jewish production, such as clothing, pastry, etc., prevalent in Diaspora, but also and more importantly, military-related crafts. Reference is specifically to those primitive workshops which existed already in the Yishuv and turned out hand grenades and "Sten" guns, as indicated by Aviation Week & Space Technology, June 14, 1976. The booming of military craft during the Yishuv is also documented by Paula Raymon in her Study of Kibbutz Hanita, op.cit., 1976. The Arab citizens of Israel, although similarly over-represented in skilled manual labor categories, their over-representation is restricted to non-military-related crafts and construction, since they were constantly alienated from military service, as well as production.
5. For details, see The New York Times, January 6, 1977.
6. An exception to that is the Sepherdic community, well established in Palestine, mainly dating from pre-Zionist days, and a Yemenite community. Some date from 1882 and some others were successfully induced by the leaders of the Second Aliyah to immigrate to Palestine as early as 1910. For details on their place and role in the Yishuv community, see Shlomo Avineri, "Israel: Two Nations," in Curtis and Chertoff, eds., Israel: Social Structure and Change, Transaction Books, 1973, pp. 284-285.
7. According to Ibrahim Oweiss, op.cit., p. 20,  
"Secret Zionist missions throwing bombs into synagogues and other Jewish centers in Baghdad and killing and wounding many Jews in 1951 was revealed for the first time in 1966. The Government of

Israel took no action in investigating this scandal. On the contrary, those who carried out this mission were treated as national heroes. Sources: Haolem Hazeh, Tel-Aviv, April 27, 1966. Jerusalem Post, June 15, June 16, and July 21, 1966." This event is also verified by Black Panther Kokhavi Shemesh in Davis and Mezvinsky, Documents from Israel, *op.cit.*, p. 121. It reinforces the argument concerning Zionist mobilization of Oriental-Jews for demographic superiority and legitimization.

8. A large portion of the Likud votes are reported to come from Oriental-Jews. It may be more accurate, however, to specify the source of these votes as being Sephardic, not Oriental, Jews. While the latter refers strictly to Asia-Africa Middle Eastern immigrants, the former are Eastern, as opposed to Ashkenazi religious pre-Zionist group. Their alliance with M. Begin, the leader of the Likud, dates back to the pre-Statehood. As Shlomo Avineri writes:

"The populist religiosity of the Sephardic masses caused many of them to identify with the militant nationalism of the Revisionist Irgun Zvai Leumi and later, with Begin's right-wing Herut Party. The number of Sephardim in the Irgun was very high." Avineri, *op.cit.*, pp. 284-285.

9. A good reference on the development of consumerism among Oriental-Jews is "Income Inequality in Israel: Ethnic Aspects," by Oded Remba, in Curtis and Chertoff, *ibid.*, p. 199.

It is important, however, to notice how the growing ownership of durable goods function of income has been a substitute for, concomitant with constant alienation from, economic ownership of means of production.

10. International technocracy is best represented by internationally trained consulting firms staffed mainly with engineers and technicians who virtually contribute directly to the creation of surplus value -- to capital accumulation.
11. Distinguished by professional, not only on the job, training; occupying more mental labor categories, subjugated to lower relative rate of exploitation at the expense of unskilled and semi-skilled labor categories. The term usually refers to labor, that segment of the labor force made more privileged as a necessary consequence of oligopolistic behavior, as explained by Giovanni Arrighi.
12. See Fifth Report on Manpower in Israel, June, 1968.
13. Possibly, the recent interference of President Jimmy Carter with Israel sales of the Kfir to Ecuador is not unrelated to this issue. And it may be only the beginning of expressing discontent over this matter.

14. This has not yet become a problem, since Israel is directly promoting realization by American subsidiaries based in Israel through the latter's enjoyment of a preferential treatment in the European Common Market, while the United States does not yet enjoy such treatment.
15. Refer to an earlier footnote.
16. Sameeh El-Qasim and Nayef Saleem are the best examples.
17. These events have been since then constantly reported and reviewed by El-Itihad, the newspaper of Israel's Communist Party (RAKAH). The most prominent of all these events was the annual religious ritual in which the Druze community celebrates the day of Nabi Shuaib, which was turned this year into a secular political event in which 15,000 Druze, with their Resistance poet, Sameeh El-Qasim, came to condemn the assassination of their Kamal Junbalat by the Phalangist in Lebanon, and to assert their identification with his Arab patriotism and progressive political stands.
18. Nicos Poulantzas, op.cit., 1975, p. 2.
19. Refer to footnote , Chapter
20. Youram Ben-Porath, The Arab Labor Force in Israel, Jerusalem, 1966, p. 11.
21. "Labor-Exchange" institutions were operating prior to the emergence of the labor market. This point is discussed with more detail in a previous chapter.
22. Ben-Porath, op.cit., p. 12.
23. Ibid., p. 12.
24. Ibid., p. 15.
25. Computed from The Arabs in Israel, 1976: Facts and Figures, by Y. Harari, op.cit., p. 14.  
Since 1968, East-Jerusalem population (then 66,000) is included in the "non-Jews" category.
26. C.B.S.-L.F.S., 1974, Jerusalem, 1976. Special Series No. , p. XI.
27. Labor and National Insurance, Monthly Review of the Ministry of Labor-Israel, No. 5, May, 1976, p. 11.
28. Labor and National Insurance, Ibid., March, 1976, p. 41.

29. Central Bureau of Statistics, Labour Force Survey, 1974, Jerusalem, 1976, Special Series, No. p. XII.
30. Ibid.,
31. Computed from Harari, op.cit., p. 15.
32. This computation is wrong in terms of the official technical definition of the labor force. But in reality correct, since in the case of non-citizen Palestinians in Israel, it assumes the participation rate is 100 percent. They are inside Israel only to work and not to live. If we considered unregistered smuggled labor, then participation in the labor force can be said to be at a rate higher than 100 percent.
33. L.F.S., 1974, op.cit., p. XXIV.
34. Ibid., p. XXV. Accordingly, kibbutzniks who are "NAHAL" members are also classified as non-participants in the labor force or volunteers.
35. Quarterly Economic Review-Israel, No. I, 1976, p. 8.
36. Oweiss, op.cit., pp. 25-27.
37. Eli Ginzberg, Fifth Report on Manpower in Israel [State of Israel Ministry of Labor--Manpower Planning Authority], June, 1968, pp. 29-31.
38. Youram Peri, "Where Are the Ex-Generals?" Israel Magazine, Vol. 4, Nos. 7-12, 1972, pp. 11-16.
39. Aviation Week & Space Technology--Special Israel Advertising Section, June 14, 1976.
40. P.C.I. thus must be kept in mind when later is discussed the irreversibility of the use of Palestinian-Arab labor in Israel's economy. This is likely to be one alternative adjustment to a peace settlement that implies withdrawal from occupied territories.
41. Aviation Week & Space Technology, op.cit.
42. From personal conversation with a mini-computer designer in a Massachusetts-based company, June 12, 1977.
43. Manuel Castells, The Graying of America, unpublished manuscript, 1976. From his analysis of the fiscal crisis of the capitalist state in responding to requirements emerging from the economic crisis of capitalism in the '70s.

44. Statistical Abstract of Israel, 1975.
45. Ibid.
46. I learned about this from Professor M. Bruno in a personal interview, Harvard University, January, 1977.
47. Aviation Week & Space Technology, op.cit.
48. Ibid.
49. Flex Kessler, "Israel's Arsenal," The Wall Street Journal, February 18, 1969, p. 1 (quoted from Oweiss, op.cit., p. 30).
50. Labor and National Insurance, Monthly Review of the Ministry of Labor-Israel (No. 5, May, 1976, p. 142).
51. Ibid., March, 1976.
52. Ibid.
53. Israeli Government Threats and Acts Against Israelis Living in the U.S.A.--A Report by an Israeli immigrant in the United States.
54. Cited in ibid.
55. Bruno, op.cit., in same interview.
56. According to Time, May 30, 1977, p. 26, the armed forces of Israel totaled 480,000 in 1977, compared to 300,000 in 1973, a growth at 0.38 rate. This is compared with total Arab armed forces of 539,000 in 1973 and 653,000 in 1977.
57. Youram Peri, op.cit.
58. Based on Emile Touma, op.cit.
59. This is not to deny any presence of Palestinian-Arabs (especially Israeli citizens) in the police force, but to indicate their insignificant size.
60. See on this, Machon Sheloach's Report, the University of Tel-Aviv, 1972.
61. Harari, op.cit., pp. 40-41.
62. Report by I. Shahak, Chairman of Israel League for Human Rights,
63. Quoted in ibid., Shahak's translation.

64. Ginzberg, op.cit., pp. 12, and 36-38.
65. Ibid.
66. Judah Matsas, "Israel's New Frontier: The Urban Periphery," in Curtis and Chertoff, eds., op.cit., p. 7.
67. Zvi Gitelman, "Absorption of Soviet Immigrants," in Curtis, Ibid., p. 87.
68. Fifth Report on Manpower in Israel, 1968, op.cit., p. 21.
69. Ginzberg (ibid.) points to other sources of potential supply of trained manpower in the long-run as being South Africa and Latin America, where political instability might provide better recruiting grounds.
70. Zvi Gitelman, op.cit., p. 70.
71. Ibid., pp. 87-88.
72. Ginzberg, 1968, op.cit., pp. 46-47.

CHAPTER V  
DIFFERENTIAL LOCATIONS OF JEWS AND PALESTINIAN-ARABS  
IN  
ISRAELI TECHNICAL AND SOCIAL DIVISION OF LABOR

## I. Introduction

In this chapter, we try to identify the locations of Arabs vis-a-vis Jews in Israel's technical division of labor, as reflected in their occupational and industrial structures of employment. Our purpose is to identify class locations of these two population segments of the labor force. Despite the fact that the technical division of labor is itself determined and reproduced by the social division of labor, we still have to depend on the employment structure, for it is the main data source available. This analysis is one of three used in our study to identify differential class location and transformations expressed by changing and persisting positions in the social division of labor. This complements the analysis of the sources of Israel's labor force presented in the previous chapter and can be comprehended only on the basis of the latter.

In our Introductory Statement of the research problem, we have already discussed the incompatibility of statistical categories (including employment data) available in bourgeois societies with the requirements for class analysis.

With this limitation in mind, we proceed to examine the differential locations of the various "segments" of the labor force in the country's occupational and industrial structures of employment. We examine these locations dynamically as they change over time in response to transformations in the economy-at-large and to major historical events, resulting from the development of the productive forces. We examine both the penetration of citizen and non-citizen Palestinian-Arabs into the Israeli labor market following the 1967 war, identifying the occupations and economic branches they do or do not enter, at what rates, and on what level of



concentration.

To place it in a more historical context, we compare this penetration process in the two phases prior and after 1967; distinguishing in the second phase between the economic boom prior to, and the economic crisis following, the 1973 October War. Central to this analysis are also changes in the employment structure of Jewish population groups; changes that are concomitant with the increasing merger of Palestinian-Arabs and Israeli-Jews in the civilian labor force. The intention is to examine the patterns of Jewish-Arab labor mobility in horizontal and vertical directions within the employment structure or, for that matter, the labor market. The latter leads us directly into the assessment of actual and potential joining/replacement trends among the different segments of the labor force, regarding their locations in the technical division of labor. All this is an attempt to answer empirical questions posed in our introductory chapter which, in turn, feed into the major objective of this study, that is, formation of a Palestinian proletariat, and the potential for cross-national proletariat alliance concomitant with the intensified participation of Palestinians in the Israeli labor market during the last decade.

Again, employment information can provide only clues to the class location of the entering and/or the already active labor force. For example, finding that Palestinian workers are predominantly joining Jewish workers in a particular industrial labor category (a location in the technical division of labor) and predominantly replacing them in agricultural cash-cropping, may not translate directly and respectively into joining/replacement in the social division of labor. Later, we may find that Palestinian-Arabs, while replacing Jews who are moving off agriculture

(as is the trend in the technical division of labor) are likely to be joining Jews in the social division of labor when those Jewish self-employed farmers become industrial wage-workers.

This analytical transformation from locations in the technical into locations in the social division of labor leads us directly into the essential distinction between concrete forms of labor performed and the social forms of that same labor. It is in this sense that employment data, as presented in bourgeois statistical abstracts, can at best provide clues, but not answers, regarding the class location which, in turn, depends on the particular position within the social division of labor and political-ideological relations.

The most serious limitation we therefore face lies in the fact that employment information refers merely to the concrete forms of labor performed, that is, the different tasks assigned to the members of the labor force as they are employed in a particular occupational capacity within a particular economic branch or industry. These tasks are designed and allocated on the basis of fixed or changing technical coefficients, assumed by conventional social theory to generate efficient growth patterns, and in the case of deviation, to result in some form of "malfunctioning" of the system. It is in this sense that we refer to the resulting employment structure as the technical division of labor or the design of the labor process by capital, matching people to jobs, guided by the profit imperative.

Bourgeois employment categories and information do not thus directly reflect the social form of labor performed. That is to say, they do not refer to the social context of work, the relations involved in a particu-

lar labor category to the means of production and to ideological and political domination/subordination.

For example, the portion of the labor force that belongs to the farming occupation and to the agricultural economic branch, as presented in the employment structure, may fall within the boundaries of different social classes, depending on the social form of labor, even when the concrete form of labor they perform is the same (say, tobacco-growing). The self-employed tobacco-growing farmer and the wage-earner tobacco-growing farmer, even though virtually performing identical tasks, are still performing different social forms of labor, according to each of which, the former belongs to the petit bourgeois class, and the latter, to the proletariat.

The objective of this chapter is, therefore, two-fold: first, to understand the employment dynamics, that is, the changing allocation of labor to match the emerging demand in society for various concrete forms of labor to be performed, using simple statistical tools to demonstrate these dynamics (i.e., average employment structure, rate of change, index of differentiation); and second, to translate concrete into social forms of labor, hence identifying the extent to which the various segments of the labor force fall within the boundaries of the working class. For this purpose, we use Poulantzas' criteria of objective determination of proletarian location in the production process, namely, productive, manual, non-supervisory labor. The crux of this chapter is to indicate the extent to which employment of Palestinians in Israel represents an increase in the number of Arabs and Jews who share proletarian class interest.

In the last instance, we are concerned about the prospects for class

alliances. It therefore becomes important to know how stable or unstable the employment structure of the labor force is. This means we are concerned to indicate to what extent the current locations of the various segments of the labor force in Israel's employment structure are merely conjunctural, and therefore unstable, and/or which result from irreversible structural transformations and are therefore more permanent and less transitory. The latter has special bearing on class struggle (specifically of the more vulnerable Palestinians) and the potential for alliances.

Ultimately, the inseparability of the technical and social divisions of labor is more important than the distinction between them. They constitute two faces of the capital accumulation process and structure. This is speaking of the articulation between the relations of production and the labor process in the form of the relation between the technical and the social divisions of labor. The labor process does not exist in itself independently, but always in definite social forms. In the actual organization of the labor process, the social division of labor, directly dependent on the relations of production, dominates the technical division of labor.

## II. The Occupational Structure of Employment

### A. Proportionate Distribution

A comparison of the average Jewish occupational structure of employment during a five-year period prior to 1967 and that of the Arab labor force (citizens of Israel) during the very same period points out the prominence of the mental labor categories in the Jewish employment structure as compared with prominence of manual labor categories in the Arab occupational structure of employment. According to Table JJ, 79.6 percent of the Arab labor force seems to be located in manual occupational categories (this includes farmers, construction workers and craftsmen) compared with 67 percent of the Jewish labor force in mental occupations (administrators, managers, clerks, salesmen, professionals, service, sports, recreation, etc.) The fact that craftsmen and production process occupational categories seem to represent the largest (24.8 percent) portion of the Jewish labor force, while the largest portion of the Arab labor force (40.8 percent) are farmers and fishermen and only 10.9 percent of the Jewish labor force belonged to the latter (and only 15.7 percent of the Arab labor force belonged to the former occupational category) must not obscure or contradict the above. Perhaps it reflects the more industrial background of the immigrant Jewish labor force, and the more agricultural (peasant) background of the indigenous Arab labor force.

The second highest concentration of the Jewish labor force seems to be in white collar categories: 17 percent in administrative, managerial, executive and clerical occupations; 13.1 percent in professional, scientific, technical; and 12.5 percent in services. Contrary to that, the Arab labor

Table JJ. Average Jewish and Arab Occupational Structure of Employment Five Years Before and After 1967 (1961 Classification)

Population Group	Year	Total	Professional, Scientific, Technical 1	Administrative, Executive, Managerial, Clerical Workers 2	Traders, Agents 3	Farmers, Fishermen 4	Workers in Trans- portation and Communication 5	Workers in Construc- tion, Quarreymen, Miners 6	Craftsmen, Produc- tion Process 7	Service, Sports, and Recreation 8	
				1962-1966							
Jewish	Aver- age	100.0	13.1	17.0	8.7	10.9	5.0	7.9	24.8	12.5	
Arab	Aver- age	100.0	4.3	1.9	4.2	40.8	4.8	23.1	15.7	5.8	
				1968-1972							
Jewish	Aver- age	100.0	16.0	18.6	8.3	7.8	5.2	6.3	25.1	12.8	
Arab	Aver- age	100.0	5.9	3.5	8.3	24.9	5.8	22.7	18.2	10.2	

force tends to be concentrated, next to farming, in construction (23.1 percent) and manufacturing work.

Arabs and Jews are equally represented only in one occupation, increasingly undesirable to Jews, i.e., transport and communication. Arabs, however, seem to be most poorly represented in administrative, executive, managerial and clerical jobs (only 1.9 percent of the labor force compared with 17 percent of the Jewish labor force). Those who belong to this category are most likely to work only at the level of local municipal councils.

The under-representation of Arabs in these State-bureaucracy-related occupational categories is indeed consistent with their political status as a native national minority within a settler colonial regime. After all, this is a Jewish State and it is to be managed and administered by Jews.

This point may explain, in part, the heavier concentration of Jews in administrative/managerial than in scientific/technical occupations as our figures reflect, in spite of the exceptionally high level of professional training that distinguishes the Israeli-Jewish labor force compared with Israel's Arab labor force or with other developing countries. In fact, the Arab labor force demonstrates the contrary, being less poorly represented in scientific/professional than in administrative/managerial jobs. Of course, one must not forget that Arabs in professional occupations are mainly school teachers in their separate but not independent Arab schools.

As indicated also by Ben Porath, "much of the Government and public services supplied to the Arab population emanate from central offices staffed by Jews and situated in Jewish districts.<sup>1</sup> Central offices for managing the Arab minority affairs are usually staffed by Sephardic/Oriental Jews. This dimension in the occupational structure of employment reflects a carefully calculated control policy; most effective of all is control through demoralization by means of educational curriculum, designed by members and ideologues of the Zionist ruling class and implemented by Arab teachers. This is not the place to examine the long-term effectiveness of this policy; it is only to point out a very important question for future research.

If we compare these features characterizing the average Jewish and Arab occupational structure of employment prior to 1967 with those prevalent in the average occupational structures five years after 1967, we first notice a persistence in the main features of both structures, in spite of the differences. For example, with a dramatic decline in the percentage of Arabs who are farmers (from 40.8 to 24.9), this category continues to be the largest in the Arab occupational structure. The decline in the proportion of the labor force in this occupational category applies to both Arabs and Jews alike.

In the case of Arabs, however, farming seems to be the only occupational category to release labor into other occupations, while in the case of Jews, not only farmers, but also traders, construction and mine workers are moving away into new occupational categories.

Further, in light of the figures presented in Table JJ regarding



the post-1967 average occupational structure of employment, one can perhaps suggest the following pattern of labor mobility: the largest portion of Arab farmers released from their previous occupation are entering services, while the largest portion of Jews released from previous occupations to which they belonged in the pre-1967 period are now entering professional, technical and scientific positions.<sup>2</sup> Of course, put this way, this pattern assumes no change -- no new elements entering the labor force. Put differently, however, on the basis of a more realistic assumption, the same pattern of occupational mobility can be stated this way: new elements entering the Arab labor force in the post-1967 period are, instead of becoming farmers, responding to demand in all occupational categories, especially services, while new elements (most likely to be immigrants) entering the Jewish labor force, as well as those released from previous occupations, are responding mainly to demand in the professional/scientific labor market. This direction of mobility carries a special significance to our analysis and is only consistent with major transformations in the Israeli economy, specifically the shift into high technology production following the 1967 war. The latter has intensified the demand for scientists and sophisticated engineers, hence the prominent enlargement of this occupational category.

In sum, the direction of Jewish as well as Arab labor mobility is generally from occupations related to less strategic industries into occupations that are related to more strategic industries, while following the same general rule, Arabs, however, seem to follow the very route of Jewish labor mobility; they are moving from the least into the

less economically strategic occupations, while Jews are moving from the least and less into the more economically strategic occupations.<sup>3</sup> This pattern of mobility seems likely to generate a contradiction, in the sense that Jewish mobility into economically more strategic positions is resulting in Arab mobility into politically more strategic positions. The potential for such contradiction can be exemplified by the following trend: the higher ratio of professionals/scientists to managers/administrators after than before 1967 among Jews, and the higher ratio of managers/administrators to professionals/scientists after than before 1967 among Arabs.<sup>4</sup> It can be seen as evident also in the mobility of Arab labor from occupied territories into Jewish agriculture, a trend that is discussed later on.

Looking at the average structure instead of the occupational distribution in the individual years, although clarifying general comparative patterns, it can also obscure important facts. This point is especially significant in periods of crisis like 1966 and the first half of 1967, when the Israeli economy was passing through severe recession. During this period, for example, laid-off Arab construction workers seem to have been pulled back into farm work. The proportion of the Arab labor force in farming, an occupation that is constantly shrinking all along the years, prior to and after that crisis, seems suddenly to expand during recession and absorb Arab lay-offs back into the soil when the economy does not need them elsewhere in this case (i.e., when the first construction boom reached its limit and unemployment seemed widespread).<sup>5</sup>

In light of this detail, it is worth mentioning, though in passing only, that as the military absorbs the "surplus" Jewish labor, similarly agriculture is the parallel sponge-like mechanism in the Arab sector. This, indeed, points out a form of flexibility provided by the "traditional sector", hence shedding light on one of the reasons why it is tolerated in modern economies. This is related to why the center needs a periphery into which to transfer the effects of its main contradictions, a point to be discussed further elsewhere in the context of uneven development and the extended reproduction of capitalism.

In sum, the comparison of average proportional distribution is a very static method, hence likely to obscure major dynamics of change that take place during each particular year which may otherwise reveal significant facts. It reflects trends in horizontal mobility across occupations rather than actual changes within each.

#### B. Rate of Change

The rate of change is a more dynamic indicator of transformation in the particular occupation within the structures of employment over time. It reflects some historical dimension of change that the average proportional occupational distribution does not. The rate of change does sharply reflect a wide range of instability (in both directions of growth and decline) of demand for each particular labor category; but may not inform us anything about horizontal/vertical mobility across occupations.

In this case, for example, the rate of change is not to describe occupational structures of employment for the Arab and the Jewish labor

force in a particular time or how the distribution of the latter changes over time. It rather measures the ups and down, or stability, of demand for each (Arab and/or Jewish) labor category during a specific period of time. Refer for this analysis to Table J-2, computed from the absolute as distinguished from the proportionate distribution (as in Table J) of each labor force in positions within the technical division of labor, i.e., by the various occupational categories.

The most prominent feature reflected in the comparison of change in the Arab versus Jewish occupational structure of employment is that of the change rate being considerably higher in the Arab than in the Jewish occupational structure. This is true in both directions, expansion as well as decline. Higher rates of expansion in the Arab employment structure become more striking and apply invariably to all occupations, especially services during the post-1967 economic boom, as do also the rates of decline during the pre-1967 recession.<sup>6</sup> This feature can be correctly interpreted as an expression of instability in the Arab structure of employment. The Arab citizens of Israel do not control the sources of their own employment, even their control over their traditional agriculture was too shaken by land expropriation, price control and water-use policies, resulting in their increasing vulnerability and dependence. The latter, in turn (along with political vulnerability) subjugate the Arab labor force to the ups and downs of the economy at large and force it to respond more extremely to crises and booms.

The second most prominent feature, comparing the two periods, is the

Table J-2. Rates of Change in the Occupational Structure of Employment Regarding Israeli Citizen-Jews and Arabs Prior and After the 1967 War (1961 occupational classification).

1963 - 1971

		1	2	3	4	5	6	7	8
Labor Force		Professionals, Scientists, Technicians	Administrators, Executives, Managerial and Clerical Workers	Traders, Agents, Salesmen	Farmers, Fishermen	Workers in Transportation and Communication	Workers in Construction, Quarrymen and Miners	Craftsmen, Production Processes	Services, Sports, Recreation
1963 - 1967									
Arabs	-8%	-8%	200%	26%	-5%	46%	-33%	-14%	12%
Jews	3%	20%	7%	12%	-14%	-1%	-17%	1%	9%
1967 - 1971									
Arabs	56%	112%	113%	87%	-10%	46%	109%	76%	182%
Jews	17%	32%	29%	-1%	-13%	15%	17%	23%	1%

Rates of Change computed from Table J-1.

Rates of Change = Amount of change divided by base year multiplied by 100.

Table J-1. Distribution of Employed Arabs and Jews in the Occupation Structure by Thousands.

1963 - 1967, 1971

Year	Size of Labor Force	1 Professionals, Scientists, Technicians	2 Administrators, Executives, Managerial and Clerical Workers	3 Traders, Agents, Salesmen	4 Farmers, Fishermen	5 Workers in Transportation and Communication	6 Workers in Construction, Quarrymen and Miners	7 Craftsmen, Production Processes	8 Services, Sports, Recreation
Arabs									
1963	65.9	3.6	0.53	3.1	25.6	2.8	15.7	11.14	3.4
1967	60.6	3.3	1.5	3.9	24.2	4.1	10.5	9.5	3.8
1971	94.6	7.0	3.2	7.3	21.9	6.0	21.9	16.7	10.7
Jews									
1963	747.0	96.4	125.5	62.8	88.2	41.1	58.3	181.5	93.4
1967	770.1	115.5	134.8	70.1	75.5	40.8	48.5	183.3	101.7
1971	902.5	152.5	173.3	69.5	65.9	46.9	56.9	225.6	111.9

Source: Computed from C.B.S.-L.F.S. 1972, Special Series No. 451, Jerusalem 1974, pp. 78-79.

Table J. Citizen Palestinian-Arab Employed Persons, by Occupation,<sup>a</sup> 1963 - 1972

Year		Professional, Scientific, Technical	Administra- tive, Execu- tive, Manager- ial, Clerical Workers	Traders, Agents, Sales men	Farmers, Fishermen	Workers in Transport and Communication	Workers in Construction, Quarrey-men, and Miners	Craftsmen, Production Process	Services, Sports, and Recreation
1963	100.0	5.5	0.8	4.7	38.8	4.2	23.8	16.9	5.2
1964	100.0	3.9	1.74	4.8	37.4	5.1	23.8	15.9	7.4
1965	100.0	4.7	2.5	5.6	37.3	5.0	23.9	15.4	5.5
1966	100.0	5.2	2.7	6.0	39.0	6.1	20.7	14.6	5.9
1967	100.0	5.4	2.4	6.4	40.0	6.7	17.3	15.6	6.3
1968	100.0	5.3	3.5	9.1	30.7	5.2	20.4	16.9	8.9
1969	100.0	4.8	3.1	8.5	26.8	5.3	21.2	19.1	11.1
1970	100.0	4.7	3.6	7.7	23.9	5.3	22.5	19.7	10.5
1971	100.0	7.4	3.4	7.7	23.1	6.3	23.1	17.6	11.3
1972	100.0	7.4	3.7	8.4	20.1	7.3	26.1	17.9	9.3
1973 <sup>b</sup>	100.0	7.9	9.7	7.0	14.3		50.6		10.6
1974	100.0	10.2	4.0	8.0	14.9		52.0		8.8
1975 <sup>c</sup>	100.0	8.6	4.3	6.6	16.7		53.6		9.2

Source: 1964-1972 reconstructed from Table Q.

a. Occupations of 1961 classification.

b. From 1973 to 1975 occupations are defined according to 1972 classification, as in Table A categories.

c. Occupation structure for 1975 is from The Arabs in Israel - 1976, by Y. Harari, Gevaat Haveva, 1976, p. 17, Table 6.

striking evidence of decline or stagnation in the period between 1963 and 1967, versus expansion in the period between 1967 and 1971. Those figures are consistent with reality, the expression of historical events, a severe recession following the end of the construction boom, reaching its sharpest point in 1966 and the first half of 1967 exploding in the form of the expansionist Six Day War of June. The latter, in turn, resulting in a net territorial gain, reservoirs of cheap labor, concomitant with large inflows of capital and trained manpower, all together steering the economy and beginning a new economic business cycle -- reflected in the rates of expansion in the period following the war. In light of the 1963-1967 period figures, one can confidently conclude that when it strikes, recession hits Arabs harder than Jews. The demand for Arab craftsmen and industrial workers declined at a rate of 14 percent, compared with an increase of 1 percent in the demand for Jews in that labor category. Similarly, during the same economic crisis, the demand for miners and even construction workers declined by 33 percent in the case of Arab labor, compared with only 17 percent in the case of Jewish labor.

These indicators, again, reinforce our point regarding the relatively higher instability characterizing the Arab, as compared with the Jewish, structures of employment. The Arab structure of employment seems more responsive to external sporadic push-and-pulls than to the internal development of the labor force in terms of skill and aspirations. Unlike that, one observes a systematic pattern in the direction and rate of change within the Jewish occupational structure of employment that seems to derive from both the internal development of the labor force as well



as centrally-oriented manpower policy. This is reflected best, for example, in the steady and constantly increasing decline in the farmers occupational category, regardless of crisis or boom, and most importantly, in the professional/scientific/technical occupational category, showing constantly, before and after the war, the highest rate of expansion among all other occupations in the Jewish structure of employment.

This observation makes much sense, knowing of the shift towards high technology production, and of course, in light of our information about the sources of current labor inflows, specifically the inflow of sophisticated technical manpower from the West as provided in the previous analysis of Israel's labor force in the seventies. The mid-sixties represent the end of Asian-African immigration and 1967 signifies the beginning of selective Aliyah, hence transforming the occupational structure, and naturally concentrating more heavily in the technical/scientific/professional labor category; thus, in turn providing a necessary, but not sufficient, condition for Israel's comparative advantage in high technology production, analyzed earlier. Later in this section we will come back to discussing the resulting transformations in technical division of labor as expressed by the 1972 new occupation classification.

To come back to the point is to assert the observation of a systematic and predictable change in the Jewish occupational structure of employment compared with the unpredictable direction and rate of change in Arab occupational structure of employment. It is important, however, to realize that underlying the appearance of random and spontaneous change in the Arab occupational structure of employment is an essentially deli-

berate and systematic policy to keep the indigenous labor force vulnerable, thus maintained as a flexibility variable used when and as the economy needs. Examples of how the Arab labor force is made to display flexibility to the system are many.

Some of these we have mentioned earlier when discussing the economic meaning of Arab labor being essentially commuter labor in Jewish work places. This refers not only to the partial transfer of reproduction cost into the Arab traditional village, but also in making these commuter workers appear in and disappear from the labor force and market as seems appropriate to the health of the economy, measured by the extent to which the needs and interests of the ruling class are satisfied. Figures in Table J-2 evidence this point, not only in that the decline in the demand for labor during recession is sharper in the case of Arabs than in the case of Jews, but also in the very obstruction of Arab participation in the labor force, hence its decline by 8 percent. This decline in the size of the Arab labor force during the pre-1967 economic crisis cannot be viewed in terms of shortage; rather, it must be interpreted as a function of a coercive dismembering of Arab workers from the labor force when their presence started threatening the demand for Jewish labor, a dismemberment through discouragement in the job-seeking process, inevitably forcing them into reabsorption in traditional semi-subsistence agriculture, from which they were originally released to meet a seemingly temporary demand for Arab labor during the first construction boom. This, in turn, results in the masking of the relative unemployment effects of

recession on the Arab population, hence erasing the scars of discrimination between Jewish and Arab citizens and blaming it all-in-all on a conjunctural recession. In the post-1967 economic boom we witness an enlargement at a rate of 56 percent of the Arab labor force, compared with 17 percent in the Jewish labor force, in spite of the stimulating effect of the Six-Day War on Jewish immigration into Israel. This is indeed an expression of a disproportionate growth in the demand for Arab labor in a period of rapid economic growth.

We are, of course, aware of the fact that technically, the high rate of expansion in the Arab labor market is, in part, a reflection also of the previous decline in their labor force participation and not only of real processes, such as labor force maturity, the mobilization of Arab female labor, and the reactivation of the previously dismembered workers. The comparison between changes in the Arab labor force before and after 1967 does, therefore, indicate a measure of economic flexibility that the regulation of its use displays in that system of accumulation. Another example on this matter is to be seen in the growing demand for administrative/clerical Arab labor by 200 percent prior to the War; although such high rate of change in the demand for Arabs in this occupational category must be attributed, in part, to their poor representation in this occupation in previous years, as demonstrated earlier, it is partly to be viewed as the indirect effect of Jewish mobilization into the military at that time.

The increase in the demand for Arab labor in this occupational category is probably restricted to clerical and low-management levels, re-

placing Jewish labor temporarily released into the army. An occupational ceiling is necessary for protecting the Jewish State from its Arab national minority precisely during her war engagements with the surrounding Arab world. This temporary penetration of Arabs into occupations that are during periods of political stability, restricted mainly to Jews, is an observation later on reinforced also by our index of differentiation. The dynamics of demand for citizen-Arab labor in Israel are not peculiar to that specific context. These dynamics are, indeed, not unlike those of demand for black labor in the United States. As Harold Baron documents:

"The history of the demand for black labor in the post-war period showed the continued importance of wartime labor scarcities. The new job categories gained during World War II essentially were transferred into the black sectors of the labor market....In reconversion and the brief 1948-1949 recession, blacks lost out disproportionately on the better jobs. However, the Korean War again created an intense labor shortage, making black workers once more in demand, at least until the fighting stopped.

The period of slow economic growth from 1955 to the early 1960s saw a deterioration in the relative position of blacks....The civil rights protests had generated little in the way of new demand. Only the coincidence of the rebellion of Watts, Newark, and Detroit with the escalation of the Vietnam War brought about a sharp growth in demand for black labor." 7

Baron further indicates that

"...in a tight labor market the undesirable jobs that whites leave are filled out of this labor reserve so that in time more job categories are added to the black sector of the labor market. If the various forms of disguised unemployment and subemployment are all taken into account, black unemployment rates can run as high as three or four times those of whites in specific labor markets in recession periods." 8

The same can be said of the demand for citizen-Arab labor in Israel. In the period of rapid economic growth following the War, distinguished by a persisting shortage of Jewish labor, the demand for Arabs increases in occupations that are becoming less desirable or undesirable by Jews. The traders and salesmen labor market is a case in point. Such is also the service labor category in Table J.2, where demand for Arab labor grew at a disproportionate rate (182 percent) compared to a rate of 1 percent for Jewish labor. These figures may sound confusing, knowing how desirable the service sector is becoming to Jewish, specifically Oriental, labor. Later on, however, in analyzing the industrial structure of employment, we realize that this growth in the demand for Arabs is restricted mainly to personal services that Jews are leaving and moving more into public/community service, in the case of Oriental-Jews, and business/financing services, in the case of Western immigrants. Arabs are thus in many cases moving into subemployment conditions, a much more subtle phenomenon than unemployment, per se.

Statistically speaking, unemployment rates seem always higher among Israel's Jews than non-Jews, in periods of crisis as well as booms. An average of 1965-1974 indicates the unemployment rate for Jews (3 percent) compared with non-Jews (2.8 percent); furthermore, it seems to hit Israeli-born Jews the highest (4.3 percent); then come Asia-Africa immigrants (3.2 percent); and the least affected are Europe-America immigrants (1.9 percent).<sup>9</sup> The latter is accurate, given the reality that this labor force usually immigrates only on the basis of demand for its labor power, as we explained in an earlier chapter.

The lower rate of unemployment among Arabs, however, can be understood only in light of the possibility for making it easily invisible by pushing this labor force back into semi-subsistence traditional rural villages. And, also, in light of the lack of temporary absence from the labor force for compulsory military service in the reserves army, which applies mainly to the Jewish citizens. Thirdly, in light of their political vulnerability and the non-applicability of most bourgeois civil rights to them, which reduces the need for disciplining this labor force by means of high unemployment rates. In the past, Arab labor force was released through work permits just to meet the demand. The supply side of this labor was never allowed to flow freely prior to this economic development phase; as we have elaborately described in Chapter II. Mechanisms such as Emergency Regulations (inherited from the British Colonial Mandate and denounced as "fascist" by many Zionists at the time of the Mandate) used in previous years to regulate the entry-exit flows of citizen-Arab workers into the Israeli labor market, made more possible the use of Arab labor as a flexibility-displaying factor. Economically speaking, the role played by these mechanisms is not dissimilar to the role of racism in regulating the participation of blacks in the United States urban labor market.

This, however, poses a question regarding the prospective use of citizen-Arab labor as a flexibility-displaying variable in the new realities created by the war. We are referring specifically to three new realities: first, the emergence of a modern labor market replacing the Labor-Exchanges; mechanisms that have historically regulated the demand and supply sides of labor in Israel since its very inception. Second,

the intensification of the penetration and integration of the citizen-Palestinians within the green-line border into Israel's modern economy, specifically services and industry; concomitant with the irreversible rendering of the indigenous traditional sector which can no longer re-absorb Arabs, once released into the modern labor force.

Third, the availability of a rather more vulnerable (both politically and economically) Arab labor force through the integration of territories occupied in the 1967 War into the Israeli economy. A labor force that is therefore more conducive to the displacement of economic flexibility. Does the availability of this labor force make it economically possible and politically necessary to integrate the citizen-Arabs into the Israeli economy on a more firm employment basis, hence undermining the conditions for its vulnerability and reinforcing its bargaining power?

Of course, the latter depends very much on the way the Palestinian question is to be settled in the near or far future; specifically, whether or not the inflow of Palestinian workers across the green-line borders stops or continues and under what terms of trade! Assuming the non-withdrawal from the occupied territories as an irreversible political fact, then on the basis of data we already have (such as those in Table A, for example), we can compute and identify the possible trends. However, one cannot comfortably make such an assumption. We already know that the use of migratory labor from Mexico and Puerto Rico was not to improve the conditions of black labor; at best, it was to discipline the latter. Although, in effect, black occupational mobility and improvement in income status was promoted by the penetration of alien migratory labor, the latter

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-



Table C. Employed Israeli Citizens by Occupation and Population Group, 1958-1970, 1972.

Occupation (1961 classification)	1968					1969					1970 <sup>a</sup>					1972				
	Israeli Arabs 1	Israeli Jews 2	Born in:			Israeli Arabs 1	Israeli Jews 2	Born in:			Israeli Arabs 1	Israeli Jews 2	Born in:			Israeli Arabs 1	Israeli Jews 2	Born in:		
			Israel 3	Asia- Africa 4	Europe- America 5			Israel 3	Asia- Africa 4	Europe- America 5			Israel 3	Asia- Africa 4	Europe- America 5			Israel 3	Asia- Africa 4	Europe- America 5
Total	82.8	228.1	174.3	279.8	374.0	86.9						874.2	208.0	293.9	372.3	102.8	944.6	254.3	315.9	374.4
Percentage	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1. Professional, Scientific, Technical	5.7	14.0	21.9	6.0	16.2	5.1	14.6	21.6	6.8	16.8	4.7	16.4	24.1	7.9	18.8	6.6	17.6	24.3	8.7	20.7
2. Administrative, Executive, Managerial	3.3	17.7	21.2	10.9	21.2	3.6	18.4	21.9	10.4	22.4	3.6	18.8	21.9	11.1	23.1	3.9	19.0	22.7	12.3	22.2
3. Traders, Agents, Salesmen	8.3	9.0	4.4	7.9	12.0	7.9	8.5	4.5	7.7	11.2	7.7	7.7	4.4	7.1	10.0	8.2	8.4	4.7	7.3	11.9
4. Farmers, Fishermen	30.6	8.6	8.5	11.8	6.3	26.6	8.3	8.4	10.1	6.7	23.9	7.7	8.8	8.4	6.5	19.9	6.9	8.2	7.8	5.2
5. Workers in Transport and Communications	5.4	5.1	6.1	5.2	4.6	5.9	5.3	6.8	4.9	4.7	5.3	5.3	6.6	5.8	4.3	6.6	5.0	6.1	5.7	3.7
6. Construction Workers	20.2	6.0	3.6	9.5	4.6	21.2	6.0	3.3	9.7	4.4	22.5	6.3	3.5	10.6	4.6	26.4	6.7	3.9	11.4	4.6
7. Craftsmen, Production Process Workers	16.9	25.5	23.1	30.0	23.3	19.6	25.6	23.3	30.8	22.1	19.7	25.1	21.5	31.1	22.3	18.4	24.0	20.3	29.0	22.2
8. Services, Sport, Recreation	9.5	13.2	10.3	17.8	11.0	10.1	13.3	9.3	18.6	11.2	10.5	12.7	9.2	18.0	10.4	10.0	12.4	9.8	17.8	9.5
9. Not Known	0.1	0.9	0.9	0.9	0.8	0.1	1.0	1.1	1.1	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CBS-LFS, 1970. Special Services No. 376, Table XI for Jews only. Arabs computed from Table 34 of the same series.

America immigrant Jews. The figures indicate a distinctive occupational structure of employment for each group. This is especially prominent in the case of the Oriental-Jews (Column 4), who tend to be located mid-way between the Arab and the rest of the Jewish citizens. This position was determined before, and persisted even after, the 1967-War. A comparison between the differential location in the present and previous technical division of labor will enlighten our understanding of prospective trends.

For this matter, we try to compare Ben-Porath's findings, based on Labor Force Surveys and the 1961 Census of Population and Housing, with the figures presented in Table C. This comparison is methodologically appropriate, since both periods represent the beginning of an economic boom. Also, because until 1972, L.F.S. were based on the 1961 classification of occupational categories.

According to Yoram Ben-Porath, the 1963 occupational structure of employment highlights the four following features:

1. "The percentage of farmers is much higher among Arabs than among Jews. The percentage of farmers among the Asia-Africa immigrants is higher than among all Jews but lower than among the Arabs. The percentage of members of the professions, administrative workers, clerks, merchants and service workers is higher among Jews than among Arabs.
2. "The percentage of workers in manufacturing, construction and crafts is approximately the same for Arabs and Jews; however, in 1961, only one-tenth of Jews in this group were unskilled laborers, while for Arabs, the proportion was about one-third...The percentage of manual workers among Asia-Africa immigrants is higher than among total Jews, but lower than among Arabs.
3. "There are fewer Jews in technical and professional than in managerial, administrative and clerical occupations; among the non-Jews the order is reversed. New immigrants from Asia show the same pattern as all Jews in this respect. And it is of some significance that Arabs and Asia-Africa Jews differ.

4. "The main features of the occupational comparison are also reflected in the industrial structure of men's employment. Arabs are under-represented in government, public and commercial services, and in manufacturing industries, and are concentrated in agriculture and in construction.... Here, too, there is some similarity between Arabs and Asia-Africa immigrants, and the more recently the latter have immigrated, the greater the similarity." 11

Table C, in which there is a more detailed segmentation of Israel's labor market by the various citizen groups, points out the persistence of the distinctive features of the Arab occupational structure of employment relative to that of the Jewish labor force. As far as the occupational structure of Jewish employment, the figures in this table reflect not only differential locations of the various Jewish groups in the technical division of labor, but also simultaneously with these consistent internal differentiations, changes with the occupational distribution of each group over time. The year 1970 represents a turning point concerning the latter type of change. For the first time the proportion of the born-in-Israel (Sabra) labor force who are farmers exceeds that among Asia-Africa immigrants (Oriental-Jews).

In the same year, the representation of the Sabra labor force in professional, scientific/technical occupations (24.1 percent) exceeds their representation in the administrative, managerial/executive occupations (21.9 percent), contrary to the reversed feature in the average Jewish occupational structure of employment pointed out by Ben-Porath prior to the war, and persisting in the post-war period as reflected in Column 2.

Another important change is in the representation of Europe-America immigrants versus Sabras in the administrative, managerial/executive occupational category until the war, and all along the nation-building

phase, the demand for this labor category was always higher for the veteran/Sabra labor force, who were more familiar with official Hebrew language and institutions of the State. In 1968, however, the representation of both "Western" population groups equalizes, then the Western immigrant representation exceeds that of the indigenous Israeli Jews. In this labor category the demand for Oriental-Jews continues to be much lower than it is for the rest of the Jews and much higher than the demand for Arabs, and it continues to be "of special significance that it is so."

We have already pointed out the underlying rationale behind the poor representation of Arabs in the administration and management of the Jewish State, compared even with Oriental-Jews. What is more important, however, is to indicate the significance of this point in the determination of class location, specifically in terms of the political subordination/dominance criterion, addressed in the following section. The exceeding demand for Western Jewish immigrants over the Sabra labor force in this occupational category can be interpreted most accurately in light of a shift in the need for managerial skills from the State apparatus into production itself. The management of industrial relations in the pursuit of higher productivity and optimization (necessitated by concentration/centralization tendency, and consistent with the predominance of the economic over the political instance following the war, discussed previously) not only became a higher priority, but also required modern managerial skills likely to be more acquired by Europe-America immigrants.

Another prominent feature in the Israeli occupational structure of employment is the fact that among all segments of Israel's labor force,

Asia-Africa immigrants are the most highly represented in services/sport/recreation occupations, and among craftsmen and production-process workers. Speaking of this as ethnic occupational "specialization", one can probably state in light of Table C that as Oriental-Jews seem specialized in services and crafts, and Arab citizens in farming and construction, Western Jews born-in-Israel or immigrants tend to specialize in the scientific/technical and administrative/managerial categories.

In 1972, occupational categories change. A new classification, different from that of 1961, emerges. This change does probably reflect transformations occurring in the economy at large. During that year, rapid growth steered by the aftermath of the Six-Day War reached its highest pace and shortage of Jewish labor became most acute. It was in that year that Israel, for the first time since its very inception, imports non-Jewish manpower from the West; this migratory labor was mobilized from Yugoslavia and France<sup>12</sup> to meet the new demand generated by the restructuring of the division of labor in the form of the 1972 occupational classification.

The new labor categories identified in Israel's post-1972 occupational structure of employment are more specific than previous ones, and more articulately capitalist. A comparison between the 1961 classification (as in Table C) and the 1972 classification (as in Table A) indicates a further differentiation of labor, that is, steepening of the division of labor. The latter is most evident in the distinction, for example, between skilled and unskilled productive labor categories. Also, in the isolation of the mass of clerical workers from administration and management, very

Table A. Employed Persons in Israel by Occupation and Population Group, 1972 - 1974.

Occupation (1972 classification)	1972							1973							1974						
	1 Palestinian Arabs Total	2 Citizen Pales- tinian Arabs	3 Non-citizen Pales- tinian Arabs	Born in:				1 Palestinian Arabs Total	2 Citizen Pales- tinian Arabs	3 Non-citizen Pales- tinian Arabs	Born in:			1 Palestinian Arabs Total	2 Citizen Pales- tinian Arabs	3 Non-citizen Pales- tinian Arabs	Born in:				
				4 Israeli Jews Total	5 Israel	6 Asia-Africa	7 Europe- America				4 Israeli Jews Total	5 Israel	6 Asia-Africa				7 Europe- America	4 Israeli Jews Total	5 Israel	6 Asia-Africa	7 Europe- America
Total - Thousands	155.2	102.8	52.4	944.6	254.3	315.9	374.4	168.3	107.3	61.0	981.1	273.3	317.6	390.2	173.5	104.8	68.7	984.6	238.4	306.7	393.3
Total - Percentage	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Scientific & Academic Workers	0.1	0.2	0.0	6.2	7.8	1.9	8.9	0.1	0.2	0.0	6.3	7.9	(1.5)	9.0	1.0	1.7	0.0	6.9	7.9	2.0	9.9
Other Professional, Technical Workers	4.2	6.3	0.0	11.4	16.7	6.4	12.0	4.9	7.7	0.0	11.8	16.4	7.0	12.5	5.1	8.5	0.0	12.7	18.0	7.4	13.1
Administrative Managers	0.8	1.3	0.0	3.3	3.4	(1.4)	4.9	1.0	1.5	0.0	3.6	3.5	(1.5)	5.2	0.2	0.4	0.0	3.6	3.5	2.0	4.8
Clericals & Related Workers	2.8	4.3	0.0	16.5	20.4	12.0	17.5	5.2	8.2	0.0	17.3	21.9	12.0	18.3	2.2	3.6	0.0	18.2	23.8	12.8	18.4
Sale Workers	7.4	8.3	6.0	8.3	4.7	7.1	11.7	4.5	7.0	7.0	8.0	5.1	7.3	10.7	7.7	8.0	7.0	8.0	5.4	7.3	10.5
Service Workers	8.4	10.8	4.0	12.8	9.9	18.5	9.9	8.0	10.6	3.0	12.6	9.4	18.6	9.9	7.0	8.8	3.0	11.9	8.1	18.9	9.1
Agricultural Workers	18.4	16.1	23.0	6.9	8.2	7.8	5.2	16.2	14.3	20.0	6.1	7.2	7.2	4.6	16.5	14.9	19.0	5.5	5.9	6.1	4.7
Skilled Workers in Industry: Mining, Building and Trans- port and Other Workers	24.6	37.2	0.0	29.0	25.7	35.3	26.0	22.2	34.9	0.0	28.7	25.4	35.9	25.2	22.5	37.3	0.0	27.9	24.2	34.7	25.2
Other Workers in Industry, Transport and Building and Unskilled Workers	32.3	14.8	67.0	5.6	3.2	9.6	3.9	34.9	15.7	70.0	5.6	3.2	9.0	4.6	37.2	15.7	71.0	5.3	3.1	8.7	4.3

Table A was constructed from several sources, as follows:

- Columns 2 and 4-7 in all three years are computed from CBS-LFS, 1974, Jerusalem, 1976, Table 48, p. 108, and Table F, p. VX.
- Non-citizen Palestinian Arabs category refers to Palestine workers from the Gaza Strip and the West Bank. They are to be distinguished from other non-citizen Arab workers in Israel from other occupied territories (Golan Heights) and South Lebanon. They are distinguished from Israeli citizen Palestinian Arabs by their political status. The occupational distribution of this population group was concluded from their distribution by economic branch, as presented in Table C (C in Hebrew) in Aryeh Bregman, *The Economy of the Administered Areas, 1974-1975*, Jerusalem, 1976, p. 25. I arrived at their occupational distribution by simply "de-skilling" them within their economic branches distribution, as appears in Column 4 of Table F; assuming that due to the "Open Bridges" policy skilled Palestinian labor from Gaza and the West Bank is likely to find job opportunities in the Gulf and other oil-producing Arab countries. Further, the Israeli rationale for importing Arab labor is shortage in unskilled labor, and the demand is a function of the availability of cheap and thus "de-skilled" labor reserves. Furthermore, non-citizen Palestinian labor is employed precisely in branches where citizen Palestinian labor is concentrated, and therefore, for political as well as economic rationale, it is more likely that the latter, not the former, occupy the more skilled labor categories.
- Column 1 is computed from Columns 2 and 3.

much likely to be the effect of a greater integration into international monopoly capital; and finally, in the very distinction on the top between scientific and academic versus other professional and technical workers. The former is probably the Industrial Research and Development labor category, related to high-technology military production.

In order to know what difference the new, compared with the old, categories make as far as clarifying the internal segmentations of the occupational structure of employment and in terms of facilitating the manpower planning effort in meeting specific demands (as, for example, in the case of selective Jewish immigration), it will be helpful to compare 1972 employment figures based on 1961 classification in Table C, with those based on 1972 classification in Table A, with the exclusion of Columns 1 and 2 from the latter for a valid comparative ground.

Such a comparison indicates that, unlike the former, the 1972 classification is much more revealing of the differences between the Sabras' occupational structure of employment and that of the Europe-America immigrants. While the former seem to be the most highly represented among other professional, technical and clerical workers, the latter seem to be the most highly represented in scientific/academic labor categories, as well as among administrative/managerial, and even more prominently, salesworkers.

Unlike the first two occupations, in which the order of representation from highest to lowest goes from Europe-America immigrants to Sabras to Asia-Africa immigrants, who are very poorly represented, and then, to citizen-Palestinian-Arabs, among salesworkers, however, the order is as-

toundingly different: Europe-America immigrants are the most highly represented, followed by Palestinian-Arabs, then Oriental-Jews, and last and least, come the Sabras.

A meaningful interpretation of such a differential representation in this labor category depends greatly on the nature of the commodity marketed by each segment of the labor force. It makes much difference whether or not the differential representation of ethnic groups described above applies to the same market(s), or that it reflects the representation of each group in a different commodity(ies) market(s); say, for example, Europe-America immigrants in the financial market and the international high-technology commodity market, Sabras in the local and on export of luxury consumer goods market, Oriental-Jews and Palestinian-Arabs in the basic consumer goods market, specifically within the so-called "informal" market. Each type of these sales promotes realization for a different form of capital. For such information we need a detailed industry-by-occupation matrix, a lacking source of data that we will be discussing soon.

One important detail that we can draw from these figures in light of previously-presented information is the noticeable trend of Arab mobility into the salesman/trader/agent labor category already during the 1966 recession, a phenomenon hence concomitant with their first major layoff experience. We recall this trend to be accompanied also similarly with mobility into transport and communication work. One way of interpreting the two is in terms of a search for self-employment as a taxi and/or bus driver, as a small shop-keeper in the Arab villages. During that recession, many laid-off Arab construction workers rushed into their villages



to construct houses for their own, applying both skill as well as savings gained during the construction boom; and many others, specifically the landless, rushed into purchasing a self-employment means for securing their future livelihood. Many chose trucks to transport Arab workers into Jewish work places and in-between to transfer "Jewish" commodities into Arab residential areas, thus combining both transport and sales as an alternative form of work.

The growing representation of Arabs in these two labor categories after the 1967 War can be attributed, in part, to a growing demand in more attractive labor categories into which Jewish salesmen and transport workers moved, leaving room in their previous occupation to be filled-in by Arabs. In other part, it has to be attributed to Israel's desperate need for expanding her commodity market into new Arab frontiers within the 1948 borders and, more importantly, across them into occupied territories. Palestinian-Arab labor, not only from Israel, but also from occupied territories, became in high demand for more effective results in promoting Arab consumerism towards Israeli commodities. This went even beyond the occupied territories, into Arab countries through the "open-bridges" policy.<sup>13</sup> The latter made it absolutely necessary to mobilize workers from the territories into this employment category.

This point leads directly into the new major element in Israel's current employment structure, that is, the non-citizen-Palestinian labor force from the occupied territories. The construction of Table A is the very first attempt in the literature to reconstruct the employment structure of Israel's labor force on the basis of the new realities created

by the 1967 War and persisting now for a decade; that is to say, considering the non-Palestinian workers employed in Israel as an integral part of the latter's employment structure, causing and resulting from class transformations that have bearing on the real balance of forces and potential for transforming these realities, hence comes the rationale for analyzing the penetration of the new labor element in the context of these new realities at large as a part of and not apart from this integral whole. Neither Israeli nor Palestinian official literature has posed the question in this way. No one has yet examined the joining/replacement effects of this penetration within the Israeli technical and social division of labor; which can be done only by reconstructing that whole within which real social forces do exist and operate. For this matter, it is not sufficient that our analysis be dynamic but also that it captures precisely those dynamics that are socially significant; that is, dynamics that make a difference in interpreting the world and in changing it.

Following this rationale, Table A reflects not only the Israeli-Jewish labor market segmented by ethnicity or source of labor; but also by its Palestinian-Arab extension. Unlike Table C, which highlights the internal segmentation of the Israeli labor market on ethnic lines, this table highlights labor-market segmentations also on national grounds: Israeli-Jews total (Column 4), including all their sources of labor (Columns 5, 6, 7) as being a nationally sovereign group, and Palestinian-Arabs' total (Column 1), though segmented by political status, as being a nationally subjugated group. Given that in the present conjuncture, the national question constitutes the main aspect of the principal contradic-

tion, this reconstruction as in Table A does allow for the capturing of socially significant dynamics which have some bearing on the determination of class location, as will be discussed later on. The ultimate purpose of this reconstruction is to find out whether underlying these segmentations by nationality and ethnicity is a potential for similarity in class location, hence commonality in class interest and thus better prospects for cross-national class alliance! It is clear that within these relations of political domination/subordination there is no room for alliance among the Palestinian and Israeli national bourgeoisie and petty bourgeoisie, since their interests are in direct conflict with each other in this particular conjuncture; this is true even on the basis of objective material conditions--specifically territorial and demographic. The development of the productive forces by the Israeli-Jewish bourgeoisie -- which can happen only through continuous "selective" Aliyah, i.e., the law of return, territorial expansion, and colonization of Palestinian land and the reinforcing of partnership with imperialism will, inevitably, be at the expense of the aspirations of Palestinian national bourgeoisie and petit bourgeoisie and in direct contradiction with the interests of all Palestinian social classes.

Hence, comes the assertion that the only aspirations that are essentially international, cross national boundaries and are likely not to conflict with each other directly are those of the proletariat. The class interests of the Israeli-Jewish proletariat and the Palestinian-Arab proletariat are likely to objectively coincide, despite the subjective conditions for conflict peculiar to this conjunction in which

false ideologies such as nationalism are becoming deeply internalized.

The purpose of this study is therefore restricted to examining the potential for proletarian, but not other, cross-national class alliances. Hence comes the significance, for example, of the distinction provided in Table A between skilled and unskilled productive labor. Citizen Palestinian-Arabs seem to be the most highly represented in the skilled productive labor category; second come Oriental-Jews; then the equally represented Sabras and Western Jews, although on the average, Israeli-Jews are more highly represented than Palestinian-Arabs (including non-citizens) in skilled labor categories. In unskilled labor categories, concentration of Palestinians in general, and non-citizens in particular, is disproportionately the highest.

A comparison between the average representation of Israeli-Jews and Palestinian-Arabs in Israeli productive labor categories indicates that Palestinian-Arabs (citizens and non-citizens) are over-represented in agricultural work by a factor of 0.3, in skilled industrial work by a factor of 0.8, and in unskilled industrial work by a factor of 1.3, while Israeli-Jews are under-represented in all these labor categories by a factor of 0.92 in the first, 0.65 in the second, and of 0.93 in the third, respectively. If we compare the subethnic/national groups, non-citizen Palestinians seem over-represented in agricultural work by a factor of 3.6; they are nonexistent in skilled industrial work, and over-represented by a factor of 12.4 in the unskilled industrial labor categories, compared with citizen Palestinians being over-represented by a factor of 0.8 in the first, 3.1 in the second, 0.6 in the third. Among the various

Israeli-Jewish subgroups, Sabras and Oriental-Jews seem to be over-represented by a factor of 0.12 in the former and 0.23 in the latter. Both are under-represented in agricultural and unskilled work. Western Jews seem to be under-represented in all productive labor categories, including skilled industrial work.

The other attribute of Table A is the reflecting of the 1973 October War's effect on the occupational structure of the various segments of the Israeli labor force. Economist Ibrahim Oweiss has correctly concluded that "the 1973 War was more costly to the Israeli economy than any previous war because it was extended over a longer period of time, while the net result did not involve any territorial expansion. On the contrary, Israel lost occupied Arab territories after the disengagement of troops on both the Egyptian and Syrian borders."<sup>15</sup> In fact, 1973 represents the end of the post-1967 economic boom and the beginning of economic and political crisis, steered by the economic crisis of world capitalism in the seventies due to the increasing integration of Israel's economy, specifically military production into United States' monopoly capital since the 1967 War. This is to say, in other words, that the very penetration of U.S. capital that has steered the economy and contributed to its boom in the aftermath of the 1967 War, has also intensified the economic crisis and contributed to the persistence of inflationary processes in the aftermath of the 1973 War.

Notice how in wartime (1973) the demand for citizen-Palestinian-Arabs in the administrative/managerial and clerical labor categories, that usually were filled by Jews, increases then declines disproportion-

ately after the war. That is, when mobilized Jewish clerical and administrative workers are released back into their civilian positions. In fact, in 1974 the representation of Arab labor in those categories as well as in services and sales becomes even lower than it was a year prior to the war. The latter may be attributed to the economic crisis, during which Arabs lose the occupational upgrading gained during the period of rapid economic growth following 1967. This conforms with the rules that govern black/white labor mobility in the United States, as previously pointed out by Harold Baron.

Again, this is revealing and reinforcing of the point made earlier regarding the roles citizen-Arab labor plays in substituting for Jewish labor during periods of military mobilization, and as a "flexibility-displaying" factor in the Israeli economy.

These roles are expressed statistically in the form of temporary upgrading of the Arab occupational structure of employment and must not obscure the importance of their role in the post-1967 economy during political stability. Further, it is of significance that the non-citizen Palestinian workers from the occupied territories did not perform this kind of flexibility-displaying role during that period of military mobilization; rather, on the contrary, the proportion of this labor force in agriculture and services declined during the war and stagnated after the war, despite a proportional increase in the sales and unskilled labor categories. It is of significance also that by virtue of their Israeli citizenship, the former can be subjected to display economic flexibility when the security of the State is being threatened, and it is precisely

for lacking that condition that the latter can be neither trusted nor can be coercively subjugated to such a role.

This point will become even more clearly evident in the following indices of differentiation of Israeli occupational and industrial structure of employment over time.

#### D. Index of Differentiation in the Israeli-Jewish and Palestinian-Arab

##### Structures of Employment:

Technically, the Index of Differentiation is  $O_{ij} = 1/2 \sum [P_{ig} - P_{jg}] \times 100$  where  $P_{ig}$  is the proportion of persons in group i employed in occupation (or industry) g, and  $P_{jg}$  is the proportion of persons in group j employed in occupation g. In other words, it is half of the sum of the absolute horizontal differences between any pair of columns (in the occupational or industrial structure of employment) divided by 100. The index ranges from 0 (when distribution is identical) to 1.

As we apply it in Table N and Table B, the index demonstrates relative differentiation in the employment structure of any two population groups, over time, and comparative pairs of population groups. In this context the significance of this tool lies in reflecting a range of relative segregation/desegregation or discrimination equalization trends and amounts, in terms of access to the various locations in the technical division of labor in general but not to a specific location (occupational or industrial) in particular. Put differently, this index measures inequality of ethnic/national distribution in the occupational and industrial structure of employment.

Comparing the index of differentiation in the occupational versus

Table N. Index of Differentiation<sup>a</sup> in the Occupation and Industrial Structure of Arab and Jewish Employed Citizens, 1963 - 1972.

Year	Occupation <sup>b</sup>						Industry <sup>c</sup>	
	Israeli Arabs with All Israeli Jews D12	Israeli Arabs with Asia- Africa Immi- grants D14	Israeli Arabs with Europe- America Immi- grants D15	Asia-Africa Immigrants with Europe-America Immigrants D5-4	Israeli-born with Europe- America Immi- grants D35	Israeli Arabs with Israeli- born Jews D13	Israeli-Arabs with All Israeli Jews DAJ <sup>c</sup>	Israeli Arabs with Asia- Africa Immi- grants
1963	0.418						0.522	
1964	0.426						0.488	
1965	0.424						0.485	
1966	0.442						0.509	
1967	0.426						0.505	
1968	0.363	0.301	0.404	0.246	0.095	0.426	0.410	
1969	0.346	0.292	0.379	0.253	0.103	0.404	0.396	
1970	0.336	0.291	0.375	0.258	0.099	0.398		
1971	0.338	--	--	--	--	--		
1972	0.347	0.289	0.399	0.265	0.098	0.384		

a. For the formula of Index of Differentiation, see note "b" in Table B.

b. Index of Differentiation of the economic structure is computed according to the formula above, from Table S for column D12, and from Table C for the rest. Occupation structure in Table S and Table C is based on 1961 classification.

c. Industry here refers to economic branch; DAJ column is computed from Table 22, Labor Force Surveys 1969, Special Series No. 333, Jerusalem, 1970, pp. 41-44. Formula for differentiation of industrial structure is the same as in occupational structure, where g refers to a particular industry (economic branch) instead of occupation.



industrial structure of Israel-Arab and Jewish employed citizens (Table N), we notice: first, greater segregation between Israeli-Jews and Israeli-Arabs in the industrial than the occupational structure of employment. The same finding applies also in earlier years (1958-1963), as in Ben-Porath's study of the Arab labor force in Israel. In the latter, this feature applies even in the case of Arab versus Oriental-Jews.<sup>16</sup> We can perhaps attribute the lower differentiation in the Israeli-Arab versus Jewish occupational structure of employment, at least in part, to a rather higher segregation experienced systematically in the past (probably for security considerations) in the industrial structure of Arab employment. There are more industries than occupational categories that do exclude Arabs (the diamond industry is one example, and military-related production is most likely to be so). The concentration of Arab workers in few specific industries (such as construction) increases their specialization in related labor categories, resulting in the upgrading of their occupational structure of employment. Due to some industrial segregation, they gain skill in those areas of production, thus they become more highly represented in skilled labor categories, as demonstrated earlier by Table A.

Another factor that contributes to the relative upgrading of their occupational structure of employment, that is, the narrowing of the index of differentiation in that realm, is the residential segregation of the Arab citizen labor force; a subject more elaborately discussed in the context of Israel's economic structure. This is particularly true in relation to the social service delivery system, specifically education, health,

welfare and local municipal councils, generating jobs that can be most effectively (from the perspective of the ruling class) performed by local Arabs. This is similar to the semi-separatist, but neither equal nor independent self-government-oriented, policies towards blacks and other minorities in the United States. The creation of local municipal councils in Arab villages and staffing them with local community labor force does, for example, increase the representation of Arabs in the managerial/administrative occupational category. Similarly does the separate (but neither equal nor independent) school system for the Arabs in Israel increase the latter's representation among the so-called "other professionals and technical workers", which in the case of Arabs refers, simply, to school teachers, social workers, etc., while in the case of Jews, refers mainly to sophisticated engineers, etc. This fact is revealed by a more detailed occupational structure of employment, as shall be seen later on. Third, a dramatic decline in the index of differentiation of Israeli-Jewish versus Arab occupational as well as industrial structures of employment is noticeable in the aftermath of the 1967 War. Citizen-Palestinian labor seems to penetrate a larger range of economic branches and occupational categories following the 1967 War. This change seems even more dramatic in the industrial than the occupational structures. One also notices how, during the 1966 recession, differentiation between Israeli-Arabs and Israeli-Jews increases then declines during war time; which is, in turn, consistent with the point made earlier regarding the relative instability of the Arab employment structure, and also reinforces the point regarding some similarity with the history of demand for black labor

in the United States. In both cases, political vulnerability of the minority group members of the labor force as well as the profit imperative of the ruling class are the conditions underlying these dynamics of demand for Israeli-Arab labor, as for American black labor.

If we consider the subethnic groups in the Israeli labor force, we notice that in the post-1967 era differentiation in the occupation structure is the lowest between Israeli-born Sabras and European-American immigrants (Column D35), and the highest between Sabras and Israeli-Arabs (Column D13); and it is of significance that these so-called indigenous Israeli-Jews, who have co-existed with the indigenous Palestinian population for the longest time, continue to be the least mixing with and the most different from the Arab labor force as far as locations in the technical division of labor is concerned. This fact is likely to be the result of labor-Zionist segregationist policy in Palestine since the Yishuv. Despite the above, however, a prominent trend highlighted in Table N is the tendency towards equalization in the post-1967 occupational structure of Israeli-Arabs, compared with that of all other Jewish population groups. In the case of Oriental-Jews, a counter-tendency prevails in their relation to Sabras and Western Jews; the differentiation or gap in the occupational distribution tends to get wider during that same period. To sum up this observation is to point out an increasing integration of the Israeli-Arab citizens into the Israeli-Jewish occupational structure of employment. Perhaps it is happening at the expense of Oriental-Jews, or as a result of the latter's tendency to heavily concentrate in the service labor category, especially since the June War.

As far as the replacement/joining question is concerned, this table suggests the likelihood for either trend to be highest in cases where differentiation in occupational location is lowest. That is, among Israeli-born Sabras and Europe-America immigrants, then in the case of Oriental-Jews and Israeli-Arab citizens, but not between the latter, on the one hand, and the former, on the other.

As Table N focused only on the citizen labor force prior and after the 1967 War, basing the analysis on the 1961 classification of occupational and industrial structures of employment, Table B, unlike the former, focuses on the period prior and after the 1973 War, which represents a shift from an economic boom into crisis. The index of differentiation includes also the non-citizen Palestinian segment of Israel's labor force, and is based on the 1972 classification of occupational and industrial structure, hence comes the impossibility of comparing the two indexes, a comparison that otherwise may allow for meaningful generalization regarding transformation in these differentiations over a longer period of time, specifically the effects of the post-1967 period of rapid economic growth with the post-1973 period of economic stagnation and decline. Given these limitations, one has to analyze the 1972-1975 period separately, not in comparison with the previous one.

Despite the differences mentioned above, one feature that seems equally prominent in both tables is the very narrowing down of the gap in the occupational structure of Israeli-Arab citizens compared with that of all Israeli-Jewish groups during wartime. This is to say, the decline in Israeli-Jewish/Arab occupational differentiation, a feature that is not

Table B.<sup>a</sup> Index of Differentiation<sup>b</sup> of the Occupational and Industrial Structure of Israeli-Jewish and Palestinian-Arab Groups Employed in Israel, 1972-1975 (1972 classification).

Year	Occupation											Industry (Economic Branch)			
	D1-4 Palestinian Arabs with Israeli Jews	D2-3 Citizen Palestinian Arabs with Non-citizen Palestinian Arabs	D2-4 Citizen Palestinian Arabs with Israeli Jews	D2-5 Citizen Palestinian Arabs with Israeli-born Jews (Sabras)	D2-6 Citizen Palestinian Arabs with Asia-Africa Immigrants (Oriental Jews)	D2-7 Citizen Palestinian Arabs with Europe-America Immigrants	D3-4 Non-citizen Palestinian Arabs with Israeli Jews	D5-6 Israeli-born Jews with Asia-Africa Immigrants (Oriental Jews)	D5-7 Israeli-born (Sabras) with Europe-America Immigrants (Western Jews)	D6-7 Asia-Africa Immigrants (Oriental Jews) with Europe-America Immigrants (Western Jews)	All Palestinian Arabs with All Israeli Jews	Citizen Palestinian Arabs with Israeli Jews	Non-citizen Palestinian Arabs with Israeli Jews	Non-citizen Palestinians with Citizen Palestinians	
1972	0.387	0.588	0.272	0.359	0.170	0.343	0.778	0.270	0.106	0.262	0.408	0.276	0.585	0.313	
1973	0.409	0.601	0.245	0.322	0.145	0.312	0.783	0.277	0.103	0.262	0.398	0.299	0.587	0.327	
1974	0.432	0.589	0.298	0.385	0.207	0.343	0.792	0.290	0.116	0.245	0.380	0.258	0.599	0.347	
1975			0.342 <sup>c</sup>								0.403	0.297	0.583	0.314	

a. Table B is computed from Table A.

b. The Index of Differentiation is  $D_{ij} = 1/2 [P_{ig} - P_{jg}] \times 100$ , where  $P_{ig}$  is the proportion of persons in Group i employed in Occupation g, and  $P_{jg}$  is the proportion of persons in Group j employed in Occupation g. In other words, it is half the sum of the absolute horizontal differences between any pair of columns, divided by 100. The Index ranges from 0 (when distribution is identical) to 1.  $D_{ij}$  row corresponds to the combination of columns (i.e., of population groups) in Table A, from which the Index of Differentiation in each column of Table B is computed.

c. Computed from Table 6, p. 17, Y. Harari, The Arabs in Israel -- 1976: Facts and Figures, Gevaat Haveva, 1976.

d. Index of Differentiation of Industrial Structure computed from Table F.

unlike the case in 1967, is evident again in 1973.

The tendency towards equalization in the occupational structures of Israeli-Jews and Arabs in war-time must not be understood only in terms of increasing penetration of Arabs into higher labor categories in order to temporarily replace Jewish labor upon military mobilization, but also in terms of the very absorption by the military of Israel's most qualified manpower from the civilian economy. The latter, in effect, results in the degrading of the civilian Jewish occupational structure, hence contributing to the apparent equalization tendency mentioned above. This is to say, the decline in Arab/Jewish occupational differentiation witnessed during both the 1967 and the 1973 wars can be more accurately interpreted as a result of upgrading in the Arab occupational structure (not exceeding, however, the level of clerical and public service labor categories), on the one hand, and the degrading of the Jewish occupational structure in response to military mobilization, on the other. The latter factor is likely to be even more acute in the 1973 War, after the shifting of the economy towards high technology military production.

The narrowing of the gap in the Arab/Jewish occupational structures is closely reflected in the second row of Columns D2-4, D2-5, D2-6, and D2-7. Notice how the gap narrows down during military mobilization for the October War, but unlike the case following the 1967 War, the gap widens again after the War (most evident in Row 4, Column D2-4). The latter difference is significant, and it is to be interpreted in terms of the differential effect the economic boom versus the economic crisis inflicted on the upgrading/degrading of the occupational structure of the

Arab citizens in Israel.

In the industrial structure of employment, however, the 1973 War does not seem to have the same effect the 1967 War has had as far as narrowing down the differentiations in the industrial structure of Arab versus Jewish citizens. Quite the contrary, indeed, figures in Column B point out the widening of industrial differentiation between Israeli-Jews and Israeli-Arabs in 1973. This finding is of a special significance, and likely to be interpreted most accurately in light of the increased militarization of the economy and the closer articulation between military and civilian industries following the 1967 War, documented in a previous chapter; the presence of Arab labor in military-related industries is likely to present a more serious risk during war than "peace" time. This point is also relevant to the question of replacement/joining trends in industrial Arab/Jewish labor mobility indirectly related to the prospects for cross-national proletariat alliance.

Furthermore, notice how the narrowing of the gap in the occupational structures of Israeli-Jews and that of Palestinian-Arabs who are citizens of Israel, does simultaneously intensify the gap in the occupational differentials between the latter and non-citizen Palestinian-Arabs (Column D2-3, second row); that is to say, as wars increase the integration of citizen Palestinian-Arabs into the Israeli-Jewish occupational structure, it in the meantime disintegrates and removes the Palestinians within the green-line borders from the non-citizen Palestinians from across the green-lines employed in Israel. This can be seen as being, at least in effect, a political control strategy to prevent alliances between the two

Palestinian national groups under such critical security conditions.

Political status relative to the State of Israel seems to be the most crucial factor in determining the range of differentiation between occupational as well as industrial structures of employment of Arab and Jewish segments of Israel's labor force, the effect of which being even greater in the case of occupational as compared with industrial distributions. The latter is evident in the higher figures in Column D3-4 than those in Column C. The citizenship of the State (regardless of its ranking position as first, second, or third class) seems to make quite a difference regarding the location of Arabs in the technical division of labor. This is illustrated in the fact that the index of differentiation in the occupational structures of citizen versus non-citizen Palestinian-Arabs (Column D2-3) does almost double that of differentiation in the occupational structures of citizen Palestinian-Arabs versus Israeli-Jews (Column D2-4). It is also greater than differentiation in the case of all Palestinian-Arabs versus all Israeli-Jews in general (Column D1-4).

In sum, greater occupational differentiation exists between citizen versus non-citizen Palestinian-Arab workers in Israel than between citizen Palestinian-Arabs and any Israeli-Jewish population group. The same role is likely to be applicable in the industrial structure (although data were not available to specify by Jewish ethnic group), with segregation being, however, greater in the occupational, than in the industrial, structure. The latter makes much sense in light of the fact that around 70 percent of the non-citizen workers from occupied territories fall in unskilled labor category in the very bottom of Israel's occupation structure, as we have



already demonstrated in Table A.

It is possible that non-citizen Palestinian labor had replaced citizen Palestinian labor in unskilled labor categories, allowing the latter to move into better positions in skilled labor categories. But it is not clear whether citizen-Arabs can be again de-skilled in the case of withdrawal from occupied territories or any other adjustment that may block the inflow of "unskilled" labor from the territories. We only know that it is inherent in the essential unevenness of capitalist accumulation to generate simultaneously skilled and unskilled labor categories. Labor is, if necessary, de-skilled in order to match the labor category most in demand. In light of this theoretical understanding as well as the indices of differentiation preserved in Table B, it seems not unlikely that Arab citizens be de-skilled again. Further, it seems very unlikely that in the present conjuncture Palestinian workers from occupied territories can join Jewish workers in more than unskilled locations within the technical division of labor. They are likely to replace Oriental-Jewish workers and citizen Palestinian labor or join the latter in unskilled industrial and agricultural production work. With the persistence of the economic crisis following the 1973 War, the index demonstrates a tendency towards growing differentiation in the occupational structures of Israeli-Jews and non-citizen Palestinian labor employed in Israel.

In conclusion, although revealing of some significant trends, this index of differentiation does not provide any specific information regarding differential location in a particular occupation and/or industry. It is computed from the average occupational and/or industrial structure

of employment; thus, it tells us nothing about either the concrete or the social forms of labor to which different population groups have more or less access. In other words, this index of differentiation does not identify specific locations in the technical and/or social division of labor within which segregation or desegregation for/against particular segments of the labor force prevails.

It is a more appropriate tool for assessing levels of discriminatory distribution of different segments of the labor force within the structure of employment in general. This provides us with some relevant hints that are likely to shed some light on differential class locations and guide us somehow in identifying the latter. Finally, a strong point in this analysis is the attention given to the relation between the occupational and industrial structure of employment. The latter is the focus of the following analysis.

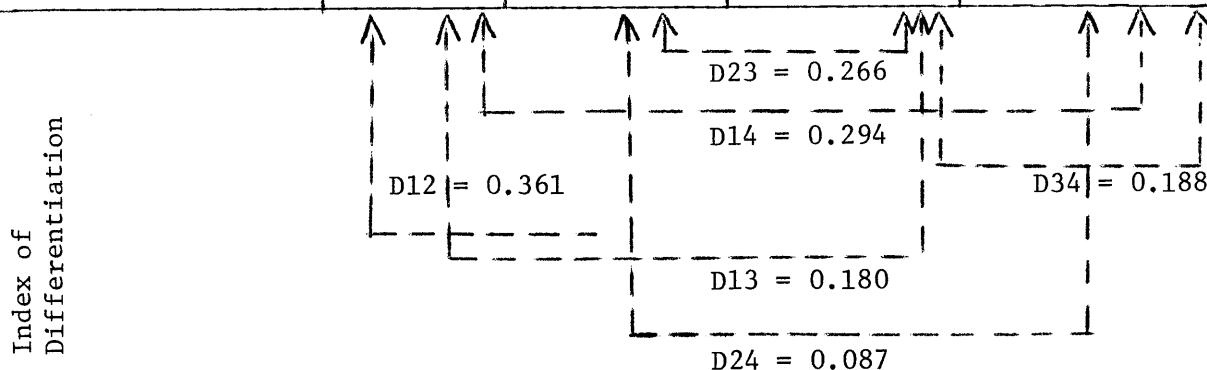
### III. The Industrial Structure of Employment

#### A. The 1967 Base Year

The industrial structure refers here to the proportional distribution of the employed labor force among the various branches of the economy. For an accurate estimation of the transformations that have occurred in the industrial structure of employment of the labor force employed in Israel during the post-1967 decade, it helps to know how it was in the beginning of that very period. The figures in Table FF respond, in part, to this need, presenting the men's industrial structure of employment in

Table FF. Palestinian-Arab<sup>a</sup> and Jewish<sup>b</sup> Employed Men by Economic Branch in Israel in the West Bank<sup>c</sup> and the Gaza Strip<sup>d</sup> - 1967.

Economic Branch	Jews in Israel 1	Palestinian-Arabs in Israel 2	Palestinians in the Gaza Strip 3	Palestinians in the West Bank 4
Total	100.0	100.0	100.0	100.0
Agriculture, fishing and forestry	11.3	38.9	23.9	34.6
Industry	28.8	16.6	13.9	15.1
Construction	9.5	18.0	9.2	15.6
Electricity and water	3.0	1.4	1.3	0.9
Commerce, banking and insurance	13.2	8.5	16.3	12.3
Transport, storage and communications	9.6	6.3	8.5	6.8
Services	24.6	10.3	26.9	14.7



Sources: a + b: from Sabri Jiryis, The Arabs in Israel, 1976.

c + d: from Administered Territories Statistics Quarterly, Israel Defense Forces.

the 1967 base year for the Jews in Israel (Column 1). The citizen Palestinian-Arabs in Israel (Column 2), the Palestinians in the Gaza Strip (Column 3), and in the West Bank (Column 4).

According to these figures, the Palestinian population in Israel and in the West Bank seem to be more evenly distributed among the various economic branches than are the Palestinians in the Gaza Strip, and for that matter, the Jews in Israel. Furthermore, the Palestinian industrial structure of employment in the West Bank seems almost identical with that of Palestinians inside Israel. This is evident also in the index of differentiation being 0.087, the lowest, as illustrated in Table F.F.

It is of special significance to find out, in light of the same figures, that the highest differentiations in the industrial structure of employment apply to Jewish versus Arab citizens of Israel, reaching up to 0.361. In 1967, the Palestinian-Arab industrial structure of employment in Israel was more similar to that of the other Palestinians across the Green-line borders than to Jews within those borders.

We notice also that the Jews in Israel were more similar in that respect to the Palestinians in the Gaza Strip than in the West Bank and, for that matter, in Israel itself. This apparent similarity, as expressed in the idea of differentiation, must not obscure the significant differences in the relative size of the industrial and agricultural labor force among each Palestinian group; while the proportional size of the Jewish industrial labor force in Israel doubles the proportional size of the Palestinian industrial labor force in the Gaza Strip, the contrary is

true in regard to the agricultural labor force in both regions. The latter may seem strange, knowing that the majority of the Gaza population are landless refugees, already dispossessed in 1948, and remembering the unfavorable climatic and soil conditions for agriculture in Gaza. The disproportionate difference in representation by this economic branch can be interpreted partly in terms of higher productivity in Israeli agriculture, partly in that most agricultural production is done by Palestinian-Arabs, not Jews in Israel, and finally, in the possibility that the agricultural labor force in Gaza is engaged more in fishing than in farming, per se, except probably for cash-croppers on citrus plantations.

The lack of agricultural and industrial production base in Gaza seems to be balanced by disproportionate concentration of the labor force in services<sup>17</sup> and commerce. It is thus understandable why the Palestinians in Gaza seem to be the most highly represented in these two economic branches, when compared to the three other populations.

Israeli Jews and Gaza Palestinians seem to be more highly represented than the Palestinians in Israel and the West Bank in all non-productive economic branches; also, both are represented less than the others in construction; but again, for very different reasons; in the case of Jews it is because they depend on the Arabs in Israel to construct their housing; in the case of Gaza Palestinians, it is mainly a reflection of economic stagnation and the little possibility for the construction industry to expand and flourish where refugee camps are the predominant forms of habitat; and where landlessness prevails.

In the West Bank, a much higher proportion of the labor force is employed in construction and agriculture than in Gaza. This is probably due to the fact that the majority of the West Bank Palestinians are not refugees;<sup>18</sup> thus, they have more access to land ownership and sense of permanence; hence, the higher weight agriculture and construction have in that economy.

It may sound logically contradictory, however, that the Palestinians in Israel, who, unlike those in the West Bank, were during the pre-1967 experience constantly subjugated to Zionist land expropriation, seem to be, despite that, the most highly represented in agriculture and construction of all the other groups.<sup>19</sup> In reality, these figures simply reflect two different kinds of employment of Palestinians: in the modern construction sector in the case of Israeli citizens and in semi-subsistence traditional construction industry in the case of the West Bankers. In Israel, Palestinians build mainly for Jewish immigrants; not for their direct consumption.

Finally, the prominent concentration of Palestinians of the West Bank and Israel in agriculture is expressive also of the supply, and not only demand, side of labor. The West Bank as well as the Galilee and the Small Triangle within Israel are the only regions populated by Palestinians who have never been totally uprooted and "transferred" from their Palestinian soil.

In this sense, the considerably high weight of agriculture is, in part, a reflection of the predominantly peasant class background of this

labor force. In his historical analysis of the economic structure of the West Bank, Jamil Hilal reinforces this point.<sup>20</sup> He explains how and why the West Bank under the Hashemite rule was systematically curved out from development plans, hence preventing proletarianization in this region, as well as the transformation of its feudal land tenure system and the development of its productive forces. In addition to the effects of the major distortion of the Jordanian economy-at-large being essentially a service economy entirely dependent for its reproduction on foreign aid, the West Bank, populated mainly by Palestinians, was systematically isolated from the East Bank of the Jordan and subjugated to a forceful out-migration of its skilled labor force (trained labor became the main export commodity of the West Bank) and restricting of the rest to non-productive economic branches at best, to cash-cropping on export agricultural plantations; itself promoted by the very persistence of the latifundia land-holding system.

Industry that represents 15.1 percent of the labor force in the West Bank refers mainly to small-scale commodity and petty production, thus absorbing mainly a self-employed labor force and not modern industrial wage workers. This is different from the case of the Palestinian industrial labor force in Israel, who are employed mainly as unskilled industrial workers in Jewish factories and can very rarely be self-employed in self-owned industrial enterprises even on the workshop scale. In this sense, under Zionist rule, the Palestinians in Israel became far more alienated from the means of production than in the West Bank under the

Jordanian rule, subject to more advanced capitalist relations.

As far as the Palestinian industrial labor force in the Gaza Strip, it is most likely to represent the petty producers type. There has been no systematic study of the economic and class structure of this region prior to its occupation in 1967. The industrial structure of employment prevalent in 1967, as in Table FF, is most articulate of the inviability of this economy, being almost entirely dependent upon services and circulation activity, and given that, the largest portion of its population subsists from international transfer payments.

With this analysis of the industrial structure of employment in the 1967 base year, we notice very clearly that the Palestinian labor force scattered under the various regimes, Israeli, Jordanian, or Egyptian, was until 1967 maintained essentially unproletarianized, even though to a lesser degree in Israel. Now we can proceed to identify the major transformations in these groups' industrial structures of employment upon the intensifying of their integration (within and across the Green-line alike) into the post-1967 Israeli economy; paying special attention to whether or not, and in what economic branches, Palestinian-Arabs are replacing and/or joining Israeli-Jews. First, we examine transformation in the employment structure of the Gaza Strip and the West Bank Palestinians, then that of Jewish and Palestinian citizens of Israel, and last, that of Israel's labor force in the seventies as an integral, though fragmented, whole.



B. The Post-1967 Industrial Structure of Employment of the Gaza Strip and the West Bank Palestinian Labor Force

In this analysis we have to deal not only with changes in industrial structures of the labor force employed within the occupied territories, but also of those in Israel. Not only that, a distinctively different industrial structure of employment peculiar to Palestinian commuter workers has emerged, but also further changes have disrupted the very employment structures of the portion of the labor force remaining in the West Bank and Gaza. According to Table FB figures, which come from Israeli sources, the distortions that have characterized the employment structures of these two regions in the pre-1967 War period seem to be further reinforced in the first two years of Israel's military occupation; that is, polarization has intensified, as evidenced in the disproportionate concentration of the labor force in agriculture, on the one hand, and in trade, transportation, and service economic branches, on the other. Later, in 1973, expansion seems to shift from the former branch into the latter; this polarization seems to be accompanied by a decline in the relative size of the local industrial and construction labor force of both regions; and the emerging and expanding of a new economic branch, i.e., public and community services, which already by 1973 had absorbed a very significant portion of the labor force, more noticeably in the Gaza Strip. In part, this reflects Israeli efforts to develop and foster a local Palestinian authority or administration instrumental for social control,

TABLE F,B

Employed Persons by Branch in the "Administered" Areas\* in Israel  
1968, 1969, and 1973

	Total employed persons who are residents of the administered areas			Employed persons in the administered areas									Employed persons in Israel		
	1968	1969	1973*	All administered areas			Judea and Samaria			The Gaza Strip			1968	1969	1973*
				1968	1969	1973*	1968	1969	1973*	1968	1969	1973*			
	(thousands)														
Agriculture	46	66	52	45	64	40	33	47	30	12	17	10	1	2	12
Industry	19	21	32	18	19	20	11	12	14	7	7	6	1	2	12
Construction	15	18	42	13	13	8									
Public and community services	18	19	26	18	18	24	9	8	7	4	5	1	2	5	34
Trade, transportation, and services	37	39	44	36	37	29	10	11	14	8	7	10	—	1	2
Total	135	163	196	130	151	131	84	100	87	46	51	44	5	12	65
	(percent)														
Agriculture	34	40	27	35	42	31	39	47	35	26	33	23	20	17	18
Industry	14	13	16	14	13	15	13	12	16	15	14	14	20	17	18
Construction	11	11	21	10	9	6	11	8	8	9	10	2	40	42	52
Public and community services	13	12	13	14	12	18	12	11	16	17	14	23	—	8	3
Trade, transportation, and services	28	24	23	27	24	30	25	22	25	33	29	38	20	16	9
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

\* The changing trend in the branch composition of employment typical of the period under review, started in 1969. Figures for 1968 in this Table are given in order to show the number and distribution of employed persons in that year affected by the war in the preceding year.

SOURCE: 1969 and 1972 — Central Bureau of Statistics, *Family Surveys in the Administered Areas, 1969-1972*.  
1968, areas — Central Bureau of Statistics, *Statistical Abstracts, 1970 and 1972*.  
1968, Israel — Bank of Israel estimates.

Source: Aryeh Bregman, *Economic Growth in the Administered Areas, 1968-1973*, Jerusalem, 1974, p. 32.

and more importantly, to become an alternative to the P.L.O. leadership.<sup>21</sup>

Contrary to the local, the commuter workers from occupied territories are mainly and increasingly concentrated in productive economic branches, distributed equally in agriculture and industry and doubly concentrated in construction. In 1973 the Israeli construction industry absorbed 52 percent of the non-citizen Palestinian labor force employed during that year in Israel. According to Hilal, in 1972, 57.2 percent of West Bank workers in Israel worked in construction; compared, for example, with 19.5 percent in industry. One can confidently conclude that all these productive (produce surplus value) Palestinian wage workers in Israel fall undoubtedly within the boundaries of the proletariat class. The penetration of Israeli agricultural and industrial investment capital into the occupied territories has inflected changes in the class nature of those communities, specifically the promoting of peasant and petty-producers' proletarianization. The integration of these territories into the Israeli economy has enlarged the size of their working class, not only relatively, but also in absolute terms. In Hilal's estimation, in 1973 there were nearly 60,000 manual workers in the West Bank, forming around 47.5 percent of its total labor force, and nearly 38,000 in the Gaza Strip, forming approximately 55.6 percent of its total labor force; that is to say, more than 97.6 thousand (or half the labor force) were manual workers, of whom 60.8 percent worked in Israel.

Three main groups seem to be affected most by the proletarianization process resulting from this forceful integration of these territories into the Israeli economy. These are first, the segments of the labor force previously subjugated to marginalization by the Jordanian regime; this category includes the camp refugees, specifically those near urban centers, the occasionally-employed landless peasantry and subemployed service employees. These represent that segment of the Palestinians who have been already, prior to occupation, dispossessed from their means of subsistence due to Zionist practices in Palestine, and also to the concentration of the land-holding system for and/or as a result of the emergence of agricultural plantations. The latter is especially true in the Gaza Strip, where agriculture is more capital-intensive, which explains further the relatively smaller size of the agricultural labor force compared with that of the West Bank and the Palestinians in Israel.

Second, the small peasants, previously self-employed petit bourgeoisie, existing more heavily in the West Bank, where a less concentrated land tenure system used to prevail. The proletarianization of this group is most likely to be the function of three interrelated processes of Zionist penetration: (a) the penetration of Jewish settlers, meaning the intensification of land expropriation by Israelis, and landlessness of Palestinians; (b) the penetration of Israel agricultural investment capital (and "demonstration-station plantations" for the "modernization" of the territories' traditional agriculture), a prerequisite for which is land concentration, resulting, again, in the disposition of the small

peasant; (c) the penetration of Israeli commodity and inflationary price structure, forcing peasants out of semi-subsistence production into wage-earning.

Third, the traditional industrial labor force, i.e., the small-scale commodity petty producing craftsmen, who could not survive the competition with Jewish industrial capital, and the loss of their internal market upon its invasion by the more competitive Israeli commodity.

This is not different from the transformation of Palestinian agricultural petty production and Jewish petty manufacturing and crafts shops starting earlier in Israel but intensified most after the 1967 War.

Upon proletarianization the majority of these skilled petty producer craftsmen were de-skilled or at best entered semi-skilled labor categories in Israeli-owned capitalist factories in Israel and in the territories themselves. The size of the modern industrial labor force remains relatively small in relation to the size of the productive labor force at large. In 1973 around 32,000 of the total of employed persons who are residents of the Gaza Strip and the West Bank (then totalling 196,000) were employed in industry. This is to say, the industrial labor force constituted 12 percent of the total. 38 percent (12,000) of these industrial workers were employed in Israel.<sup>22</sup> This represents an increase of 1100 percent in the size of the industrial labor force employed in Israel in the period 1968-1973.

In light of the figures in Table F-BA, the size of the territories employed labor force reaches its maximum expansion in 1974, totalling

TABLE F.BA

לוח ג-3  
 המועסקים לפי ענף כלכלי בשטחים המוחזקים ובישראל,  
 1968, 1972 עד 1975

המועסקים בישראל (1)					רצועת עזה (4)					יהודה ושומרון (3)					סך כל השטחים (2)=(3)+(4)					סך המועסקים תושבי השטחים (1)=(2)+(5)					
1975	1974	1973	1972	1968	1975	1974	1973	1972	1968	1975	1974	1973	1972	1968	1975	1974	1973	1972	1968	1975	1974	1973	1972	1968	
א פ ל ם																									
10	13	12	12	1	12	12	12	11	12	32	36	30	34	33	44	48	42	45	45	54	61	54	57	46	חקלאות
12	12	11	9	1	6	6	6	6	7	14	14	14	13	11	20	20	20	19	18	32	32	31	28	19	תעשייה
36	36	32	26	2	2	2	2	2	4	8	7	7	7	9	10	9	9	9	13	46	45	41	35	15	בנייה
3	5	2	2	-	9	10	10	10	8	16	15	14	14	10	25	25	24	24	18	26	27	26	26	18	שירותים ציבוריים וקהילתיים
5	5	4	3	1	18	17	16	17	15	22	23	23	22	21	40	40	39	39	36	47	45	43	42	37	מסחר, תחבורה ושירותים
<u>66</u>	<u>68</u>	<u>61</u>	<u>52</u>	<u>5</u>	<u>47</u>	<u>47</u>	<u>46</u>	<u>46</u>	<u>46</u>	<u>92</u>	<u>95</u>	<u>88</u>	<u>90</u>	<u>84</u>	<u>139</u>	<u>142</u>	<u>134</u>	<u>136</u>	<u>130</u>	<u>205</u>	<u>210</u>	<u>195</u>	<u>188</u>	<u>135</u>	סך הכול
א ח ר ז ל ם																									
15	19	20	23	20	26	26	26	24	26	35	38	34	38	39	32	34	31	33	35	26	29	28	30	34	חקלאות
18	18	18	17	20	13	13	13	13	15	16	15	16	14	13	14	14	15	14	14	16	16	16	15	14	תעשייה
55	53	52	50	40	4	4	4	4	9	7	7	8	8	11	7	6	7	7	10	22	21	21	19	11	בנייה
5	3	3	4	-	19	21	22	22	17	17	16	16	16	12	18	18	18	18	14	13	13	13	14	15	שירותים ציבוריים וקהילתיים
8	-	7	6	20	38	36	35	37	33	24	24	26	24	25	29	28	29	28	27	25	21	22	22	28	מסחר, תחבורה ושירותים
<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	סך הכול

המקור: הלשכה המרכזית לסטטיסטיקה.

Source: A. Bregman, The Economics of the Administered Areas, 1974-1975, Jerusalem, 1976, p. 25.

then 210,000, compared to only 205,000 in the following year. Similarly, in the same year the demand for this Palestinian labor in Israel seems to reach its peak, 68,000 (not including the illegally smuggled in) then declines from 1975 on.

The industrial structure of the employment of the Gaza Strip and the West Bank labor force tends to stabilize with the persisting of Israel's post-1973 economic crisis. This tendency towards stabilization in the structure of demand applies equally to those employed locally as well as in Israel (see Table F). The above is indicative of the increased dependency of these territories on Israel's economic business cycles. Also, it exposes the correlation between the deepening of the economic integration of these territories into Israel's and therefore, international market, and the speeding up of the proletarianization of their inhabitants.

#### C. Non-citizen Palestinians in Israel's Post-1973 Industrial Structure of Employment

Despite the tendency to stabilize the employment structure of the non-citizen Palestinians in Israel, Column 4 in Table F shows a slight decline in the relative size of the agricultural labor force balanced out by a slight increase in that of the construction industry. Two points are worth pointing out here: first, it is interesting that a decline in agricultural employment applies to all segments of Israel's labor force, including Palestinians from occupied territories, who in

Table F. Distribution of Palestinian Arabs and Israeli Jews Employed in Israel by Economic Branch, 1972 - 1975.

Economic Branch (1972 classification)	1972				1973				1974				1975			
	All Israeli Jews 1	All Pales- tinian Arabs 2	Citizen Palestinian Arabs 3	Non-citizen Palestinian Arabs 4	All Israeli Jews 1	All Pales- tinian Arabs 2	Citizen Palestinian Arabs 3	Non-citizen Palestinian Arabs 4	All Israeli Jews 1	All Pales- tinian Arabs 2	Citizen Palestinian Arabs 3	Non-citizen Palestinian Arabs 4	All Israeli Jews 1	All Pales- tinian Arabs 2	Citizen Palestinian Arabs 3	Non-citizen Palestinian Arabs 4
Total (thousands)	944.6	154.8	102.8	52	981.1	168.3	107.3	61	984.4	172.8	104.8	68.	995.0	173.6	107.4	66.
Total (percentage)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture, Forestry and Fishing	6.8	20.4	19.0	23.0	6.2	19.5	19.4	20.0	5.7	16.0	14.5	19.0	5.4	15.6	15.8	15.0
Industry (Mining and Manufacture)	25.0	14.3	12.8	17.0	25.9	16.6	15.8	18.0	26.1	17.7	17.8	18.0	25.1	17.6	17.2	18.0
Electricity and Water	0.9	0.7	1.0	0.0	1.0	0.6	1.0	0.0	1.0	0.6	0.5	0.0	1.1	0.3	0.4	0.0
Construction (Building and Public Works)	7.7	34.1	26.1	50.0	7.1	34.5	24.3	52.0	6.5	34.9	23.2	53.0	6.4	35.3	23.5	55.0
Commerce, Restaurants, Hotels	13.0	8.7	13.0	0.0	12.8	8.2	12.8	0.0	12.2	7.4	12.3	0.0	12.6	7.9	9.9	0.0
Transport, Storage, Communication	7.3	7.5	8.3	6.0	7.4	5.8	5.4	7.0	7.8	7.6	6.9	7.0	7.3	4.4	7.1	8.0
Financing and Business Service	6.3	0.8	1.2	0.0	6.8	1.1	1.7	0.0	7.0	1.2	1.4	0.0	7.4	1.2	1.8	0.0
Public and Community Services	25.4	9.5	12.4	4.0	25.6	10.4	14.5	3.0	27.1	11.9	16.6	3.0	28.3	10.7	14.5	5.0
Personal Services	7.6	2.9	4.5	0.0	7.2	5.2	8.2	0.0	6.7	4.1	6.9	0.0	6.1	4.4	7.1	0.0

Sources: This Table was constructed from the following sources:

- Central Bureau of Statistics - Labour Force Survey, 1974, Special Series No. (...), Jerusalem, 1976, Table 67, p. 158.
- Y. Harari, The Arabs in Israel - 1976: Facts and Figures, Gevaat Hevava, 1976, Table 3, p. 15 (Hebrew).
- A. Bregman, The Economy of the Administered Areas, 1974-1975, Jerusalem, 1976, Table C, p. 25 (Hebrew).



the early years of occupation seemed to flood Jewish agricultural plantations in the private and co-operative sectors (recall debates in section 3 of Chapter 2). During the period between 1968 and 1973 the relative size of non-citizen Palestinians in Israeli agricultural employment was constantly growing and exceeding both that of the Jews and the citizen Palestinians. Such increasing penetration of non-citizens into a declining economic branch, from which both Arab and Jewish citizens were moving away, is likely to indicate that the portion of citizen agricultural labor forced out of that economic branch was replaced by labor imported from the occupied territories. Of course, the latter were entering agricultural production as proletariat, while in the case of the former, a self-employed labor force is most likely to be the one shunning agriculture and entering other branches as industrial proletariat or service employees where demand for labor was very high. In this sense, the apparent replacement in the technical division of labor is not coinciding with replacement in the social division of labor. This exit/entry flow of agricultural labor force may imply precisely that both groups are joining modern proletariat class locations.

Second, the decline in agricultural employment regarding all the segments of the labor force, starting after the October War, can be interpreted both in terms of the rising organic composition of agricultural capital, manifesting itself in an increased productivity and mechanization. The latter, made possible precisely by the very extraction of

higher relative surplus value from the non-citizen labor force intensively employed in this branch in-between the two wars.

Indirectly, this decline in agricultural employment can be seen also as a result of the ultimate shift from agriculture into industry, as a leading export sector. Reference is to polished diamonds and high technology products as the export-producing branches for the international market. This shift is evident in the different nature of agreements signed, for example, with the European Common Market before and after the 1973 October War,<sup>23</sup> both leading inevitably into reducing the potential employment-multiplier effect in agriculture.

Furthermore, the increase in the non-citizen Palestinian construction labor force in 1975, concomitant with that decline in agricultural employment, must be interpreted merely as a redistributive adjustment. This is to say, the increment one notices in the relative size of construction non-citizen Palestinian labor force must not be explained in terms of a new demand in the economy for non-citizen Palestinian labor force; but rather in terms of mobility of an already mobilized labor force from agriculture into construction. This conclusion is based on two observations: first, of decline in the size of non-citizen Palestinian labor force employed in Israel in that same period. Despite that, the decline in the demand for labor from the territories in Israel is linked more likely to the potential decline of the construction than the agricultural branch. Second, of the correlation between Jewish immigra-

tion and construction boom and decline in Israel; and given that 1975 represents the year in which immigration was, probably for the first time, declining in absolute and relative terms, and also exceeded by emigration from Israel; as recalled from the analysis of Israel's labor force in the seventies. In 1974, however, the year following the October War, the increased representation of non-citizen Palestinians in the construction industry is in part the result of the replacing of citizen by non-citizen Palestinian workers. While, in the meantime, citizen Palestinians are filling in gaps in services and industry caused by the long-term mobilization of Jews into the military. Unlike the quick victory and release of the mobilized labor force into their civilian posts in the aftermath of the 1967 war, in the aftermath of the 1973 war mobilization lasted long, resulting in real manpower loss and shortages.

Although 1976 labor force surveys are not yet available, one can comfortably expect a decline, or at best stabilization, in demand for construction workers from the occupied territories, unless in the form of replacement not a result of new demand in that industry. Demand for construction workers is more likely to decline in housing than in public works. One of the usual effects of the militarization of the economy (as witnessed, for example, in the economy of Massachusetts, one of the states that has comparative advantage in military production) is the stagnation of consumer-goods producing industries (housing, shoes, clothing, food industries). There is no reason for this not to apply to

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.<sup>24</sup> 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

that of low productivity—the high weight of man-hours per unit produced, the latter being attributed to the availability of "a large pool of cheap but unskilled labor, the utilization of which promotes less efficient, less productive construction technique."<sup>25</sup> Labor-saving is thus the very objective of this policy project.

The same source indicates that the housing industry in recent years employed around 8.5 percent of the total labor force; approximately 60 percent of this labor is Arab.<sup>26</sup>

If achieved, labor-saving in the construction industry is, inevitably, likely to imply high lay-off of Palestinian construction workers, probably the non-citizens whose share in the total labor force engaged in construction in Israel had reached 26 percent already in 1973 when their percent of all employed labor in Israel was only 6 percent.<sup>27</sup> In the following years, their size even increased in relative and absolute terms.

1976's budgetary cuts, accompanied by expansion spending, hit the construction industry most and were expected to push unemployment up to the 60,000 mark, or 5.5 percent of the working population.<sup>28</sup> According to the 1976 Annual Supplement of the Quarterly Economic Review, 45,000 of these were from occupied territories. The latter are most likely to be construction and agricultural workers.

And more importantly, it may not affect the unemployment rate since non-citizen Palestinians (except for the residents of East Jerusalem) do not appear in Israeli official statistics as members of the labor force, but rather separately in special sources that refer specifically to the population of occupied territories.<sup>29</sup>

To sum up the employment of non-citizen Palestinians in Israel's con-

struction industry is to point out the following features:

(a) The non-citizen Palestinian labor force employed in Israel tends to be disproportionately over-represented in the construction industry.

(b) This over-representation seems to increase constantly since the 1967 War and continues through the 1973 October War and its following economic crisis, reaching the highest proportion (55 percent) by 1975.

(c) During the economic boom following the 1967 War, the size of the construction labor force among all groups (Israeli-Jews, citizen Palestinians, and non-citizen Palestinians) tends to increase both in absolute and relative terms until 1973. During this period, thus, Jewish-Arab labor mobility into construction represents a joining as opposed to replacement trend in an expanding economic branch. Whether or not this cross-national merging of Israeli-Jewish and Palestinian-Arab construction workers in the same industry implies also that they are joining the same class locations depends on the social form of labor performed by each.

Put more concretely, it depends on the number of those from each group who do the actual manual (skilled or unskilled) construction work versus those who perform mental, supervisory, managerial functions (for example, the foremen, civil engineers, etc.)

As indicated earlier, there is no doubt about the proletariat class location of the non-citizen Palestinian workers employed in the productive branches of Israel's economy. Furthermore, there is no doubt that most of the supervisory, non-productive mental labor categories in the construction industry are performed by Jews, not Arabs; in this branch. The latter is evident in the higher average number of years of schooling of Jewish than

of Arab citizens employed in construction being (8.3 years) in the case of the former compared with (5.8 years) in the case of the latter. Also, and more importantly, in the very differential in the level of training among Arabs and Jews who share the same occupation in the construction industry. For example, Jews who belong to the top occupational positions in construction have on the average 16.2 years of schooling, while Arabs in the same occupational position within this industry have on the average only 8 years of schooling.<sup>30</sup>

The important detail that we need to know, however, is the number of Jews and Arabs in each occupational category within this industry and, for that matter, within the other economic branches. We may be able to get these details later, but for the meantime one thing is obvious to us; in absolute terms and despite their apparent under-representation in relative terms, the number of Jews who are employed in the construction industry does by far exceed that of Arab citizens, and it is greater than both citizen and non-citizen Palestinians combined.

In 1972, for example, 7.7 percent of the employed Jewish labor force was in construction, corresponding in absolute terms to 69,434 workers, compared with 26.1 percent of citizen Palestinians corresponding to 26,831 workers, and 50 percent of non-citizen Palestinians corresponding to 26,000 workers. This is to say, approximately 60 percent of the labor force employed in the construction industry, including all its occupational categories, are Jews; the majority of these are likely to be wage workers.

The latter point can be further reinforced by the fact that in 1974, for example, there were 84,500 employees posted in the construction branch, 73,600 of these are related to contracting and subcontracting, with an

average monthly wage of 1,295 IL., and only 10.9 related to public works and civil engineering work, with an average monthly salary of 1,751 IL. The latter represents the bulk of professional and technical labor categories in the construction industry, while the former represent the bulk of actual workers. Of course, these figures under-represent reality because they exclude the self-employed in the construction industry.<sup>31</sup>

Knowing earlier also that 60 percent of the construction wage-workers per se are Arabs, it means there are around 52,000 Jewish construction wage-workers, which is equivalent to the number of Palestinian-Arabs. In other words, approximately 100,000 Palestinian-Arabs and Israeli-Jews in the construction branch are likely to share proletarian class locations.

(d) During the post-1973 economic crisis and long-term military mobilization, non-citizen Palestinians continue to move into, while citizen-Jews and Palestinian-Arabs are increasingly moving out of, the construction industry, except for 1975 when the percentage of all Palestinians goes up, as is evident in Table F.

The predominant trend here represents both joining and replacing in a stagnating, yet not declining, sector. Clearly, those moving in are, indeed, moving into productive manual labor categories. It will help much to know who is moving out, that is, what labor categories are being replaced by non-citizen Palestinians? Are they also productive manual labor categories, or the mental supervisory ones? Moreover, what labor categories are they occupying in the other branches they are entering?

It makes much difference whether the replaced portion of the construction labor force is moving into productive manual categories in industry versus moving into non-productive mental categories, say in public



services, or for that matter, in industry itself. In the former case, the replaced and the replacing workers are, indeed, joining each other in the social division of labor--both falling within the boundaries of the proletariat class; in the latter, however, the replacement is not only in the technical division of labor but also in class location. The former is likely to promote the prospects for proletariat alliance between those moving into and those moving out of the construction labor force, while the latter case is likely to impede such alliance between a becoming-proletariat and those moving into (or out of and into) non-proletariat class locations. It is hard to tell, since both the service and the industrial labor force of Arab and Jewish citizens seem to expand in 1974.

Summing up the employment dynamics in the construction industry is also raising questions regarding the political/economic rationale behind the existence of the highest demand for Palestinian-Arab labor (both citizens and non-citizens) in construction work. The official and popular liberal Israeli views are often heard to attribute this disproportionately high demand for Arab hands in construction to their being traditionally skilled in this trade, pointing out as evidence the sophistication and beauty of the indigenous traditional Arab house. This rationale loses its validity in light of the rather much higher demand in this branch for labor force specifically from the occupied territories in the unskilled and, at best, semi-skilled construction labor categories.

For a more accurate answer, therefore, it is worth pointing out the following:

First, the average wage in construction is relatively high. In 1974,

for example, the monthly salary per employee post reached up to 1,354 IL., compared with the general average wage in Israel (1,542 IL.). Further, it is the highest among branches in which Arab labor is competitive; that is, higher than that in agriculture (970 IL.), food processing (1,001 IL.), textiles (1,149 IL.), and personal services (963 IL.).<sup>32</sup> In this sense, Arab labor is also likely to be more attracted to employment in this economic branch when unable to move further upward.

Furthermore, the relatively higher wages in this branch results indirectly in reinforcing the purchase power of this labor force, a prerequisite for the development of consumerism and the necessary expansion of the Israeli local market into Arab frontiers.

Second, unlike construction industry in the United States, in which the labor force are capable of organizing powerful trade unions, hence the greater bargaining power in terms of economic demand and social benefits, in Israel the contrary is true. Indicators of labor unrest even before 1973 during the very period of rapid economic growth show the construction labor force to be the most passive and disciplined. Probably the structure of the construction industry, except for Solel Boheh (Histadrut-owned company), fragmented into small projects, does not allow a sense of unity among the workers.

Third, and more important, is the fact that this physically rough and dangerous industry has the highest percentage of injuries. The employment of Palestinian-Arabs, especially non-citizens whose labor power is imported from the occupied territories and the reproduction cost of which falls outside Israel-proper, means tremendous savings in social

security and compensatory social benefits for work injuries. Of course, the physically tough nature of work in this economic branch makes it only rational for Jews who are the less vulnerable not to be attracted to this industry, thus when demand emerges, the abundantly available Arab labor is the more likely to move in.

Fourth, although during some periods Israel has had the highest rates of building in the world, the construction industry in Israel is yet not a stable one. In fact, it can be accurately described as a "seasonal" employment-generating industry; expanding and declining in response to dramatic events such as wars and immigration. The latter are themselves seasonal in the sense that they seem historically to be linked with Israel's economic and political business cycles. It is in this sense of uncertainty that the construction labor force ought to be a vulnerable one. The layoff of Arab labor in periods of decline does not inflict as equally high a stress on the Israeli society.

In addition to construction and agriculture, industry comes as the third of productive economic branches penetrated by non-citizen Palestinians in Israel. As demonstrated by the figures in Table F, in 1975 industrial employment does for the first time since occupation exceed the agricultural employment of the labor imported from the territories. The latter is due not to an increase in the percentage of industrial workers among non-citizen Palestinians (which, in fact, has remained constant from 1973 through 1975), but, simply, to the dramatic decline witnessed in agricultural employment (from 19 percent in 1974 to 15 percent in 1975).

The October War seems to intensify the penetration of non-Palestin-

ians into Israel's industrial labor market. The percentage of the industrially employed averaged 18 percent in the period 1973-1975, compared with an average of 15 percent during the period in-between the two wars. The recent war seems to affect similarly the other population groups until 1974. In 1975, however, unlike non-citizen Palestinians, citizen Palestinians and Jews show a slight decline in the percentage of their labor force employed in industry. Although slight, the latter is yet significant, as the following analysis indicates:

That is, Jewish labor released during that year from industry is moving into community and public services, not production; this means that non-citizen Palestinian labor entering industry, certainly as a proletariat, are replacing Jewish labor not only in the economic branch but also in class location. Moreover, the industrial Jewish workers who are likely to be replaceable by unskilled Palestinians from the territories are probably Oriental-Jews. Based on this observation, one may suggest that the prospects for cross-national proletariat alliance in Israel are greater during periods of economic boom than periods of economic crisis. We have already seen that the joining of Arabs and Jews in productive economic branches increases during rapid economic growth. Despite an apparent replacement in the technical division of labor, also joining proletariat class locations tends to increase.

Citizen Palestinians shunning industry during that year seem, unlike Jews, to enter productive branches, and even more interestingly, move back into agriculture, apparently replacing non-citizen Palestinians who moved from agriculture into construction. As they are being pulled out

of community and public services (a decline from 16.6 percent in 1974 to 14.5 percent in 1975) to make room for Jews released from industry as well as military mobilization (an increase from 27.1 percent in 1974 to 28.3 percent in 1975).

This pattern of labor mobility across economic branches promises a greater number of citizen and non-citizen Palestinians to be sharing proletarian class locations. The fact that in 1975 the same pattern of labor mobility implies that Palestinian-Arabs are replacing Israeli-Jews in class location cannot yet undermine the material conditions for cross-national proletarian alliance. We must remember that the Palestinian-Arab labor force in Israel constitutes only 15 percent of the total employed persons, and around 25 percent of those employed in productive labor categories.<sup>33</sup> In this sense, Palestinian-Arab proletariat can, at the most, replace one-third of the Jewish productive labor force, and in that case, will join the two other thirds remaining in proletarian class locations. Unless the latter are replaced by an alternative source of immigrant workers which is neither Palestinian nor Jewish, the material conditions for cross-national proletarian alliance are not likely to become seriously disrupted.<sup>34</sup>

For that matter, given the relative weight of both national groups in Israel's labor force, it is the mobility of Palestinians into, and not the mobility of Jews off, productive labor categories that makes the most crucial difference. In this regard it is important to remember that non-citizens, in addition to being already more highly represented in industry than citizen Palestinians, in Israel's employment structure, are also

employed by Israeli industrial capital and/or joint manufacturing ventures in the territories themselves. The latter reinforces the point made above. In fact, it can add to the number of Palestinian-Arabs and Israeli-Jews who share proletariat class locations within the boundaries of "Greater Israel". In this sense, the more Israeli capital moves into occupied territories (the very site of reproduction of Palestinian labor), the less visible becomes (in the case that it occurs) the replacement of Jews by Palestinians in the social division of labor; yet, the greater continues to be the number of Palestinians joining Jewish proletariats. To the extent that Israeli national capital running into Palestinian communities within and/or across the Green-line boundaries is being invested in industries capable of generating demand exclusively for Arab, but not Jewish, labor, this mobility of capital is likely to reduce the possibility for replacement of Jews by Arabs, and to increase the number of both groups, in proletariat class locations. It is, indeed, the latter that is prevalent; the reviving of indigenous Palestinian production and the transferring of work inappropriate to Jewish localities into Arab ones (recall examples from Chapter IV, pp. 47, 49).

Summing up the industrial structure of employment of the non-citizen Palestinians in Israel and the occupied territories prior to, and after, the 1973 War, we must point out the following:

(a) We have intentionally focused merely on the productive segment of the labor force, neglecting those active in the sphere of circulation. At first glance, one may expect that this petty bourgeois segment of the labor force that is likely to prosper under occupation through trade

across the open bridges; however, the nature of the terms of trade to which it has been subjugated, that is unequal to exchange, plus the loss of its local market once invaded by the more competitive Israeli commodity, and finally the imposition of value-added tax and control of banking by the military authorities, all these material conditions have hit their interests hard and, therefore, they are likely to ally themselves with the proletariat struggle. This issue, however, refers to the analysis of class position, which may or may not coincide with one's class location and interest. Further, it is more relevant to conjunctural unity and less to class alliance.

(b) It becomes obvious in this analysis that the penetration of non-citizen Palestinians into the Israeli economy and/or the penetration of Israeli investment capital into occupied territories do inevitably increase the number of Palestinians who share with the Israeli-Jewish proletariat a common class location and, therefore, interest.

Several questions pose themselves in this regard, the most important of which is whether the locations of non-citizen Palestinians in Israel's industrial structure of employment and class structure are transitory or permanent and irreversible ones. Of course, this depends most on the lasting or termination of military occupation, and in the latter case, on the nature of settlement implemented in regard to the Palestinian national question. Given the uncertainty involved in relation to the above, it may help to examine historical experience of citizen Palestinians in the industrial structure of employment, since they will certainly continue to be an integral part of Israel's labor

force.

#### IV. The Industrial Structure of Employment of Palestinians Who Are Citizens of Israel

Previously, we have shown that Arab penetration into the Jewish labor market has occurred since the early days of Zionist colonization. More importantly, we have already demonstrated how this penetration took place, despite systematic ideological and institutional impediments, in order to allow for the formation of Jewish farming and working classes in Palestine. The penetration of the indigenous Palestinian labor into the modern Jewish sector was thus limited to the extent that it did not interfere with that class formation.

The first massive penetration seems to happen during the first construction boom, beginning in the late fifties and ending in the mid-sixties, when military regulations were removed to allow for the inflow of this labor power into the Jewish sectors (recall Chapter II).

In this section we argue that the most dramatic growth in the rates of citizen Palestinian penetration into the modern labor force of Israel has occurred precisely in the years following the 1967 War, when traditional sources of Arab labor became abundantly available in the new territories captured by Israel in that war. Table K-1 provides a strong evidence in favor of this argument.

It analyzes the percentages of change in the demand for Arab labor in Israel's industrial structure of employment, not only historically during different historical phases, but also comparatively with those of the Jewish population. As the latter constitute the sovereign majority



Table K-1. Rates of Change in the Jewish and Arab Industrial Structure of Employment Over a Twenty-Year Period, 1955 - 1975

		1	2	3	4	5	6	7	8 <sup>a</sup>	
	Rate of Change i.e., size of labor force	Agriculture	Industry	Electricity and Water	Construc- tion	Transport	Public Services	Personal Services	Others <sup>a</sup>	
		<u>1955 - 1975</u>								
A	Jews	83	-33	106	-9	30	112	136	29	157
	Arabs	148	-15	219	150	360	413	290	600	273
		<u>1959 - 1967</u>								
B	Jews	23	-11	30	17	-7	28	37	33	35
	Arabs	27	17	23	14	54	79	21	12	194
		<u>1962 - 1975</u>								
C	Jews	29	-32	28	-40	19	26	44	-7	89
	Arabs	78	-32	95	-38	161	56	193	305	49
		<u>1963 - 1967</u>								
D	Jews	3	-7	1	32	-23	8	13	13	7
	Arabs	-8	-9	-7	60	-31	17	-2	0	186
		<u>1967 - 1971</u>								
E	Jews	17	-20	17	-39	25	17	16	4	60
	Arabs	56	-15	29	-75	127	79	160	163	36
		<u>1971 - 1973</u>								
F	Jews	9	-4	12	-8	5	6	10	5	13
	Arabs	13	-3	32	-150	22	13	13	6	11
		<u>1973 - 1975</u>								
G	Jews	1	-13	-1	7	-9	1	11	-17	4
	Arabs	0	-21	12	0	-6	10	1	31	-1

Source: Computed from Table K. Rate of Change formula is the same as in Table U.

<sup>a</sup>"Others" (Column 8) includes: "commerce, banking and insurance" economic branch until 1972 classification according to which "others" refers to two economic branches, "commerce, restaurants and hotels" and "financing and business services". This is the only change in the new economic branch classification.

Table K. Absolute Distribution of Israel Citizen-Arabs and Jews by Economic Branch.

Year	Total Labor Force	Agriculture	Industry	Electricity and Water	Construction	Transport and Communication	Public Services	Personal Services	Others
<u>Citizen Palestinian-Arabs</u>									
1955	43,400	21,200	5,800	200	5,500	1,500	4,000	1,100	4,100
1959	47,600	21,400	7,700	700	6,300	1,900	4,400	1,700	3,500
1963	65,900	27,600	10,200	500	13,971	2,900	5,400	1,900	3,600
1967	60,600	25,000	9,500	800	9,700	3,400	5,333	1,900	10,300
1971	94,600	21,200	12,300	200	22,000	6,100	13,800	5,000	14,000
1973	107,300	20,600	16,200	500	26,800	6,900	15,500	5,300	15,500
1975	107,600	17,000	18,500	500	25,300	7,700	15,600	7,700	15,300
<u>Israeli-Jews</u>									
1955	542,300	81,000	121,200	11,700	48,800	34,500	119,300	47,000	78,800
1959	727,800	89,000	149,400	15,200	57,300	45,100	143,000	48,800	79,000
1963	743,100	85,500	192,500	13,400	69,100	53,500	172,400	57,300	99,575
1967	770,100	79,320	194,835	17,712	53,137	57,758	195,605	64,688	107,044
1971	902,500	63,300	227,300	10,800	66,300	67,900	227,500	67,000	171,600
1973	981,100	60,800	253,600	9,900	69,300	72,000	250,400	70,400	194,700
1975	995,000	54,000	250,100	10,700	63,400	73,000	281,100	60,400	202,300

Sources: 1954, 1963, 1971 from Sabri Jiryis, The Arabs in Israel, New York, 1976, p. 305.  
 1967, 1975 from Havari, The Arabs in Israel, 1976, Gevaat Havera, 1976, p. 15.  
 1963 computed from proportionate distributions in Table 22, L.F.S., 1969, Special Series # 333.

and the core of the labor force, they are more likely to reflect the normal trends in the employment structure of the country. The comparison, therefore, highlights the peculiar features in the industrial structure of employment of the Arab citizens.

1955 is chosen here as the base year because it is just prior to the first war (1956 Sinai War) since the establishment of the State of Israel. The figures in Table K-1 therefore reflect the effects of three wars, which helps indicate that it is not war per se, but rather the peculiarities of the 1967 War compared with the Sinai and October Wars, that had the most crucial effect on the penetration of Palestinians (citizens and non-citizens) into the Israeli labor market. Also, to demonstrate how the two wars that resulted in territorial expansion and Jewish immigration have steered the demand for Arabs in the construction industry, much more than the October War. As the aftermath of which is distinguished by decline in immigration as well as in territorial gains.

Furthermore, 1955 represents the time of laying down the foundations of the country's modern industrial infrastructure, starting with the inflow of German reparations into Israel.

To sum up the general direction of change in the features of the Arab versus Jewish industrial structures of employment in Israel, guided by the figures in Table K-1, is to indicate the following:

A. During the twenty-year period between 1955-1975, Arab citizens seem to penetrate into all branches of the economy at a much higher rate than Jews (Row A). This feature, however, must not mislead us to conclude that the change in absolute terms is equally dramatic. We must be aware

that technically, the rate of change index is influenced by the size and distribution of the labor force in the base year. In this sense, however, the higher rates of penetration among the Palestinian-Arab citizens do correspond with reality. They reflect the obstruction of their participation in the Israeli labor market in the fifties, concomitant with the massive waves of Jewish immigration into Israel.

The differential penetration of Arab and Jewish citizens is most striking in the post-1967 War and more specifically during the period of rapid economic growth in between the two recent wars. In that time, when labor shortage, both in skilled and unskilled labor, became acute and labor power was imported from occupied territories and Europe, citizen-Palestinians then penetrated all the expanding productive branches of the economy at rates that are disproportionately higher than those of Jewish penetration. (See Row C, specifically E and F, and more specifically, Columns 2, 4, and 5.) The only branches into which Jews penetrated at a higher rate than Arabs are those in the sphere of circulation (Column 8, Rows C, E, and F). The latter include commerce, restaurants and hotels, financing and business service, primarily controlled by Western Jews. Simultaneously, the 1967 War seems to represent a dramatic turning point in the penetration of Arab citizens into personal services (becoming the least attractive to all Jews) and into public and community service (becoming the most attractive of all economic branches to Oriental-Jews), as in Column 7 and 6 in Row E.

The direction and rates of change in the employment structures of Arab and Jewish citizens of Israel in the post-1967 period in general (Row C) and in the period between the two wars in particular (Row E and F) do again re-

inforce the conclusion suggested by the analysis of non-citizen Palestinian employment in Israel. That is, the prospects for cross-national proletarian alliance are greater during periods of rapid economic growth, not decline and stagnation. Because it is in such periods that Palestinian-Arabs and Israeli-Jews experience the highest rates of joint penetration into the productive branches of the economy.

A comparison between two periods of economic crisis before and after the 1967 War (Row D and G) in addition reinforces the conclusion reached above; it points out an increased dependency of Israel's industry on Palestinian-Arab labor in the post-1967 era (Column 2).

During the post-1973 political and economic crises, and while Jewish employment declines by one percent, Arab industrial employment increases by 12 percent. This is very different from the pre-1967 recession, when Arabs' employment in industry declined by 7 percent to make room for Jewish labor. The 12 percent increase in industrial employment balances out for their declining employment in construction.

The integration of Palestinian labor into Israel's industry can only increase, and the dependency of the former on this labor force is an irreversible one. The latter point is based upon at least two of several transformations occurring since the 1967 War in the country's industrial production: the transfer of industries inappropriate (certainly in terms of productivity or profit) for Jewish labor into Arab separate residential locales, mentioned above. And the indirectly related but more important shift into high technology military production, into which skilled Jewish industrial labor force is to be mobilized, leaving gaps in the less strategic indus-

tries to be filled in by Palestinians.

All the above is for the better in terms of promoting joint penetration of Palestinian-Arabs and Israeli-Jews into proletariat class locations.

Finally, with the ultimate and irreversible capitalist transformation of the economy in the post-1967 era, economic crisis can mean only intensifying the extraction of higher relative surplus value in order to prevent the declining rate of profit, one of the two fundamental structural tendencies of capitalist development. Owing to its political vulnerability, Palestinian labor in Israeli industry is more conducive to serve that purpose than Jewish labor. And this adds another reason, assuming an increasing dependency of Israel on the industrial Arab labor force.

In conclusion, all the above is, in effect, likely to promote joint penetration of Palestinian-Arabs and Israeli-Jews into proletariat class locations and, hence, improve the objective conditions for cross-national class alliance.

B. Vertically, most prominent is a constant decline in the agricultural employment of both populations, generally at a much higher rate among Jews than Arabs. In twenty years, Arab agricultural employment, contrary to its general trend, seems to have increased only during recession (Row B, Column 1), as observed also in the occupational structure of employment analyzed earlier. Neither the employment data by agricultural branch nor by the farming occupations, however, makes a distinction between decline in self-employment and wage-labor in agriculture. With the exception of non-citizen Palestinians, whose agricultural employment in Israel can only be proletariat in character.

C. Electricity and water (Column 3) is the economic branch in which Jewish and Arab employment show high rates of decline during periods of rapid economic growth (Row E and F) and growth in periods of economic stagnation (Rows B, D, G). This seemingly negative correlation is most prominent in the contrast between the three years before and after the 1967 War (Row C and D).

Although it has the lowest weight in the employment structure, this economic branch is yet very important, being related to the country's most scarce resource, namely water, and therefore electricity. The management of its use becomes even more critical in the absence of other (with the exception of solar) energy sources. Perhaps the employment figures in this branch can be read in two different ways:

(a) that an earlier growth does, in effect contribute to the development of, hence the generation of employment opportunities in, other branches;

(b) that in the post-1967 era, work in this branch became very capital-intensive and therefore labor-saving, hence the decline in Arab and Jewish employment in that branch.

Both interpretations are correct. Aviation Week & Space Technology, June 14, 1976, testifies for the latter. But also the former interpretation makes sense, since the figures in Rows B and D relate to that period in which construction of the first national water scheme for the irrigation of the Negev took place. That is, the giant canal mobilizing water from northern Galilee to the southern parts of the country, which may have undoubtedly steered employment into this branch.

Although most of the labor categories generated in this economic branch in Israel are mental supervisory and managerial ones (centralized control of this source is one of the fundamental Zionist policies) and performed by Jewish citizens, it is mainly the construction work in this branch that is likely to be performed by Arabs. Palestinian labor in this employment branch is therefore definitely proletariat. It is worth mentioning here the indirect effect of water-use policies on the proletarianization of citizen-Palestinians through limiting the productivity of agriculture, hence the discouragement of the self-employed farmers, then left with no alternative to the selling of their labor power to Jewish agricultural and other employers.

D. Not unlike the non-citizen Palestinians from Gaza Strip and the West Bank, citizen Palestinians were also to enter the Israeli modern sector through the construction industry. The relatively lower rate of growth in their employment in this compared with other branches such as transport and personal services (Row A) is only indicative of their much earlier presence in the construction branch. During the first construction boom and despite recession, which hit Arab workers harder, as demonstrated in Row D, Column 4, we still see in Row B (which includes both the periods of boom and recession) not only a higher rate of Arab than Jewish employment in this industry, but also replacement of Jews by Arabs in those labor categories. More importantly, despite the fact that in the early sixties construction was a leading branch in the economy, and despite the availability of no other labor sources, we see the most dramatic increase in the absorption of citizen Palestinians into this economic sector to occur precisely in the period in-between the 1967 and 1973 Wars. This is precisely when



more than 50 percent of non-citizen labor from occupied territories was also mobilized into this industry; so that in 1972, 75 percent of the employees in the building trade were Arabs. No wonder the popularity of the Israeli joke which is as follows: "Nixon sends us phantoms, Brezhnev sends us new immigrants, and the Arabs build our country."<sup>36</sup>

No doubt that the penetration of non-citizen Palestinians to perform mainly unskilled labor categories affected the social form of labor performed by the citizen Palestinians within this industry. Many of the latter became foremen, and "Raises", supervising the productivity of non-citizen labor. This is to split and discipline both groups of workers, who have in common their political and ideological subjugation to the Jewish employer. Intervention in the economic criteria for the structural determination of class location is an effective policy (from the viewpoint of the Israeli ruling class) to disrupt the material conditions for proletariat alliance, hence also to weaken their alliance on national lines. However, only a few citizen Arabs can be assigned a supervisory managerial position, since they are less competitive than Jews for such labor categories within this industry. One can therefore confidently conclude that the large majority of Palestinian construction workers perform manual work ranging from skilled to unskilled, hence falling within the boundaries of the working class. Similarly are the majority of Jews in this industry, whose size in this employment category increased at the highest rates in the four years following the Six-Day War (Row E), as we already explained.

Like the water and electricity industry, so is also construction--the two most unstable branches that seem, however, to expand and decline in

contrast with each other, as a negative correlation exists between the two branches.

E. Transport and communication is the productive economic branch into which Arab penetration seems to grow in a more stable manner than in other branches, fluctuating not in response to specific events. As reflected also in the occupational structure of employment, it seems also in this table that it is becoming increasingly unattractive to Jewish labor, hence Arabs are increasingly moving in. Due to the small size of the country, transport and communication can never become an economically strategic economic branch. In other words, transport workers in Israel are not likely to become a powerful trade union with the bargaining power truck workers in the United States or, for that matter, in Chile enjoy.

F. The highest rates of change in the Arabs' post-1967 industrial structure of employment lies in their penetration into the service sector, specifically personal services. While the size of the personal service employees declined by 7 percent among Jews, it grew by 305 percent among Arabs (Row C, Column 7). In the eight years prior to the war, the contrary was true. Jews were more strongly attracted to this kind of employment than Arabs. In 1975, the Arab labor force, totaling then 9.7 percent of Israel's citizen labor force, has constituted 11.3 percent of all personal service employees, an over-representation by a factor of 16 percent. Personal services thus becomes the third of the economic branches in which citizen Arabs are over-represented, the other two being construction (by 194 percent) and agriculture (by 146 percent).

In interpreting this pattern of labor, average wage may be a factor. Personal services are in the very bottom of the country's wage structure.

service employees.<sup>38</sup> Of course, this is not a homogeneous labor force, in terms of neither the concrete nor the social form of labor they perform.

Personal services generate mainly manual labor categories while public/community and business services generate mainly mental labor categories. While personal and public services contribute mainly to the sphere of reproduction of the labor force, business services and financing belong directly to the sphere of circulation.

In cases where collective consumption (services; education, health, etc.) is centrally subsidized or socialized, then such public services are not commodities and those employees engaged in the production of these community services are not engaged in commodity production, hence, the creation of surplus value, and in this sense, the labor categories generated in this service branch are not productive, and the employees do not belong to proletariat class-locations.

Unlike the service employee in a hotel or a restaurant, who (even if he performs the same concrete forms of labor performed by a personal service employee in a household) is engaged in the production of a commodity that has an exchange value and the selling of which (performed by the waitress) is realizing the profit for the employer. The cook hired by the capitalist owner of the restaurant is therefore engaged in material production, that is, performs a productive labor category; hence, belongs to proletariat class-location. In the latter case, the labor of the cook/servant is exchanged against capital, while in the household it is exchanged against revenue.

In distinguishing between the social and concrete forms of labor and

The average monthly salary per employee's post reached 963 IL. in 1974, when the country's average monthly wage was 1,542 IL. Included in this branch are cultural-recreational services, garage repair services for households, services in households and institutions. Except maybe for the first category, most likely performed by Jewish labor, it generates the most menial jobs, hence masking unemployment by means of subemployment. Despite the alienation from the means of production that forces people into these labor categories, and the fact that it is basically manual, non-supervisory labor that is performed in this context, and above all, the relation of ideological/political subordination involved in the employee's relation to the employer, still the penetration into these labor categories does not represent a proletarianization process; the reason being that of not producing surplus-value. And therefore, they are referred to as subproletariats. It is so because in the case of hiring a personal service employee, the employer does not make a profit directly through this employment; on the contrary, for the household employing a personal service some additional consumption is implied, hence the potential depletion of savings that could otherwise be profitably invested. The fact that employees in personal services are not directly engaged in the production of surplus value and given the isolation the concrete form of labor they perform imposes on them, makes them most vulnerable, deprived from the revolutionary potential the modern proletariat have, and even from the ability to organize merely for economic demands. In 1975, the number of personal service employees in Israel totaled 68,000. One can say this labor force is engaged mainly in an economic activity related to the reproduction of labor power on a daily basis, as is the essential function

on a generational basis. Health and education for the generational reproduction of the labor force, both mentally and physically; public administration and defense to reproduce the status quo; research and scientific services to reproduce the dominant ideology, the internationally hegemonic knowledge. In sum, the fundamental function of this economic branch is the reproduction of the local system of accumulation.

It is important to recall here that in the Jewish occupational structure of employment it is Oriental-Jews who seem to be the most highly represented in this occupational chapter, and to recall also from a previous chapter that the generational reproduction of Western Jews, specifically their training, takes place somewhere else exogenous to the Israeli system.

It is mainly Oriental-Jewish and partly Sabra segments of the labor force whose generational reproduction is endogenous to the system. This may explain the predominance of Oriental as opposed to Western Jews in this branch. We have already explained how residential and institutional separation increase the penetration of Arab citizens into community and public service occupations. It is important, however, to point out that Arab citizens who belong to professional, academic, technical, and scientific occupations fall almost invariably into this economic branch, while in the case of Jews the largest portion may fall into industry itself.<sup>37</sup> The latter is especially true since the post-1967 shift into high technology production. We will come back soon to discuss this most strategic economic branch. Before going into that it is of special relevance to our analysis to point out the controversy regarding the class-location of

service employees.<sup>38</sup> Of course, this is not a homogeneous labor force, in terms of neither the concrete nor the social form of labor they perform.

Personal services generate mainly manual labor categories while public/community and business services generate mainly mental labor categories. While personal and public services contribute mainly to the sphere of reproduction of the labor force, business services and financing belong directly to the sphere of circulation.

In cases where collective consumption (services; education, health, etc.) is centrally subsidized or socialized, then such public services are not commodities and those employees engaged in the production of these community services are not engaged in commodity production, hence, the creation of surplus value, and in this sense, the labor categories generated in this service branch are not productive, and the employees do not belong to proletariat class-locations.

Unlike the service employee in a hotel or a restaurant, who (even if he performs the same concrete forms of labor performed by a personal service employee in a household) is engaged in the production of a commodity that has an exchange value and the selling of which (performed by the waitress) is realizing the profit for the employer. The cook hired by the capitalist owner of the restaurant is therefore engaged in material production, that is, performs a productive labor category; hence, belongs to proletariat class-location. In the latter case, the labor of the cook/servant is exchanged against capital, while in the household it is exchanged against revenue.

In distinguishing between the social and concrete forms of labor and

and what is productive and non-productive service, Harry Braverman argues:

"...to hire the neighbor's boy to cut the lawn is to set in motion unproductive labor; to call a gardening firm which sends out a boy to do the job (perhaps even the same boy) is another thing entirely....The change in the social form of labor from that which is, from the capitalist standpoint, unproductive to that which is productive means the transformation from...simple commodity production to capitalist commodity production from relations between persons to relations between things." 39

Braverman maintains that

"...labor which is put to work in production of goods is not thereby sharply divided from labor applied to the production of services, since both are forms of production of commodities and of production on a capitalist bases, the object of which is the production not only of value-in-exchange, but of surplus value for the capitalist. The various forms of labor which produce commodities for the capitalist are all to be counted as productive labor." 40

As far as the class-location of clerical labor is concerned, he concludes:

"...while the working class in production is the result of several centuries of capitalist development, clerical labor is largely the product of the period of monopoly capitalism."

Braverman, thus, views clerical work as a capitalist labor process, and clerical workers as proletariat in new form.<sup>41</sup>

If we accept this argument as well as the notion of contradictory class-locations developed by Erik Olin Wright, as discussed in an earlier chapter, then we can reach the conclusion that the recently increasing labor mobility from industry and agricultural wage work into the service sector does not necessarily indicate a deproletarianization process. If so, the joint penetration of Arab and Jewish labor into services may in some ways (by sharing proletariat or contradictory class-locations) still promote the prospects for cross-national proletariat alliances.

Other Marxists like Nicos Poulantzas disagree with Braverman's interpretation of the Marxist definition of capitalist productive labor, and therefore disagree with his conclusion regarding the class location of service employees,<sup>42</sup>

Poulantzas argues that service employees (along with other new wage-earning groupings that are organically linked to the emergence and reproduction of monopoly capitalism) are unproductive workers. They are so regardless of the fact that they have overwhelmingly become employees of capital and that they, too, sell their labor-power for wages that roughly correspond to the cost of reproduction of their labor-power and even provide a portion of their labor without payment. Despite the above, they have not become productive labor because services belong to circulation capital, not to productive capital. Even when the service performed has both use and exchange value, i.e., represents a commodity, the service wage-workers, whether performing in mental or manual labor categories, are yet unproductive laborers, since they are not engaged in the creation of surplus value. They are rather engaged in redistribution within the sphere of capital, that is in the transfer of surplus value that is produced by productive capital in favor of the capital that appropriates their labor-power. Their exploitation is therefore similar to that of wage-earners in the sphere of capital circulation. Poulantzas recalls from Marx himself that products can assume the "price form" and the "commodity form" without thereby possessing value. Due to the generalization of the commodity form under capitalism, labor can take the commodity form without producing surplus value for capital. Although all capitalist productive labor takes the commodity form, not all commodities represent productive labor.<sup>43</sup>



In his re-interpretation of Marx, Poulantzas defines productive labor in the capitalist mode of production as

"...labour that produces surplus-value while directly reproducing the material elements that serve as the substratum of the relation of exploitation: labour that is directly involved in material production by producing use-values that increases material wealth...that valorizes capital and is exchanged against capital...Labor with the same content may be productive or unproductive. And what is productive under one mode of production may not be so for another...The concrete content of labor and its use-value are completely indifferent for productive labor."

In Marx's own words:

"...Every time that labour is purchased, not in order to substitute it as the living factor in the value of variable capital, but in order to consume it as a use value, i.e., a service, this labour is not productive labour and the wage-labourer is not a productive worker...the capitalist does not confront him as a capitalist, as the representative of capital; what he exchanges for the labour is not his capital, but his revenue, in the form of money." 44

According to these theoretical arguments, wage-earners in commerce, advertising, accounting, insurance, and all financing and business services, are not directly exploited in the form of the dominant capitalist relations of exploitation, the creation of surplus value, and therefore, do not form part of the working class.

Even service employees who contribute to the reproduction of labor power (hairdressers, lawyers, teachers, doctors, etc.) remain unproductive labor outside the boundaries of the working class. The same applies to public and community service employees who greatly contribute to the reproduction of capitalist social relations (agents of the State apparatus, civil servants, teachers of State schools, and medical personnel of the public sector, etc.)

In the case of the latter, capital does not intervene directly to

subsume labor power as the case in personal services. It rather intervenes indirectly, by way of the State, and subjects them to the extortion of surplus labor in order to achieve economies of revenue, thus to increase the surplus-value accumulated. The exploitation of public service employees is essentially a function of the unequal situation in the exchange between them and capital, having a dominant position on the market.

According to Poulantzas, service employees, as the rest of the new wage-earning groupings who are unproductive laborers, belong to a specific class, resulting from the process of class polarization. To this emerging class he refers as the "New" petty bourgeoisie--new in the sense that it is in no way destined to follow the petty bourgeoisie threatened with extinction, and that its development and expansion are conditioned precisely by the extended reproduction of capitalism itself, and the latter's transition into the stage of monopoly capitalism.<sup>45</sup>

Following Poulantzas, one concludes that the increased mobility of citizen Arabs and Jews in the service sector does not necessarily indicate an embourgeoisement trend. Further, the majority of Arab and Jewish employees, regardless of what service branch they enter (personal services, public and community, or financing and business), this is to say, regardless of the difference in their locations within the technical division of labor, are jointly entering into the same class-locations, becoming the "New" petty bourgeoisie. They are joining neither the bourgeoisie nor the proletariat classes.

Two comments are necessary here. First, the self-employed in the service sector of course do not belong to the new petty bourgeoisie. They rather form a part either of the bourgeoisie itself or the traditional

petty bourgeoisie. This point does not apply to all those employed in public and community services. However, in the case of financing, real estate and business services, this is more likely to apply to Jews than to Arabs, while in the personal services, especially in cases of lawyers and medical doctors, and even more recently, advertising services, it applies to Arabs alike; the increasing mobility of Arab citizens into personal self-employment services is partly a transformation or return into petty bourgeois class-locations. While petty bourgeois Jews, especially Orientals, are moving from self-employment in agriculture and retail trade into public services, hence transforming their class-location, becoming the "New" petty bourgeoisie.

Second, although we agree with Poulantzas that not all commodity production involves productive labor (his argument against Braverman's), we disagree with him, however, on his assertion that service is exchangeable only against revenue, and that within the sphere of circulation there can be no productive labor categories. We insist that the cook as personal service employee in a restaurant, which is unlike the cook service in the household, and even unlike the waitress in the same restaurant, is a productive laborer. Engaged in the creation of surplus value, her labor-power is exchanged against capital. So is, also, the laundry-woman/man in the hotel. Both are engaged not in transfer of surplus value through service delivery. In fact, they do not themselves deliver the service directly; they are engaged only in its production, their exploitation promotes accumulation, not realization of surplus value already accumulated. The garage repair service employee is engaged simultaneously both in the production and delivery of the service, in the creation of

surplus value and in the realization process, and in this sense he belongs to what Wright conceptualizes as a "contradictory class-location". It is mainly Arabs who perform such labor categories in Israel and if our analysis is correct, they may belong to proletariat class-locations.

In sum, although we may not entirely agree with Poulantzas, using his economic criteria for class-location, being the most conservative one, it is much safer for our purposes. For example, if according to Poulantzas we find that the number of Palestinian-Arabs and Israeli-Jews in proletariat class-location is tending to increase in the post-1967 era, it means even more so if assessed by criteria of other Marxists.

H. Despite the rapid and constant mushrooming of the service sector and the becoming of community and public services the leading economic branch in terms of the proportional size of the labor force it employs, hence its share in the Gross National Income, industry has, in the post-1967 era, maintained the leading position in terms of its share in the Gross National Product and contribution to foreign exchange. As mentioned earlier, soon after the war, industry replaced agriculture in the Israeli export market. In 1975, 24.3 percent (268,600 persons) of the total citizen labor force were employed in industry, compared to 26.9 percent (296,700) in public and community services. In the same year, only 6.9 percent (or 18,500) of the citizens employed in industry were Arabs. Contrary to Jews, Arabs are represented more highly in industry (17.2 percent) than in community and public services (14.5 percent). In the 1975 industrial structure of employment, industry comes as the second largest employer of Arabs after construction, and of Jews after community and public services (see Table K-3).

Table K-3. The Proportion of Arabs of All Employed Persons by Economic Branch (average 1975).

Economic Branch	Proportional Distribution of All Employed Persons	Arab Proportion of Total Employed Persons	Proportional Distribution of Total Employed Arabs	Absolute Distribution of All Employed Persons	Absolute Distribution of Arab Employed Persons
Agriculture, Forestry and Fishing	6.4	23.9	15.8	71.0	17.0
Industry	24.3	6.9	17.2	268.6	18.5
Electricity and Water	1.0	4.5	0.4	11.2	0.5
Construction	8.0	28.5	23.5	88.7	25.3
Commerce, Restaurants and Hotels	12.3	7.9	9.9	135.8	10.7
Transportation, Communication and Storage	7.3	9.5	7.1	80.7	7.7
Financing and Business Services	6.9	2.6	1.8	75.6	2.0
Public and Community Services	26.9	5.2	14.8	296.7	15.6
Personal Services	6.1	11.3	7.1	68.1	7.7
Not Known	0.6	0.0	0.0	6.2	2.6
TOTAL	100.0	9.7	100.0	1,102.6	107.6

Source: Computed from Y. Harary, The Arabs in Israel: Facts and Figures, Geva'at Harera, 1976.

A comparison with 1967 when there were only 9,500 Arabs and 194,835 Jews employed in this economic branch, we can say that the citizen industrial labor force grew by 31.1 percent, or in absolute terms has increased by 64,265 persons, compared to an increase of 95,762 persons in public and community services. A more detailed analysis of the figures in Table K indicates that the greater penetration into the public and community service as opposed to industry is peculiar to the post 1973 economic crisis and the latter is particularly true in the case of Jews. In the period between 1967 and 1973, the rate of growth in the size of the Jewish industrial labor force was higher than that in the public and community service (30.1 percent as compared to 28.1 percent). The latter is also true in absolute terms, in-between the two wars, 58,765 Jews entered industry, compared to 54,896 who then entered public services.

In the case of Arab citizens, the situation seems reversed. During that same period the Arab industrial labor force grew by 70.5 percent (6,700 additional members), while the size of public and community service grew by 190.6 percent (10,167 additional members).

During Israel's major industrial boom, industry became attractive to Jewish citizens who moved from public and community services and other branches into industry, while Arabs, in turn, moved in larger numbers into public and community services, following the route of Jewish citizens. This pattern of mobility seems to take place simultaneously as the demand for unskilled labor in industry was met by cheaper labor power imported from the occupied territories.

After the October War, the direction of Arab-Jewish labor mobility changes again. Between 1973 and 1975, the size of the Jewish labor force

employed in industry declines by 1 percent and grows in public and community services by 11 percent, while in the meantime, the size of the Arab labor force in industry grows by 12 percent compared to only 1 percent in public and community services.

As demonstrated in Table U by the rate of change in the size of the Arab versus the Jewish labor force in each economic branch, in light of the latter's rate of expansion or decline we notice the following patterns of labor mobility:

- (a) In industry the pattern is that of Arabs replacing Jews in a declining economic branch (declining in terms of the size of the size of the labor force employed in that branch).
- (b) In agriculture and construction, both Arabs and Jews jointly moving-off declining economic branches.
- (c) In commerce, however, Jews are replacing Arabs in a declining economic branch.
- (d) In personal services, Arabs are replacing Jews in an expanding economic branch.
- (e) In transport and communication, finance and business services, as well as public and community services, Arabs and Jews are joining expanding economic branches.

In interpreting these replacement/joining trends, we must keep in mind three important points: first, the relatively small size of Arabs versus Jews in the total citizen labor force, as well as in the various economic branches. The latter makes a real difference in such interpretation. In 1975, for example, the citizen Arab labor force formed only 9.7 percent of the total citizen labor force in the country. The 17,000

Table U. Expansion and Decline Trends in the Employment Structure, 1973-1975 (Period of Crisis)

Economic Branch	1			2			3		
	Arab Employment			Jewish Employment			Total Employment by Economic Branch		
	Absolute Distribution		Rate of Change	Absolute Distribution		Rate of Change	Absolute Distribution		Rate of Change
1973	1975		1973	1975		1973	1975		
a	b	c	a	b	c	a	b	c	
Agriculture	20.6	17.0	-17.5	60.8	54.0	-11.2	81.4	71.0	-12.8
Industry	16.2	18.5	+14.2	253.6	250.1	-1.4	269.8	268.6	-0.4
Electricity	0.5	0.5	0.0	9.9	10.7	+8.1	10.4	11.2	+7.7
Construction	26.8	25.3	-5.6	69.3	63.4	-8.5	96.1	88.7	-7.7
Commerce	14.0	10.7	-23.6	124.9	125.1	+0.2	138.9	135.8	-2.2
Transportation	6.9	7.7	+11.6	72.0	73.0	+1.4	78.9	80.7	+2.3
Finance and Business Services	1.5	2.0	+33.3	66.5	73.6	+10.7	68.0	75.6	+11.2
Public Services	15.5	15.6	+0.6	250.4	281.1	+0.3	265.9	296.7	+11.6
Personal Service	5.3	7.7	+45.3	70.4	60.4	-14.2	68.1	75.7	+11.2
Not Known							3.3	6.2	

Source: Computed from Table 3, Y. Harari, The Arabs in Israel, 1976, Giva'at Haviva, 1976, p. 15.

The rate of change, "c", is computed as the following:  $(\frac{a-b}{a}) * 100$ , i.e., the absolute growth or decline between 1973 and 1975 divided by the base year (1973) multiplied by 100.



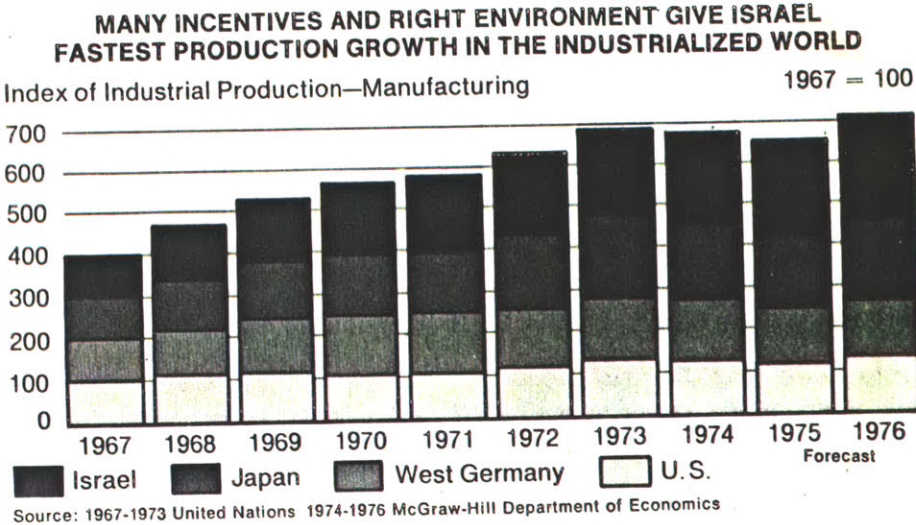
Arabs employed in agriculture constituted 23.9 percent of Israel's total agricultural labor force, while 18,500 Arabs constituted only 6.9 percent of the country's industrial labor force and 25,300 Arab workers constituted 28.5 percent of the entire construction labor force, 15,600 constituted only 5.2 percent of the total public and community service employees, while only 7,700 of them constituted 11.3 percent of the total personal service employees, etc., as in Table K-3.

On the level of the individual economic branch, we see, for example, that in absolute terms the additional 2,300 Arab citizens entering the industrial labor force in-between 1973 and 1975 do not even suffice to fill in the gap left by the 3,500 Jewish citizens who moved-off industry during that period. A loss of 1,200 persons in the citizen industrial labor force remains unreplaced.

The continuing decline in Jewish employment in industry may be a result of an increased productivity in high technology production, hence a decline in the demand for skilled Jewish labor, who in turn moves into public administration and defense, education, research, and scientific services (the latter might be directly linked to military-industrial production; for example, industrial research and development precisely for the furthering of industrial productivity). Between 1967 and 1976, Israel seems to maintain the fastest industrial production growth even in comparison with the most advanced capitalist countries like the United States, West Germany and Japan, as in Illustration I-G.

For further evidence on the increased share of industrial production in Israel's GNP, the New York Times (December 19, 1976) reports that in 1976 Israel arms exports were said to be \$300 million compared to \$40

Illustration I.G.



million in 1974. According to Aviation Week & Space Technology (June 14, 1976),

"...approximately 60 percent of the total sales value last year [1975] was from products developed and manufactured by I.M.I. [Israeli Military Industry]...partly as a result of spin-off from defense projects and partly from the ever-increasing need for high-value exports to bring in foreign exchange, Israel has developed a good infrastructure of science and technology-based industries whose input is growing in real terms at the rate of 20-40 percent a year."

These figures certify for industrial growth merely in the realm of high technology production, let alone diamond products and consumer goods manufacturing. In sum, these figures are to certify further that the decline in the size of the industrial labor force is more likely to be the result of higher productivity than a sign of stagnation in this economic branch.

Kochavi, the Director of Israel's Employment Service, blames the decline in industrial employment on the supply side, not the demand side of labor:

"As far as industry is concerned, the Employment Service has found it hard to find sufficient workers for this vital sector; and although we cannot compel a laborer to work where we want him to, the Government will have to find some means of economizing workers to move to areas where they are most needed...branches such as textiles... have filed demands for additional manpower, both in skilled and unskilled. There is a large demand for workers in the metal works sector, in agriculture and in food industries..."

Viewed from the supply side of labor, Jewish labor mobility from industry into services may be interpreted as a mobility from manual blue-collar jobs into mental white-collar jobs with higher average income. And it is in this sense more likely to be applicable to Oriental than to Western Jews, running after higher revenue in order to be able to compete in the

world of consumption with inflationary prices and devaluation of the Israeli lira increasingly reducing their purchasing power.

Second, we must keep in mind that this information regarding Arab-Jewish labor mobility across economic branches lacks very important details, not only regarding cross-tabulation by occupational mobility, and social forms of labor being performed in the previous versus the recent locations in the technical division of labor, but also regarding the specific industries within the industrial sector, into which Arab and Jewish citizens are jointly or separately moving in or out. Are the particular industries into which Arabs, and off which Jews, are moving related or unrelated to military production?

Are those Jews who are shunning the industrial branch of Western or Oriental background? Are the entering Palestinian (citizens and/or non-citizens) industrial labor force joining or replacing Oriental-Jews in the various industrial labor categories? etc.

An analysis on such a micro-level requires information that is unavailable in official statistical sources. It is very hard to assess the number of wage-earners in military industries for reasons already discussed in a previous chapter, as well as because it is likely to be classified information. From scattered sources we are informed, by the Wall Street Journal, that by 1969 a minimum of 13,000 were already employed in Israel's military and aircraft industries.<sup>46</sup> The New York Times reports the number of Israelis that are said to be employed in the arms industry to reach 17,000 by 1976.<sup>47</sup> These figures clearly underestimate reality. Aviation Week & Space Technology points out that in 1976 Israel's aircraft industry alone has employed 18,000 skilled persons. Also, that

Elbit, a major software producing industry, was already "manned by 1,150 employees". Similarly, AEL Israel, Ltd., a military electronic industry with over 900 employees, and CLAL Industries, Ltd., Israel's biggest private industrial conglomerate in aerospace production, with 10,000 employees.<sup>49</sup> There is no evidence or counter-evidence regarding demand for Oriental-Jews in military industrial production. Arabs, however, are not likely to be employed in such industries, specifically in skilled labor categories that are directly related to arms production. The evidence on this is the import of non-Jewish skilled manual labor from France, Yugoslavia, and other European countries to replace Jews in metal products manufacturing.

Third, and final point, is the lack of detailed industrial structure of employment with cross-tabulation by occupation and population groups. Owing to this problem, one can tell very little here about the nature of class transformation involved in the mobility of Jewish industrial labor force into services. Based on a previous analysis, it is clear that this portion of the Jewish labor force that have shunned industry and moved mainly into public and community services are currently unproductive wage-earners forming a part of the "New" petty bourgeoisie. We do not know, however, what labor categories they have previously performed in industry.

Were they self-employed craftsmen in their workshops and upon concentration of industry their small enterprises were swallowed by factories? In such a case, becoming public service employees implies mobility not only across economic branches but also across labor categories and class-locations. From small-scale commodity productive labor into capitalist unproductive wage-earners; that is, a transformation from the petty bour-

geoisie into the "New" petty bourgeoisie.

In the case of those members of the Jewish industrial labor force who have previously performed capitalist productive labor categories and formed a part of the working class, they are then definitely going through a deproletarianization process by entering public service and becoming a part of the "New" petty bourgeoisie.

Although industrial capital is essentially productive capital, capitalist industrial production generates also unproductive labor categories and therefore unproductive wage-earning laborers, such as the case in foremanship, a labor category that becomes necessary precisely to promote the productivity of productive labor, especially in the case of concentrated industries. Although they are employees of productive capital, these wage-earners perform unproductive labor and therefore do not form a part of the working class. They, also, belong to the "New" petty bourgeoisie. Therefore, in cases where Jews who are becoming public service employees have previously performed unproductive wage-earning labor categories in industry, their mobility within the technical division of labor is not accompanied by any transformation in their class-location. They were and have managed to remain a part of the "New" petty bourgeoisie. Such cases are more likely to apply to Jews of Western origins, including Sabras.

In sum, Jewish labor mobility from industry into services does not necessarily signify a deproletarianization trend; since not every member of the industrial labor force has been a proletariat. Definitely no deproletarianization is involved in the mobility of self-employed agricultural workers into service as the case among many Oriental-Jews and Palestinian Arabs, specifically women.

Despite Jewish labor mobility off industry and the decline of Jewish employment in this branch, industry remains to be the economic branch with the highest potential both for proletarianization of Arabs as well as Jews, hence for increasing the number of those from both national groups who are joining the Israeli working class. The essential concentration of industrial capital (necessitated by the two fundamental tendencies of capitalist accumulation, namely the tendency of the falling rate of profit and that of the rising organic composition of capital) results in a constant decline in the size of the industrial bourgeoisie and enlargement in the mass of productive wage workers who form the modern proletariat. This is so despite the mental-supervisory unproductive labor categories that concentration does simultaneously generate. In fact, it is precisely the control of this enlarged mass of labor that forces productive capital to employ unproductive wage-earners to supervise productive labor, and on behalf of capital to maximize the latter's productivity, i.e., creation of surplus value for capital.

The unproductive supervisory labor force tends to be smaller than the supervised productive labor force. It is in this sense that the great majority of wage-earners in industry are productive laborers and therefore likely but not certainly belong to the working class, the proletariat. The fact that Palestinians constitute a relatively very small percent of Israel's industrial labor means that even though currently they seem to be replacing Jews, who are moving off industry, in effect an increasing number of Palestinian-Arabs are joining the larger portion of the Jewish industrial labor force remaining within the boundaries of the working class. This means that the cases of Arab-Jewish

joinings in proletariat locations are increasing. Again, given the proportional size of Palestinians in Israel's labor force, it is the penetration of the former into proletariat class-locations that makes a more crucial effect on the prospects for cross-national proletariat alliances.

The militarization of Israel's civilian industry, and the security considerations implied makes it even more imperative that Jews remain to form the core of Israel's industrial labor force, especially in the sphere of high technology production. Security considerations will constitute a serious barrier for the penetration of Palestinian-Arabs into Israeli military production, becoming politically and economically the most strategic branch in the economy. Furthermore, Israel commits a political mistake if it continues to import non-Jewish European labor to replace Jews on a massive scale in military production related labor categories that are unattractive to the Jewish labor force. Such considerations are likely to prevent large-scale deproletarianization of the Jewish industrial proletariat.

The questions that remain to be posed and examined here regard the extent to which high technology industry (being the main form of military industrial production prevalent in Israel today), including software production, involves productive labor despite the predomination of the mental element. This question is relevant to our analysis only in so far as it helps in identifying the class-location of the employees who perform these labor categories. In this sense, the formulation is incomplete. We need to examine not only the extent to which high technology industry generates productive labor categories, but also the extent to which productive laborers in high technology production belong to the working



class. The latter formulation assumes that although all those who belong to proletariat class-locations do necessarily perform productive labor, not all productive laborers belong to proletariat class-locations. In this sense, our question is essentially two-fold, combining both the productive/unproductive division and the manual/mental division of labor. The latter thus goes beyond the economic criteria for class determination and enters the domain of structural determination of class-location, where the criteria are politico-ideological relations of subordination/dominance in and beyond the social division of labor. This domain was cogently developed for the first time by Nicos Poulantzas, whose novel contribution lies precisely in seeing the three criteria (economic, political, and ideological) to inseparably determine the boundaries of social classes.

According to Paul Sweezy and Paul Baran, arms have no use-value. Therefore, armament is unproductive and employees in the arms industries are necessarily unproductive laborers. This is to say that military (including high technology) production involves no productive labor. This is, indeed, missing the whole point regarding what is productive labor for the capitalist mode of production, which is essentially indifferent to the utility of the product. Because utility of commodity is irrelevant to the creation of surplus value.<sup>50</sup>

Examining the first dimension of the question we have posed above requires a far more rigorous understanding of Marxism than the one provided above by Sweezy and Baran. To do so, however, is to break this dimension into two further questions:

- (a) the extent to which mental labor can be productive labor;
- (b) the extent to which labor categories performed in high tech-

nology production are predominantly mental.

(a) "Marx never reduced mental labor to non-material production," says Poulantzas.<sup>51</sup> Marx's main discussions of the capitalist division of mental and manual labor are situated in the context of the capitalist socialization of labor, of machinery and large-scale industry:

"...as the co-operative character of the labor process becomes more and more marked, so, as a necessary consequence, does our notion of productive labor, and of its agent, the productive laborer, become extended. In order to labor productively, it is no longer necessary for you to do manual work yourself; enough if you are an organ of the collective laborer and perform one of its subordinate functions..." 52

The sophisticated technicians and engineers (unlike the foremen, for example) do tend to form part of capitalist productive labor because they directly valorize capital in the production of surplus-value. The labor of the technician and engineer in industry represents the appropriation of scientific discoveries by capital in the process of material production.<sup>53</sup> The latter is nothing but innovation, and innovation is the very appropriation of invention by capital in furthering the development of its productive forces. The appropriation of science (and more specifically, its applications, i.e., the technique or the know-how) by capital in the development of the forces of production is the most distinctive feature of military production; specifically, its high technology forms. In this sense, armament is therefore a very productive industry and, concluding the first issue, is to affirm that mental labor can be productive labor, specifically in the cases of possessing the technique.

(b) The extent to which labor categories performed in high technology production are predominantly mental can be simply answered by a

concrete example from the Israeli reality. Take, for example, Elbit Companies, Ltd., a major supplier of computer-based military systems for the country's defense forces, which assumes full system responsibility from conception, through development, to final production. It is well known for the high percentage of engineers among its employees. Reference is to 250 engineers, programmers and system analysts who constitute 22 percent of its total employees.<sup>54</sup> Of course, this figure does not account for all mental labor categories but for the major portion of productive mental laborers. Certainly, there are also unproductive mental laborers involved in supervision, such as quality-control foremen and also in clerical work. Still, even in this most software-like producing company the majority of the employees are definitely directly engaged in hardware material production, not mental productive laborers in the software material production.

Another concrete evidence to reinforce the point (that proportionately, mental labor is not the predominant form of labor even in high technology industries) is the fact that a large portion of the 10,000 employees in Israel's CLAL aerospace industries are, in fact, vehicle assembly and textile semi-skilled and unskilled workers.<sup>55</sup>

We must remember that besides the predominance of high technology in Israeli military production, Israel is also an exporter of military goods, the production of which is even more likely to be manual-productive labor-intensive and low technology. An example of this is the military helmets industry. In an article titled, "Military Helmets from Mishman Ha'emek to South America," Al-Hamishmar reports:

"'Tama' industries of kibbutz Mishmar Ha'emek won an

international contract for providing military helmets to one of the South American countries for the sum of 300,000 dollars. Ya'acov Selek, the director of Tama Factory, who has reported this, said that in Tama there is a special department which specializes in producing military helmets, which are regarded with a great deal of interest in Israel and outside." 56

Military-related metal products enterprises are booming in Israel today. Such establishments are being erected even in Jewish settlements recently transplanted in the West Bank.<sup>57</sup>

For summing the first part of our question, we may confidently conclude, regardless of mental laborers, that a large portion of the Jewish labor force employed by the arms industry belongs to proletariat class-locations; this is even true in high technology manufacturing industries.

The second part of the question that remains to be examined here is whether productive mental laborers in high technology industry belong to the working class. According to Poulantzas, it does not, even though it creates surplus value directly. His reason being that it is not by economic criteria alone that class locations are determined. "For Marxism," says Poulantzas, "the division between manual and mental labor in no way coincides with the division between productive and unproductive labor in the capitalist mode of production...."

In examining the structural class determination of the engineers and the technicians directly involved in material production (examples of productive mental laborers), Poulantzas asserts:

"...not only is this division between mental and manual labor not simply a technical division of labor, but it actually forms in every mode of production divided into classes, the concentrated expression of the relationship between political and ideological relations in their articulation to the relations of production; that is to say, as these exist and reproduce themselves, in

the particular form of their relationship (politico-ideological), both within the production process itself, and beyond this in the social formation as a whole...this division is thus directly bound up with the monopolization of knowledge, the capitalist form of appropriation of scientific discoveries and of the reproduction of ideological relations of domination/subordination, by the permanent exclusion on the subordinate side of those who are deemed not to 'know how'."58

If technicians and engineers who valorize capital in the production of surplus value "do not belong as a group to the working class, this is because," Poulantzas concludes, "in their place within the social division of labour they maintain political and ideological relations of subordination of the working class to capital [the division of mental and manual] and because this aspect of their class determination is the dominant one."59

In the last analysis, Poulantzas maintains that such capitalist productive mental laborers, technicians, and subaltern engineers belong rather to the petty bourgeoisie. And disagreeing with Poulantzas, Olin Wright places them in "contradictory class-locations," this is to say, belonging simultaneously to the proletariat and to the bourgeoisie.<sup>60</sup> This is a controversial debate that, in the present, remains unresolved.

We must emphasize that neither party views science as a means of production, hence scientists as owners of means of production and therefore belonging to the bourgeoisie. Whether entering petty bourgeois or contradictory class-locations, Europe-America Jewish immigrants are likely to constitute the large majority of the latter, and this way even those of them who are productive still further the steepening of Israel's social division of labor and the reproduction of capitalist relations of production, as suggested in a previous chapter.

We must emphasize also that this productive mental labor force is not the same as the labor aristocracy. The latter, although enjoying special material privileges, still form a fraction of the working class; they belong to proletariat class-locations. It is most likely that within the military industries is where the majority of Israel's labor aristocracy is concentrated. Maintaining a labor aristocracy at the expense of other segments of the labor force is a ruling class strategy to guarantee a conjunctural alliance with a portion of the working class. In Israel, this labor aristocracy largely consists of the Sabras, the indigenous Israeli-Jews.

The large differential between Sabras and Palestinian-Arab citizens demonstrated by our index of differentiation of the occupational structure of employment is probably related to the concentration of the former in and the isolation of the latter from, this labor aristocracy.

To come back to the initial question we posed much earlier: whether Palestinian-Arabs and Oriental-Jews are or are not admitted into high technology arms industries controlled largely by foreign capital is less a question of joining Western Jewish proletariat in the Israeli working class, and more a question of joining in a particular fraction of the working class, namely, the labor aristocracy.

Poulantzas' emphasis on the structural determination of class-location in terms of politico-ideological relations of subordination/domination in the social division of labor and beyond it, in the social formation as a whole has special significance in the Israeli-Palestinian context, however, is the subject of the following chapter.

Table W. Size of the Israeli Proletariat Using Poulantzas' Criteria

1972 - 1974			
Year	Proletariat Arab Employees	Proletariat Jewish Employees	All Citizen Proletariat Employees
1972	64.5% (46,440)	37% (265,000)	39.6% (311,440)
1973	61% (48,739)	35.4% (261,000)	37.8% (309,739)
1974	63.9% (50,098)	33.5% (250,000)	36.3% (300,098)

Source: Computed from Table 48 (with 36 major and sub-occupational categories) in CBS, Labour Force Survey, 1974, Jerusalem, 1976, Special Series No. , p. 109. Absolute total employees and Jewish employees total from Statistical Abstract of Israel, 1975.

Definition: Proletariat refers to employees who perform simultaneously productive, manual, non-supervisory labor categories. Concretely, these include: agricultural workers in packing houses and farm laborers; metal processors, tinsmiths, and workers in finished metal products; assemblers, fitters, and repairers of machinery and transport vehicles; electricians, producers and assemblers of electronic equipment; precision instrument workers; skilled workers in food, beverages and tobacco processing; woodworkers, carpenters and related workers; weavers, spinners, knitters, and finishers of textiles; tailors and sewers; shoemakers and other leather workers; printing workers; miners, quarrymen, and workers on heavy mechanical equipment; drivers; longshoremen and freight handlers; unskilled workers in rubber, plastic, food and beverages industry, and unskilled workers in industry and building.

The purpose of this chapter, however, is to identify proletarian locations only on the basis of places agents occupy in the production process. This is using Poulantzas' economic but not structural criteria. Accordingly, the size of the citizen proletariat before and after the 1973 war is presented in Table W. The figures in Table W indicate the following:

(a) The tendency of Arab and Jewish citizens to join proletarian class locations is highest during a rapid economic growth (1972) and so is the size of the working class.

(b) Arabs are much more highly represented in proletarian locations than Jews.

(c) Economic and political crises tend to intensify proletarianization among Arab employees and deproletarianization among Jewish employees.

(d) Although during economic crises Arab citizens entering the labor force tend to replace Jews in proletarian locations they have shunned, Arabs, however, can never replace all proletarian Jews due to their proportionately small size in the country's labor force.

(e) In 1973, the size of the Jewish proletariat seems to decrease both in relative and absolute terms; this is probably the result of military mobilization during the war. Decline is noticed also in the relative size of the Arab proletariat, despite increase in absolute terms. This is the indirect effect of the war. Arab citizens seem to be mobilized to fill in proletarian and non-proletarian vacancies created by military mobilization of Jewish labor.

(f) The 1974 figures indicate a continued decline in the size of the Jewish proletariat, both in relative and absolute terms.



The absence of such data for following years makes it difficult to know whether this decline is temporary, the result of the long-lasting military mobilization that distinguished the October War from the Six Day War, or that it signifies a more permanent tendency of the size of the Jewish proletariat to decline.

During this year, the relative size of the Arab proletariat almost levels up with the pre-war estimates. This, however, is despite the fact that the size of the Arab proletariat grew at a lower rate between 1973-1974 than between 1972-1973. This may imply that Arab labor continued then to replace Jewish labor only in proletarian, but not other labor categories. It may thus signify a Jewish deproletarianization tendency concomitant with Arab proletarianization. Despite the latter, however, shared proletarian locations continue to increase owing to the relatively very small size of the Arab labor force in Israel compared to the Jewish.

(g) Even these most conservative estimates based on Poulantzas' criteria show that the great majority (more than 60 percent) of citizen Palestinian wage-earners in Israel occupy proletarian locations in the production process. Among Jewish wage-earners, the proletarians are the minority (around 35 percent). Together, citizen Arab and Jewish proletariats constitute, as of 1974, 36.3 percent of all wage-earners. Still a small minority. In the United States, for example, and by the same criteria, this compares to 19.7 percent.<sup>60</sup>

Can the minority size of the proletariat be simply attributed to the criteria used? Insofar as the United States is concerned, a more satisfactory explanation lies in the internationalization of capital and the oneness of the international division of labor, only segmented on national

and other grounds; that is, the "global reach" of the unit of monopoly capital, the so-called "multi-national" which is so (i.e., multi-national) insofar as it employs a multi-national labor force, specifically in proletarian social forms of labor (productive, manual, non-supervisory). It is wrong, therefore, to talk in terms of an "American" working class and its size compared with the bourgeoisie, for example, which is an essentially U.S.-based international monopoly controlling the labor process of an international labor force engaged in production for United States companies within the United States (immigrant workers, especially illegal aliens) and within very many other national boundaries. The latter may explain the underlying reason behind the objectively small size of the American working class; and it may also explain the incredibly large portion of the American labor force that occupies supervisory positions in the social division of labor.

According to Wright himself, almost half of the economically active population in the United States are supervisors; only 51.9 percent are non-supervisory wage-earners.<sup>61</sup> Maintaining only a small working class as a privileged labor aristocracy is likely to be the ultimate bourgeois strategy to prevent the imposition of a socialist alternative at home, unless through immigrant workers.

One may suggest, in light of the above, that the minority size of the working class (the actual proletariat in Poulantzas' criteria) is peculiar to the centers, as compared to the peripheries of world capitalism; to advanced capitalism as compared to dependent capitalist peripheries. This is only an hypothesis for future research,

In Israel's social formation, the proletariat are the great majority

of Palestinian wage-earners in Israel. The fact that the proletariat constitute a minority among Jewish wage-earners in Israel may point out the place of Israel as a partner in central capitalism or as a subimperialism and not as the typical dependent capitalist periphery. If we include the 60,000 non-citizen Palestinians employed during 1974 in Israeli productive, manual, non-supervisory labor categories, the size of Palestinian-Arab proletariat employees then more than doubles, reaching 110,098, or 75.2 percent, of all officially registered Palestinian-Arab wage-earners in Israel, totalling in that year 146,400.<sup>62</sup> This segment of the labor force enlarges the size of the proletariat among all employees inside Israel from 36.3 percent to 44.3 percent.

In 1974, 30.6 percent of all proletarian wage-earners in Israel were Palestinian. Palestinians then constituted only 15 percent of the labor force. They were thus over-represented in the working class. Over-representation in proletarian locations applies not only when non-citizen Palestinians are included. To a lesser degree, it applies also to citizens who in that year constituted 9.6 percent of Israel's citizen labor force, yet 16.7 percent of its citizen proletarian employees.

The figures on Palestinian proletarian employees in Israel include only officially registered workers. They exclude labor smuggled in with no work permits from labor exchange offices and who, therefore, do not appear in official statistics. It is not clear, however, whether Palestinian workers smuggled by Israeli employers represents free wage-labor or non-wage slave-labor, in which case it is not proletarian.

Moreover, if we are to assess the contribution of non-citizen Palestinians to the size of the proletariat within the boundaries of "Greater

Israel", we must include not only the labor force commuting into work places inside the Green Line (and for that matter, the illegally smuggled-in workers who, therefore, cannot commute, hence are kept locked inside the factory overnight by the Israeli employer), but also those employed by Israeli capital in the occupied territories themselves. If these wage-earners are included, and to the extent they are employed by productive capital, they are most likely to increase the size of the Palestinian proletariat significantly in absolute and relative terms.

If we use criteria less conservative than Poulantzas', say Braverman's, and thus include clerical workers in the proletariat, the relative size of the Palestinian proletariat may decline, because most clerical work is performed by Jews. This, however, will still increase, not decrease, the number of shared proletarian locations. In that case, the mobility of Jewish labor into community and public, even business, services will not represent a Jewish deproletarianization tendency.

If manual blue-collar service employees are included, the large number of Arab personal service employees in garages, restaurants, etc. will belong to the proletariat and, further, the number of shared proletarian locations. For a detailed breakdown of the service workers, see Table Y. This detailed table is not useful for our class analysis, because it does not distinguish between self-employed and employees (wage-laborers).

With ending this chapter, we answer positively a central question in our study: that is, whether or not the penetration of Palestinian-Arabs into the Israeli labor market results in a greater number of Israeli-Jews and Palestinian-Arabs jointly placed within the boundaries of the working class. We conclude that as far as the objective conditions, penetration

Table Y. Detailed Occupational Structure of All Employed Citizen Arabs<sup>a</sup> and Jews -- Average (1974).

Detailed Occupation	Jews (b) %	Arabs %	Arabs by thousands
TOTAL	100.0	100.0	104.5
SCIENTIFIC AND ACADEMIC WORKERS	6.9	1.0	1.0
Academic workers in life sciences	(0.2)	0.0	0.0
Academic workers in sciences	0.3	0.0	0.0
Engineers and architects	1.6	0.1	0.1
Medical doctors, dentists, dental assistants	0.9	0.0	0.0
Pharmacists and Veterinarians	(0.1)	0.0	0.0
Jurists	0.5	0.0	0.0
Academic workers in social sciences	0.5	0.0	0.0
Academic workers in humanities (including Jewish studies)	0.3	0.1	0.1
Teachers in post-primary and post-secondary schools	0.6	0.0	0.0
Teachers and principals in secondary and post-secondary institutions	1.8	0.8	0.8
OTHER PROFESSIONAL, TECHNICAL AND RELATED WORKERS	12.7	8.2	8.6
Teachers and principals in intermediate schools, primary schools, kindergartens and other	4.2	6.4	6.7
Auditors and cost accountants	0.3	0.0	0.0
Workers in religious services	(0.1)	0.2	0.2
Authors, artists, composers and journalists	1.1	0.2	0.2
Social workers and probation officers	0.7	0.2	0.2
Nurses and other para-medical workers	2.6	1.8	1.1
Physical sciences technicians	0.6	0.0	0.0
Engineering technicians and practical engineers	2.6	0.1	0.1
System analysts and computer programmers	0.3	0.0	0.0
Other professional, technical and related workers, n.e.s.	0.3	0.1	0.1
MANAGERS	3.5	0.4	0.4
Elected members of legislative and adminis- trative authorities	(-)	-	0.0
Managers--administrators in government and municipal services and in national insti- tutions	0.8	0.1	0.1
Managers, professional government, public and municipal authorities (institutions and institutes) in sciences, life sciences, engineering, etc.	(-)	-	0.0
Managers, professional government, public and municipal authorities (institutions and institutes) in humanities, social sciences and law	(-)	-	0.0

Table (continued-2)

Detailed Occupation	Jews %	Arabs %	Arabs by thousands
Other managers (inclusive of non-profit institutions)	2.6	0.3	0.3
CLERICAL AND RELATED WORKERS	18.2	3.4	3.6
Supervising clerks	0.9	0.1	0.1
Bookkeepers	4.9	1.1	1.2
Typists and office-machine operators	3.3	1.2	0.2
Stock clerks and repairmen (filing clerks)	1.8	0.0	0.0
Telephone, telegraph, radio operators and related workers	0.4	0.0	0.0
Inspectors in transport and communication	(0.2)	0.0	0.0
Postmen messengers	0.5	0.3	0.3
General office clerks	5.4	1.6	1.7
Clerical workers, n.s.	0.7	0.1	0.1
SALES WORKERS	8.0	7.2	7.6
Working proprietors in wholesale trade	0.3	0.1	0.1
Working owners in retail trade	3.1	4.2	4.4
Technical salesmen, commercial travellers, buyers and sales supervisors	1.0	0.1	0.1
Insurance, real estate, securities agents and assessors	0.4	0.3	0.3
Sales workers	2.9	2.4	2.5
Street vendors, news vendors and other vendors	(0.2)	0.2	0.2
SERVICE WORKERS	11.9	9.0	9.4
Working owners in hotels and restaurants	0.6	0.6	0.6
Cooks	0.5	0.5	0.5
Waiters and bartenders	0.7	1.4	1.5
Housekeeping supervisors and chambermaids	0.3	0.0	0.0
Domestic help	1.9	0.3	0.3
Launderers, dry-cleaners and related workers	0.5	0.5	0.5
Barbers, hairdressers, beauticians and related workers	0.8	0.6	0.6
Policemen, guardsmen and firemen	1.4	2.9	3.0
Guides, stewards, and dentists' assistants	0.7	0.4	0.4
Other	4.5	2.9	3.0
AGRICULTURAL WORKERS	5.5	15.0	15.7
Farm owners	1.9	6.0	6.3
Farm managers	(0.2)	0.0	0.0
Skilled workers in agriculture	2.5	3.6	3.8
Fishermen	(0.1)	0.1	0.1
Mechanical equipment operators	(0.1)	0.3	0.3
Packers	(0.2)	0.1	0.1
Farm hands	0.5	4.0	4.2
Agriculture, n.e.s.	-	(0.9)	(0.9)

Table (continued-3)

Detailed Occupation	Jews %	Arabs %	Arabs by thousands
SKILLED WORKERS IN INDUSTRY, MINING, BUILDING AND TRANSPORT AND OTHER SKILLED WORKERS	27.9	37.0	38.7
Raw metal processors	0.3	0.1	0.1
Tinsmiths, welders, blacksmiths and workers in finished metal products	4.5	5.2	5.4
Assemblers, installers, and repairmen of machines and transport vehicles	2.1	2.8	2.9
Plumbers	0.7	1.3	1.4
Electricians, and electronic fitters	2.6	1.5	1.6
Fitters of precision instruments and goldsmiths	0.4	0.2	0.2
Diamond workers	1.1	0.0	0.0
Skilled workers in food, beverages and tobacco production	0.7	0.9	0.9
Wood workers and carpenters	2.5	7.7	8.0
Spinners, knitters, weavers and finishers	1.3	0.8	0.8
Foremen in industry, n.e.s.	(-)	0.0	0.0
Tailors, sewers and related workers	2.4	2.1	2.2
Shoemakers, and other leather goods makers (excluding leather wear)	0.5	0.8	0.8
Printers	0.7	0.3	0.3
Other craftsmen in industry	0.5	0.2	0.2
Miners, quarrymen and related workers	(0.2)	0.1	0.1
Construction workers	1.7	5.1	5.3
Operators of digging, building and road construction equipment	0.7	0.3	0.3
Crewsmen and engine rooms workers in ships and railroads	(0.2)	0.0	0.0
Drivers	3.9	6.0	6.3
Painters and whitewashers	0.7	1.8	1.9
OTHER WORKERS IN INDUSTRY, TRANSPORT AND BUILDING AND UNSKILLED WORKERS	5.3	15.8	16.5
Longshoremen and freight handlers	1.0	2.1	2.2
Unskilled workers in chemicals and in non- metallic minerals production process	0.3	0.5	0.5
Unskilled workers in rubber and plastics industry	0.6	0.3	0.3
Unskilled workers in production process of food, beverages and tobacco industry	0.5	1.4	1.5
Engines and pump operators	(0.1)	0.2	0.2
Packers in industry	0.6	0.1	0.1
Non-metallic minerals production workers	(0.1)	0.9	0.9
Other workers in industry and production, n.e.s.	(0.2)	0.0	0.0
Construction labourers, n.e.s.	(0.2)	1.2	1.3
Unskilled workers, n.e.s.	1.6	9.1	9.5
NOT KNOWN	0.0	2.9	3.0

Table (continued-4)

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Source: Central Bureau of Statistics Labor Force Survey, 1974, Jerusalem, 1976. Special Series No. , p. 11.

<sup>a</sup> Arab citizens computed from total.

<sup>b</sup> Jews total: 984,400.



of Palestinians tends to promote the prospects for cross-national proletarian alliance.

### Conclusions

Examining comparatively the dynamics of pre-1967 and post-1967 employment structures of Palestinian-Arabs and Jews in Israel was very informative.

First, it showed very clearly that 1967 was a turning point in terms of the rate of increase in Palestinian-Arab employment in Israel as well as scale. This is true even for citizen Palestinians.

Second, in pre-1967 years, the employment of Palestinian-Arab citizens was subject to extreme fluctuations in demand, this is, if they were employed in the first place. Their integration into Israel's employment structure was merely responding to ups and downs in the economy. The duration of their employment was vulnerable and unpredictable.

Contrasted with this is a more stable presence in Israel's production process, witnessed since the 1967 war. In this era, it is no longer the very employment of Palestinian citizens in Israel that fluctuates according to crises and booms, but only the forms of labor they perform, i.e., the places they occupy in the production process but not their integration into it. This reflects a more constant demand for Palestinian labor in the Israeli economy, applying to a lesser degree to non-citizen Palestinians.

In the previous era, Arab labor was mobilized only during the construction boom. Now their active participation in production continues and even increases in the post-1973 crisis period, characterized by de-

cline in the construction industry. Arabs' labor is being now increasingly integrated into industry, the leading sector of the economy. Figures on post-1967 employment suggest more permanence, that Arab labor is no longer a transitory labor in Israel's economy. This is important for our inquiry regarding proletariat class formation and the potential for alliances. It is necessary to examine the extent to which these statistical indicators are, in fact, reflections of structural changes, a question that will be examined in a following chapter.

Third, as far as the class meaning of these employment dynamics, findings indicate:

(a) Not all recent penetration of Palestinians into the Israeli labor market is into productive, manual, non-supervisory labor categories. Proletarianization is, therefore, not the only pattern of class transformation among Palestinian-Arabs, specifically citizens. A large portion of the latter is joining the new petty bourgeoisie, and even a larger portion, despite radical changes in the concrete forms of labor they perform, maintain petty bourgeois class locations.

(b) Proletarianization in the post-1967 era is not restricted to Palestinian-Arabs. It also involves Israeli-Jews, probably owing to concentration of capital and capitalist transformation of petty industrial production.

(c) Proletarianization in both cases, of Palestinian-Arabs and Israeli-Jews, is a transformation from petty bourgeois class locations. Among Palestinian-Arabs, it is predominantly from peasantry; and among Jews, mainly from crafts shops.

(d) While proletarianization is the predominant pattern in the post-

1967 class transformation of Palestinian-Arabs, among Israeli-Jews it is rather transformation from the traditional petty bourgeoisie into the new petty bourgeoisie that predominates.

(e) Military high technology industrialization seems positively correlated with Palestinian proletarianization replacing Jews in the technical but not social division of labor.

Fourth, as far as the magnitude of proletarianization and effects on the objective conditions for potential cross-national proletarian alliances. Findings that are based on the most conservative criteria of proletarian locations indicate that the great majority (an average of 70 percent) is entering proletarian class locations, and that they represent an increase in the number of proletarian locations shared by Arabs and Jews. These findings thus suggest that the integration of Palestinians into Israel's employment structure tends to promote, not impede, the development of commonality of proletarian class interest.

More than 30 percent of the proletarian employees in Israel in 1974 were Palestinians. These are underestimates of the actual size of the Palestinian proletariat. One can then say that the massive penetration of Palestinians into Israel's labor market represents predominantly a proletarianization process. Can one conclude from this chapter that the formation of a Palestinian working class is essentially a post-1967 phenomenon?

The answer to this question is positive, despite the absence of detailed data to estimate the number of Palestinian citizens who occupied, on a non-temporary basis, proletarian class locations. This answer depends at least on three facts: (1) that in 1963, only 39 percent of the

citizen Palestinian labor force was wage-labor, compared to 84 percent in 1974; (2) half of the proletarian Palestinian employees in Israel today are from territories occupied in 1967; (3) that major structural changes responsible for this proletarianization process are characteristic of the post-1967 period, as demonstrated later in Chapter VII.

Fifth, in this chapter we identified the places Palestinian-Arabs, in comparison with Israeli-Jews, occupy both in the technical and the social divisions of labor, and the number of all those who belong to the working class. They are still a minority among wage-earners, constituting about 45 percent of all employees in Israel. Although they share identical proletarian locations in the production process, they may not constitute a homogeneous class once their places in the social formation as a whole are considered. This is the subject of the following chapter.

FOOTNOTES

1. Youram Ben-Porath, The Arab Labor Force in Israel, 1964, p. 35.
2. Simple calculations show that the 15.9 percent of the Arab labor force released from farming have contributed to the enlargement of the service occupations by 4.4 percent, compared with enlargement by 4.1 percent in the traders/salesmen category, by 1.6 percent in both administrative and professional categories, and by 0.6 percent in transport and communication. Among Jews, the largest portion of the 5.3 percent of the labor force released from previous occupations seems to contribute to the enlargement of the professional/scientific/technical occupation by 2.9 percent, compared with 1.6 percent in the case of administrative/managerial, 0.3 percent in the craftsmen category and in the services, and 0.2 percent in transport and communication.
3. In the post-1967 average occupational distribution, the proportion of the Arab labor force who are salesmen, traders, is equal to that of Jews (8.3 percent); in transport and communication, the proportion of Arabs even exceeds that of Jews (5.8 percent, as compared with 5.2 percent). In the latter, Arabs are likely to be replacing Jews.
4. The ratio of Jewish professional/scientific to managerial/administrative is 1 : 1.3 before and 1 : 1.2 after 1967, and of Arabs, 2.3 : 1 before and 1.7 : 1 after 1967.
5. In this sense, although rural, the traditional Arab sector in Israel has a similar function to that of the urban black ghetto in the United States. As expressed by Harold Baron, "the dual labor market operates to create an urban-based industrial labor reserve that provides a ready supply of workers in a period of labor shortage and can be politically isolated in times of relatively high unemployment." Harold Baron, "The Demand for Black Labor: Historical Notes on the Political Economy of Racism," a Reprint from Radical America, Vol. 5, No. 2, March-April, 1971, p. 36.
6. Exceptional to this feature is the farmers/fishermen occupation, constantly declining at a higher rate in the Jewish than in the Arab structure of employment, regardless of economic crisis or boom.
7. Harold M. Baron, "The Demand for Black Labor: Historical Notes on the Political Economy of Racism," op.cit., p. 37.
8. Ibid., p. 36.

9. Central Bureau of Statistics, Labor Force Survey 1974, Special Services No. , Jerusalem, 1976, p. 141.
10. Examples of the best known studies on the segmentation and non-neutrality of the U.S. labor market are:
 

Bennett Harrison, Education, Training, and the Urban Ghetto (Baltimore, John Hopkins, 1972).

Peter Doeringer and Michael Piore, Internal Labor Markets and Manpower Analysis (Lexington, Mass., D.C. Heath, 1971).

David Gordon, Theories of Poverty and Underemployment (Lexington, Mass., D.C. Heath, 1972).

Richard Edwards, David Gordon, and Michael Reich (eds), Labor Market Segmentation (Lexington, Mass., Lexington Books, 1976).

Glen Cain, "The Challenge of Dual and Radical Theories of the Labor Market to Orthodox Theory," American Economic Review, May, 1975.
11. Y. Ben-Porath, Op.cit., pp. 20, 22, 23.
12. In a statement made by Prime Minister Rabin during one of the Labor Party conferences condemning the failure of the Party to develop the manual-work morality during its twenty-eight-year hegemony; he pointed out the presence of French workers imported to do the manual work in the Histadrut-owned Koor industrial complex in Holon because they could not find Israeli [Jewish] labor to do that work [probably military-related metal products]. For a reference, see Jerusalem Post, November 18, 1976.
13. Reference is to Israel's systematic policy of maintaining open-bridges between the West and the East Banks of the Jordan River that serve a two-fold objective: politically, to facilitate the transfer of Palestinians from the West Bank into the other side of the river, hence, providing better conditions for the Judiazation of the West Bank, and alleviating the demographic threat. Economically, to facilitate the transfer of Israeli surpluses into the East Bank, hence, expanding its market frontiers. Israel's need for surplus-dumping frontiers was further intensified during the period of rapid economic growth following the 1967 War. According to the P.L.O. Department of Information and National Guidance,
 

"...The volume of Israeli exports to occupied territories increased very rapidly to reach in 1973 and 1974 the value of 803 million and 1,339.4 million Israeli pounds, respectively. While in 1968, it did not exceed 187.4 million and in 1971, no more than 383.9, the value of Israeli exports to the West Bank and the Gaza Strip more than

doubled between 1971 and 1973 and reached over one-third billion in 1974. It is not surprising, therefore, that the occupied territories became the largest market for Israeli goods in 1973, if we exclude Israeli exports of polished diamonds....The occupied territories became the largest market for Israeli goods, as the following table indicates:

Value of Israeli Exports to Major Markets in 1973 (million dollars)

U.S.A.	267.0
(excluding polished diamonds)	132.1
Britain	140.8
(excluding polished diamonds)	121.4
West Germany	137.6
(excluding polished diamonds)	105.6
West Bank and Gaza Strip	189.0

That is, in 1973 Israel exported to the West Bank and Gaza Strip a quarter of all its exports for that year, excluding polished diamonds. The West Bank and Gaza imported in 1973 and 1974 90 percent of the value of their total imports from Israel. While Israeli imports from both in 1973 did not exceed 2.3 percent of total Israeli imports. See Jamil Hilal, The Palestinians of the West Bank and Gaza Strip: Social and Economic Conditions under Israeli Occupation (P.L.O. Department of Information and National Guidance--Studies and Publication Section, May, 1976), pp. 9-10.

14. These skilled and unskilled productive labor categories relate to workers in industry: mining, building, transport and other workers.

In assessing under/over representation factors, we divided the proportion of each particular group that falls into a particular labor category by the proportionate size of that group in the labor force (not in the population-at-large) minus one.

In 1972, for example, total labor force employed in Israel, including workers from occupied territories, reached 1,099,800 persons. Of these, 34 percent were Europe-America immigrants, 29 percent (Oriental) Asia-Africa immigrants, 23 percent born-in-Israel Sabras, 9 percent citizen Palestinians, and 5 percent non-citizen Palestinians from occupied territories. All Palestinian workers constituted 14 percent of Israel's labor force.

15. I. Oweiss, The Israeli Economy: A War Economy, op.cit., p. 43.

16. Ben-Porath, op.cit., p. 34. Refer to Table 2-14.

(a) Since 1963 Labor Force Surveys do not provide data necessary for computing the index of differentiation in the industrial structure of Oriental-Jews and citizen Palestinian-Arabs, which would otherwise be of special significance for our analysis of the post-1967 War period and whether the militarization of the economy tends to increase or decrease differentiation in this particular case.

(b) Although both use occupational and industrial categories of the 1961 classification, we cannot compare Ben-Porath's Table 2-14 with ours because he restricted his analysis to employed men, excluding women, and also to mobile, i.e., commuter Arab labor only, excluding those employed in their place of residence. He did so in order to reduce biases of agricultural employment of women and low rates of participation in the labor course.

In order to be able to compare ours with his index, it will be necessary to apply the same adjustments to our analysis. This, in turn, will be unrealistic, in light of objective changes such as the increased mobilization of women into the labor force, the dramatic decline in the traditional agricultural employment, and the penetration of Jewish industrial capital into Arab residential villages--so the distinction between the sexes, and between mobile and non-mobile labor is no longer valid in the post-1967 era.

17. Most of the service labor force is probably employed by UNWRA (United Nations Work and Relief Association), associated with its bureaucracy.
18. Refer to Footnote      in Chapter
19. We must remember that the figure 18 percent in Table FF, as the portion of the Israeli-Arab male labor force employed in construction, refers to the recession period. In 1966 it was 22.1 percent and in 1965, the peak of the construction boom, it reached 24.2 percent. Source: Statistical Abstract of Israel, No. 2, 1969, p. 259.
20. Jamil Hilal, The West Bank: Its Economic and Social Structure (1948-1974), P.L.O. Research Center, Palestine Books No. 60, Beirut, 1975 (Arabic).



21. The 1974 elections in the West Bank and the Gaza Strip resulted, despite repression, in a full support for the P.L.O. leadership and the defeat of an alternative local administration.
22. These figures are computed from Arie Bregman, The Economy of the Administered Areas 1974-75, Jerusalem, 1976, p. 25. (Hebrew). Hilal, op. cit., gives more conservative estimates of these figures, thus likely to be wrong.
23. The Rand Report on The Economic Structure and Development Prospects of the West Bank and the Gaza Strip, by Haim Ben-Shahar, etc., 1971, documents Israel's attempts to penetrate into the European agricultural commodity market since the 1967 War, trying to compete specifically with labor-intensive products, of which vegetables are the most prominent, utilizing the abundant reservoir of cheap labor in the occupied territories (for further details, see pp. 56-99 of the same reference). Since the 1973 War, agriculture employment declines, probably in part due to increased productivity, but mainly to the more easy and profitable penetration into international markets, including the European Common Market, with competitive high technology products. Israel's industrial products became the leading export sector. See Aviation Week & Space Technology, June 14, 1976.
24. A personal interview (May 17, 1976).
25. Quoted from the proposal for the project on the housing industry in Israel prepared by Professors Robert Logcher and Albert Dietz of MIT.
26. Ibid., p. 22.
27. A. Bregman, Economic Growth in the Administered Areas 1968-1973, Jerusalem, 1974, p. 35.
28. The Economists' Intelligence Unit, Quarterly Economic Review - Israel, No. I, 1976, p. 8.
29. For example, Administered Territories Statistics Quarterly, a publication of Israel's Central Bureau of Statistics. Israel Defense Forces - Labor Force and Other Surveys. The Bank of Israel Surveys, etc.
30. See Table XII/28 (enclosed) from Statistical Abstract of Israel, 1975, pp. 330-331. The table presents average number of years of schooling, cross-tabulated by economic branch, occupation, and population group, but does not show the distribution of the Jewish and non-Jewish populations in each occupation within a particular industry or economic branch. The latter can otherwise be most significant to our analysis.

31. Statistical Abstract of Israel, 1975, pp. 336-7, Table XII/31 (enclosed).
32. Ibid., p. 337. Remember that the average wage of the Arab worker is still lower than the general average wage in an economic branch, since in all economic branches the average year of schooling (an important determinant of wage level) is much higher among Jewish than Arab labor in all economic branches. The differentials in years of schooling are the lowest, however, in the service sector; as evident in Table XII/28, mentioned in footnote No. 30.
33. The Palestinian-Arabs represent 25 percent of the productive labor force employed in Israel, as estimated by M. Eter, the Economic Editor of the Jerusalem Post. It is not clear, however, whether or not his use of "productive" labor refers to the same definition as ours; that is, labor engaged directly in the production of surplus value, or simply all those employed in productive economic branches.
34. Although the use of an alternative migratory labor force has already begun to replace Jews in industry, as mentioned previously, this is not likely to be done on a massive scale in the near future, and if it does happen, it will, anyway, shake up the class foundations of the Jewish State--its material base--as is happening today in South Africa. A national proletariat is strategically imperative for the survival of settler-colonial regimes.
35. Recall the type of industries mentioned already in Chapter IV, p. 47. And for the Kibbutz Regional Factory, p. 49.
36. Quoted from "Arabs Who Work in Israel," by Ami Shamir, Israel Magazine, Vol. 4, No. 17, 1972, pp. 20-26.
37. Arab students at the Technion (Haifa Institute of Technology) can at best be trained as construction engineers. Usually, they are not admitted to industrial engineering fields, chemical, mechanical, electrical, nuclear, etc. When, in recent years, a few were admitted to such fields or merely to the natural sciences, they were restricted to theoretical training and denied, however, the practical training. The Technion students' newspaper ( ) reports the discontent of the Arab students' committee over the crossing-out from the lists of students approved for field trips into factories for observation and practice.
38. Although the controversy regarding the class-location of the new wage-earning groupings, including service employees, exists not only among Marxists, as presented in the text, but also among bourgeois social scientists, the essence of the controversy is entirely different within each of the two groups. All Marxists agree that these employees are not bourgeoisie. The controversy lies in whether these

wage-earners perform productive or unproductive labor, hence do or do not belong to the proletariat class. For bourgeois social scientists, who agree on denying the class specificity of these new wage-earning groupings, the controversy lies in how to dissolve the latter among existing social classes. Renner, Croner, Bendix and others, for example, dissolve them into the bourgeoisie. T. Geiger, C. Wright-Mills, and others, place them within the boundaries of the working class. Dahrendorf divides them into bourgeoisie and working class, depending on their relation to the exercise of power and authority. Others like Fossaet 1961 and Praderie 1968 consider them a "Third Force", members of the "Tertiary" sector, and therefore belong to the traditional petty bourgeoisie. In our analysis, we choose to ignore these considerations simply as irrelevant because bourgeois social scientists are incapable of relating to real social class, since by definition they cannot conceive of social classes as existing and being defined only in class struggle. The latter is precisely the paradigm they essentially oppose. Prominent examples of the incorrect conception of social classes as they exist in reality are: the concept of the "service class" in Industrial Man (ed., T. Burns), 1969; and the more recently developed concept of the "welfare class" by M. Rien, 1977, in his article, "Is There a Welfare Class?". Not only that both see social classes as external to the production process itself and its social division of labor, but also that, as is the first case, they define class in terms of the concrete content or form (service) but not social form of the labor performed by these wage-earners. In the second case, class is even indifferent to labor regardless of its form; it is rather defined by the form or source of revenue for subsistence.

All "social stratification" categories derived by bourgeois social scientists from the surface-structure of society, from the technical division of labor, and unilaterally from the sphere of distribution have indeed nothing to do with social classes as real social forces in the real world. Therefore, we cannot take seriously either, their controversy regarding the class-location of service employees.

39. Harry Braverman, Labor and Monopoly Capital, Monthly Review Press, New York, 1974, p. 412.
40. Ibid., p. 410.
41. Ibid., pp. 348, 355.
42. Nicos Poulantzas, Classes in Contemporary Capitalism, NLB, London, 1975, pp.
43. Poulantzas is referring to Marx in Capital, Vol. III, p. 294.
44. Karl Marx, "Results of the Immediate Production Process," in Capital, Vol. I, Penguin, 1975, Appendix.

45. Poulantzas, op. cit., p. 209.
46. Elex Kessler, "Israel's Arsenal," The Wall Street Journal, February 18, 1969, p. 1.
47. Labor and National Insurance, Monthly Review of the Ministry of Labor, Israel (No. 5, May, 1976).
48. "Israel Seeking Aid for Arms Industry," The New York Times, December 19, 1976.
49. Aviation Week & Space Technology, June 14, 1976 (Special Israel Advertising Section).
50. Paul Baran and Paul Sweezy, Monopoly Capital, Monthly Review, New York, 1966. Also, Poulantzas refers to this point in op. cit., p. 218.
51. Poulantzas, op. cit., p. 253.
52. Karl Marx, Capital, Vol. I, pp. 508-509, quoted in Poulantzas, Ibid., p. 233.
53. Poulantzas, Ibid.
54. Aviation Week & Space Technology, op. cit.
55. Ibid.
56. Al-Hamishmar, November 13, 1976 (translation from Hebrew by Israel Shahak (?)) Shahak adds that the South American country in question is Chile.
- 57.
58. Poulantzas, op. cit., pp. 233-234 and p. 237.
59. Ibid., p. 242.
60. Erik Olin Wright, "Class Boundaries in Advanced Capitalist Societies," New Left Review, No. 98, July-August, 1976, p. 23.
61. Ibid.
62. 78,400 citizen Palestinian wage earners computed by subtracting Jewish employees from total employees, as appears in statistical abstract of Israel, 1975. And 68,000 non-citizen Palestinian employees in Israel from table A, Approximately 8,000 of whom are engaged in unproductive labor in sales and transport most likely of workers.

CHAPTER VI

THE INTERNAL STRUCTURE OF THE WORKING CLASS

SUBJECT TO DIFFERENTIAL LOCATION IN THE SOCIAL FORMATION

## I. Introduction

This chapter examines the internal structure of the working class subject to differential locations in the social formation. We assume that in Israel, as elsewhere in the world, the proletariat, like the bourgeoisie, is not an internally homogeneous class. Ruling classes are constantly compelled to segment the proletariat as a measure of discipline and control. These segmentations are precisely to impede proletarian alliances against the ruling class. Examining the internal structure of the working class is, therefore, a way of assessing the material conditions for and against proletarian alliances. This is built on the findings of the previous chapter, where we identified segments of the Jewish and Arab labor force who, in terms of their locations in the division of labor, belong to the proletariat.

In this chapter, we try to examine whether this segment of the labor force who, in the production process, occupy common proletarian class locations, are segmented on the basis of arrangements beyond the division of labor in the social formation as a whole.

We are especially concerned to answer two questions: (a) whether segments of the working class benefit directly or indirectly from surplus value produced by other segments of the same class; and (b) whether the differential relation of Jewish versus Arab workers to the Zionist political/ideological superstructure undermines the commonality of their class interest.

We must keep in mind that the Israeli social formation, unlike any other in the world, is a pre-planned one. It is not the outcome of the historical course of class struggle as social formations naturally evolve. We try to identify tentative features of its planned organization of production, consumption, and reproduction.

## II. Segmentations of the Working Class by Differential Locations in the Social Formation

In the previous chapter we tried to identify the class location of the Palestinian labor force currently employed in Israel. We did so by translating locations in the technical division of labor into locations in the social division of labor. We defined the boundaries of the working class using Poulantzas' criteria. Accordingly, only those who perform productive, manual, non-supervisory labor categories belonged to the working class. By these criteria only positions in the division of labor were considered. But as debated earlier, class locations are determined not only by locations in the division of labor, alone. They are determined also by relations of political/ideological domination/subordination inherent in positions in the social formation as a whole. This is what Poulantzas refers to as "structural determination of class location" (recall preceding arguments in Chapter I).

In the previous chapter, we argued that locations in the technical division of labor are determined by locations in the social division of labor. In the present analysis, we argue that locations in the social division of labor are, to a large extent, reproduced by positions in the social formation as a whole.

This so-called "structural criterion for determination of class location" is especially relevant in the case of settler colonialism, where a relation of settlers' domination and natives' subordination usually prevails and is generalized across class lines.

Our study is concerned only with cross-national/ethnic proletarian alliances (not with alliances on other class lines, say petty bourgeois or

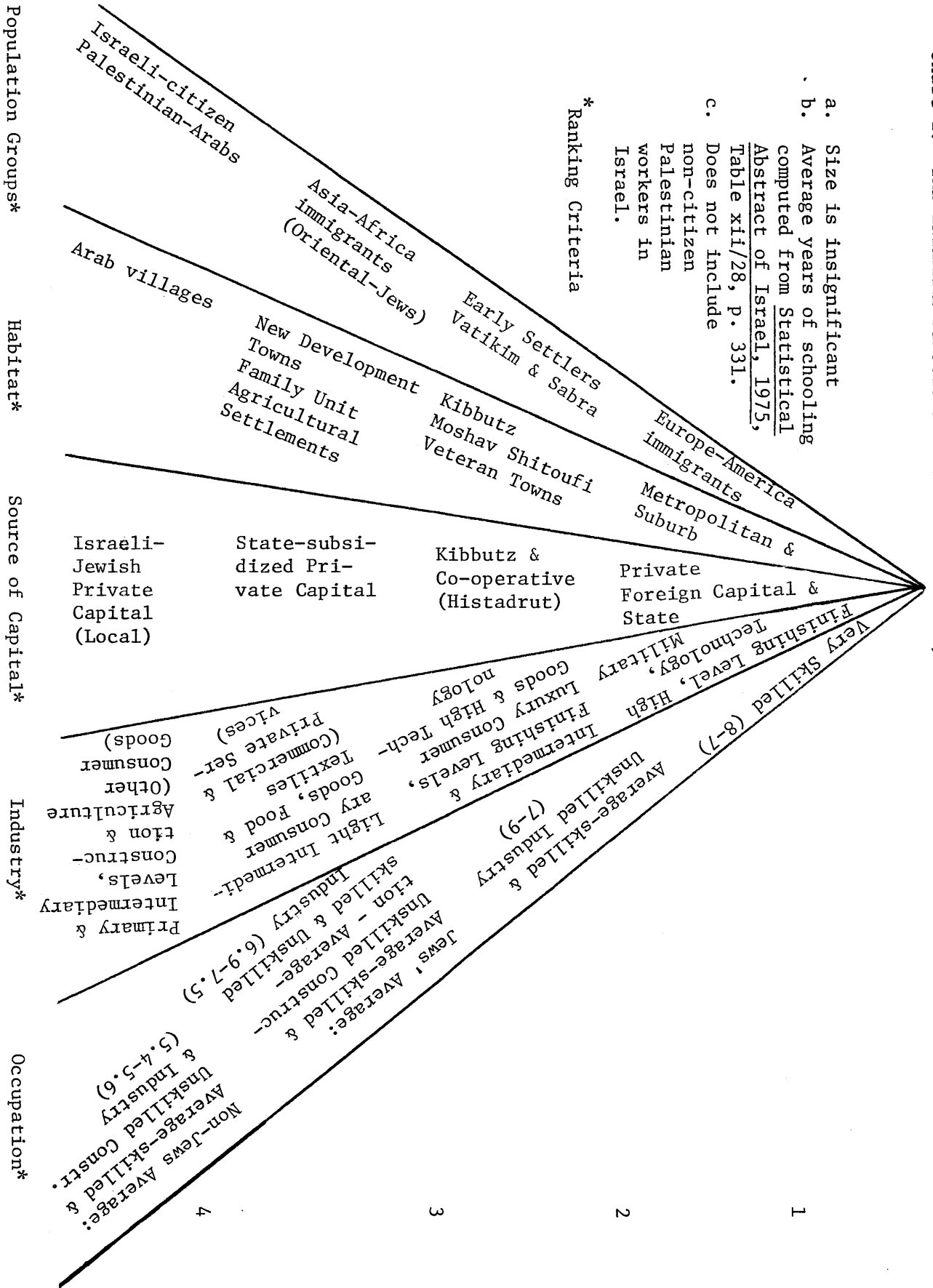
bourgeois alliances). We therefore focus only on that portion of the various segments of the labor force (identified in Chapter IV) who perform proletarian labor categories in the labor process. Where, in the Israeli social formation, those Arab and Jewish productive, manual, non-supervisory wage-workers are located in relation to the means of production, consumption, and reproduction at the disposal of Israel? An investigation of this question suggests a pyramidal structure (Chart I) with four horizontally-integrated dimensions and five vertically differentiated dimensions. This is an abstraction of major features in Israel's social formation as exist in actuality. It is essential, however, that these features be viewed not statically, but rather dynamically, in constant transformation; transformation through struggle between social classes. It is also a rough abstraction of the differential locations of the various segments of the working class in the social formation. This includes and goes beyond their locations in the division of labor. It reflects differential locations in relation to the means of production, consumption, and reproduction. These involve relations to the economic "base" as well as the political/ideological "superstructure" which together make up the social formation.

We must remember that in Israel the "superstructure" consists not only of the usual apparatuses of the State (legislative, army, ideological organs, etc.), but also of the Zionist institutions of the Yishuv which have remained operative after the establishment of the State and were further empowered by the State to play far more important roles.

Tentative as it is, Chart I reveals an important fact. The proletarian labor force in Israel does not share common locations in the social forma-



Chart I. THE INTERNAL STRUCTURE OF THE PROLETARIAT, SUBJECT TO LOCATIONS IN THE SOCIAL FORMATION



tion. The various segments of the working class tend to be hierarchically positioned at much deeper and more comprehensive levels than can be revealed by the employment structure; the working class seems segmented not only by division of labor (technical and social), but also by divisions external to the labor process.

To elaborate more on this, it requires further specification of this tentative "model" presented in the chart. We observe five hierarchically differentiated arrangements by which the working class is internally segmented. These are: ethnic, habitat, capital, industry, and occupation-related subsystems. Each subsystem consists of four hierarchical levels. They are hierarchical by a specific ranking criterion, as shown below:

<u>Vertical Dimension</u>		<u>Ranking Criterion</u>
1. Occupational hierarchy	→	Years of schooling, level of investment in human capital
2. Industrial hierarchy	→	Level of production (primary -- finishing) and "forward-linkages"
3. Habitat hierarchy	→	Standards of living or subsistence cost
4. Ethnic/national hierarchy	→	Political and ideological domination/subordination
5. Employer or capital hierarchy	→	Rate of exploitation

The various segments of the working class ranked on all these five normative scales make up four horizontally-integrated clusters. These are specifically revealing of the extent to which the segmentation of the working class is comprehensive and systematic. Each segment of the working class belongs consistently to one of the four hierarchical levels in all five dimensions. European-American proletariat are located on the top levels

of the ethnic, habitat, industrial, occupational, and capital hierarchies. Simultaneously, Arab citizens are located in the bottom level of all five hierarchies, respectively. Each segment of the proletarian labor force does not belong to a different level in each hierarchy. The hierarchical location of the various segments of the proletariat is very comprehensive. It applies to all major dimensions of their material life. With such precision these arrangements are guaranteed to reproduce the segmentation of the working class (as it mirrors the segmentation of society at large) over and over again.

This intricate system of segmentation is undoubtedly not accidental, but the result of deliberate efforts to distort the commonality of class interest and to prevent proletarian alliances against the ruling class.

One of the tasks in the preceding analysis is to provide the theoretical rationale for the specified ranking criteria. Another task is to examine whether this intricate system of segmentation forces some segments of the working class to indirectly benefit from the exploitation of another segment of the working class. These arrangements suggest that some members of the proletariat indirectly benefit from surplus value created by other members of the same class. It is possible for the ruling class to do so by maintaining two systems of labor: a "labor aristocracy", on the one hand, and a labor force subjected to the extraction of super profit, on the other. The former can be maintained only at the expense of the latter. In effect, the commonality of class interest can be distorted and falsely replaced by competing (not antagonistic) interests among factions of the working class.

To do the above it is necessary to illustrate the nature of these ar-

rangements individually and in relation to the whole. This way, to specify the content of our "model" of the segmentation of the proletariat on levels deeper than mere labor-market segmentations. Once we disaggregate Chart I into its five components and their theoretical rationale, we will expose the concrete background observations that led into identifying this structure as a whole. It is not the individual hierarchies, but rather the horizontal interlocking relationships between their various levels that are most revealing of the nature of working class segmentation, as will be demonstrated.

#### A. The Occupational Hierarchy

In the previous chapter, we identified the differential locations of the various segments of the labor force in the occupational structure of employment. In the present analysis, we focus only on differentiations among those workers who perform manual productive, non-supervisory labor categories. They seem to rank hierarchically according to the level of skill and/or investment in human capital. This criterion can be measured quantitatively in terms of years of schooling and/or on-the-job-training (the socially-necessary labor time to produce the particular labor commodity).

In terms of years of schooling, evidence from Annual Reports of the Employment Service (1964) indicates that Sabras have historically constituted the smallest portion of Jewish unskilled work-seekers. Then come European-American immigrants, and the highest representation is among Oriental-Jews. Evidence, however, shows also that over time the size of unskilled work-seekers among European-American immigrants tends to decrease, and among Sabras to increase, and among Orientals to stay the same.

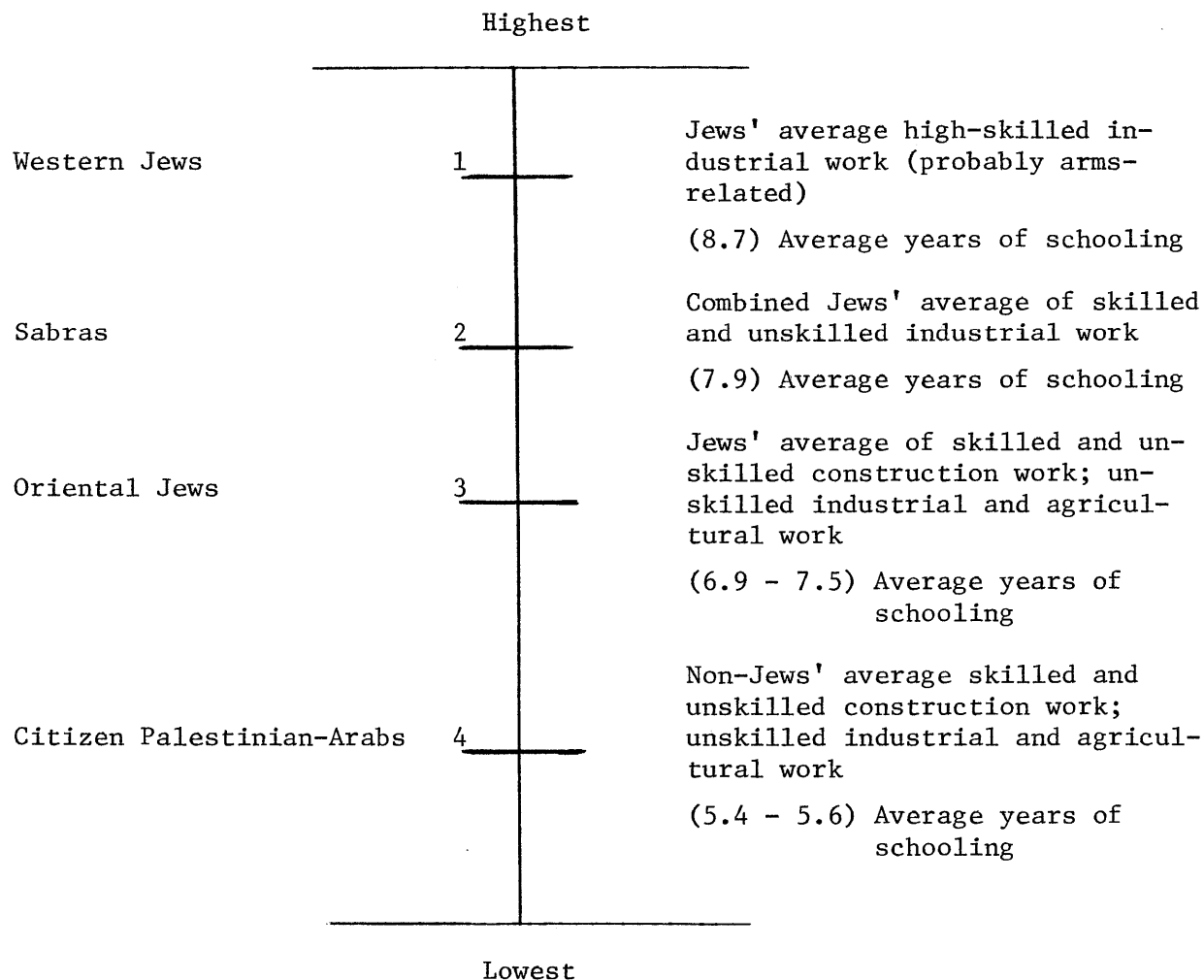
The ratio of distribution among Sabras, Orientals, and European-American immigrants is 2.2 : 66.1 : 31.7 (in 1953), as compared to 12.2 : 65.5 : 22.3 (in 1962), respectively.<sup>1</sup> European-American immigrants seem to be competitors to Sabras in the occupational structure.

By 1974, evidence from Israel Monthly Bulletin of Statistics indicates that Oriental-Jews continue to be the most highly represented among Jewish wage-workers in unskilled productive occupations: representing 55.2 percent of all Jewish unskilled industrial and construction workers and 70.9 percent of agricultural cash-croppers (also unskilled labor).<sup>2</sup> They also represent the largest portion of skilled workers in industry and construction.

The representations of Arab and Oriental-Jewish proletariat in skilled occupational categories is more likely to be the result of on-the-job-training than formal schooling, and the fact that they are the least mobile in the employment structure. They become skillful over time. This is, for example, how Arab workers become skillful in construction. It has nothing to do with years of schooling.

Statistical Abstract of Israel, 1975 provides data on occupational structure, by population group and average years of schooling per occupational post. This reference, together with information above, suggest an occupational hierarchy; a hierarchy that reflects the predominant locations of the various ethnic/national segments of the working class (Scale 1). On the basis of the scale presented on the following page, Western (European-American immigrant) Jews rank the highest in the occupational hierarchy; second come Sabras, then Oriental-Jews, and then Arabs.

Scale 1. Occupational Scale (by average level of skill and years of schooling)



B. The Industrial Hierarchy

Industries are ranked here by the level of their contribution to the reproduction of labor power in other industries, which I will call "forward-linkages", the greater the linkage, the lower the industry ranks. This criterion can be expressed also by the level of production: whether it is

primary, i.e., production of raw material (mining, agricultural plantations), or intermediate level, i.e., the production of consumer goods (food processing, textiles, construction, etc.), or finishing levels, like in the production of luxury goods (diamond products, arms machinery, etc.). These levels of production, in fact, relate to the ratio of dead labor to live labor in production inputs. The greater the dead-live labor ratio in an industry, the higher it ranks. This index may also be an index of "exploitation".

Most relevant to what we mean by "forward-linkage" ranking criterion is the extent to which an industry produces commodities that determine subsistence cost, the cost of reproduction of labor power of the country's proletariat, or some segments of it. This may help us identify in what industries labor is subjected to the extraction of super profits by the capitalist class, and therefore in what industries workers indirectly benefit from surplus value created by the former.

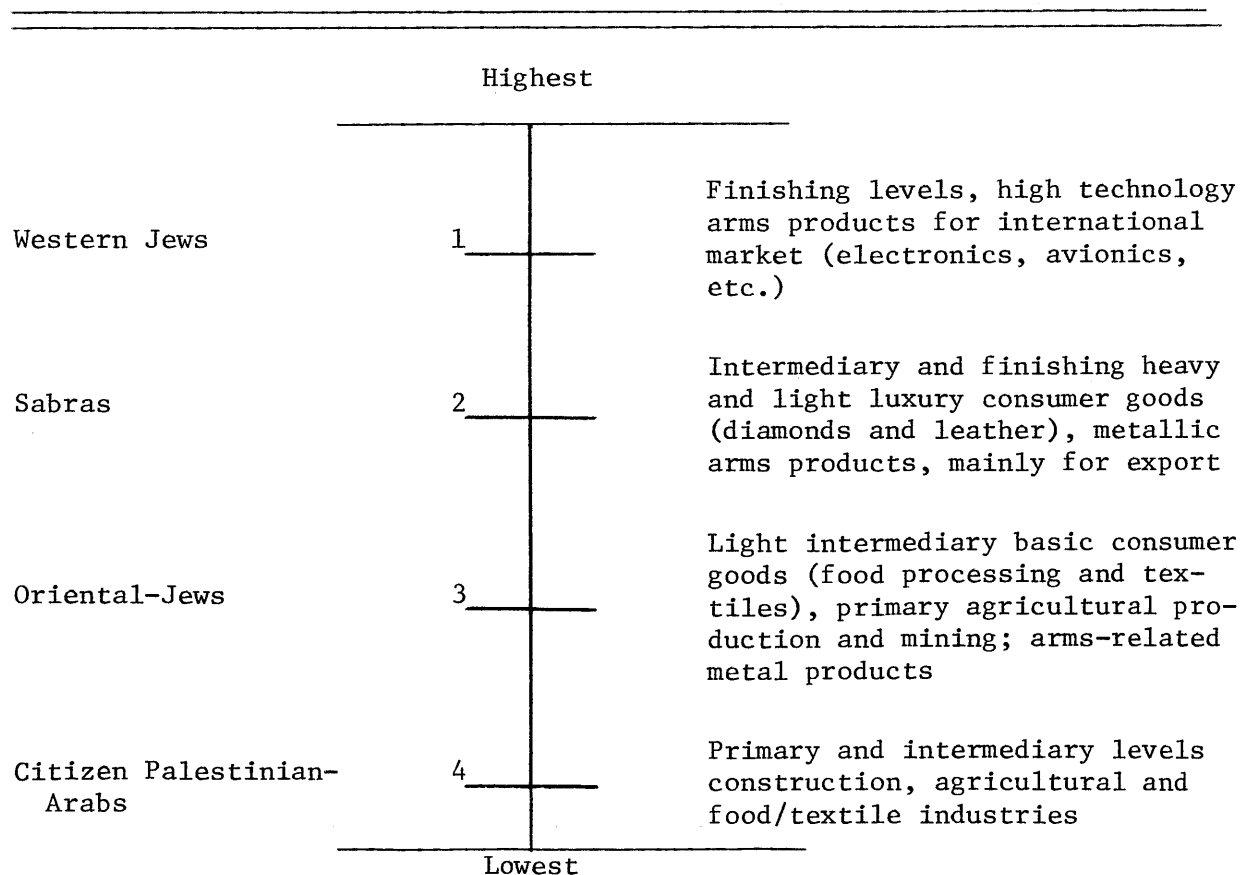
Another way of looking at the same thing is from the point of labor's work conditions and vulnerability. More strategic and basic industry, such as arms products, exercise higher stabilizing effects on the economy at large and can undermine mass consumer goods production (as happened in the Massachusetts economy, for example). Work conditions from the point of view of labor are likely to be better in the more than in the less strategic industries, at least for reducing labor instability and high risk. In these terms, we identify the industrial hierarchy (Scale 2).

Again, on the industrial scale predominantly Western Jews rank highest, Sabras second, then Oriental-Jews, followed by Arabs on the bottom of the scale. The location of the various population groups in the industrial

hierarchy suggests that Western and Sabra Jews rely for their basic consumption (housing, clothing, food, the determinants of urban-workers' wage) on commodities produced by Oriental-Jews and Palestinian-Arabs. Western and Sabra-Jews are not engaged in basic consumer goods' production for the local market. They are, rather, engaged in luxury consumer goods and high technology military commodities for the international market.

This arrangement has important implications with regard to relation to surplus value and will be interpreted in its full implication as we proceed in discussing the habitat and capital hierarchies; that is, the site of reproduction of labor power, and the site in which this labor power is situated in the process of production itself.

Scale 2. Industrial Hierarchy by "Forward-linkages"





### C. The Habitat Hierarchy

Habitat refers here to human settlements. A distinctive feature of Jewish settlement in Palestine is the innovative approach to spatial organization and settlement patterns. This is especially true in the rural sector. Utopian and new forms of habitat have been important factors for the recruitment and absorption of Aliyah and for stimulating land colonization. Settlement innovation has been, since the Yishuv and continues to be today, most instrumental for this goal.

In this analysis, we are concerned with the question of habitat, not from an environmental design perspective in the physical articulation of the built form; we are rather looking at habitat mainly as a reproduction site. The site on which the labor force is reproduced on daily and generational bases.

Of course, each spatial form for human settlement is distinguished by a peculiar set of relations of production, consumption, and reproduction. Spatial organization of society, specifically its built forms, are not accidental nor neutral developments. They are reflections of the social organization of production which, in turn, determines the organization of consumption and reproduction.

Under capitalist relations of production, labor itself becomes a commodity that has an exchange value determined by the socially necessary labor time for maintaining it in working condition. Therefore, it makes a real difference to wage and profit where the worker lives, where his/her power is reproduced.

In Israel, spatial organization is very much the function of rational planning and management, not evolution. Spatial management that corres-

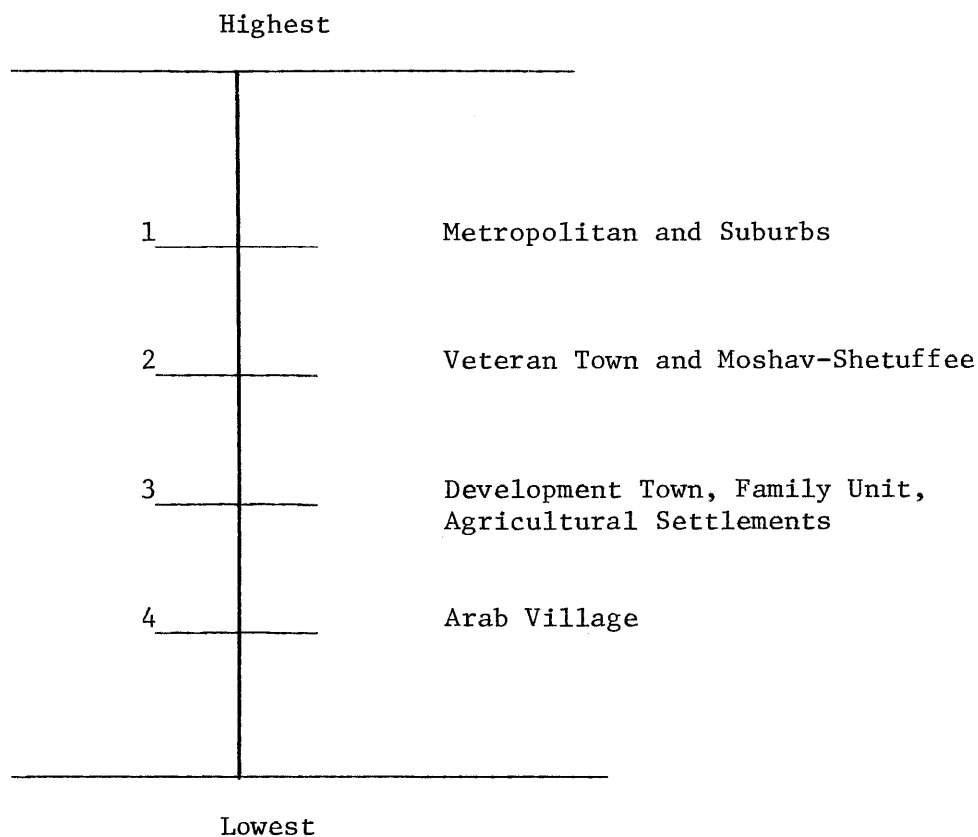
ponds to the objectives of the Zionist movement: Jewish proletarianization/capitalization, and the creation of a Jewish capitalist social formation through colonial settlement; Jewish relations of production and Jewish class struggle for the reproduction of the State superstructure. These considerations seem to be articulated in settlement patterns since the Yishuv.<sup>3</sup> It is, therefore, a very important aspect of the political economy of Israel where the various segments of the working class reside. This question overlaps with the following discussion regarding type of employer (capital) and relations to the political/ideological superstructure to be further discussed later on.

We identify a hierarchical relationship among the various habitat forms. Hierarchical in terms of "standards of living", as a ranking criterion. Standards of living is regarded here as an indicator of the differential cost of reproduction of labor power of the residents of a particular habitat. This ranking criterion reflects people's positions in the worlds of both production and consumption. Standards of living cannot be measured by income alone, it must also include public services, access or lack of access to development opportunities, the quality of education, health (preventive and curative services), environmental quality, recreational facilities, etc. One can also use per capita municipal budget as a measurement of standards of living of the different habitat forms.

In these terms, habitat forms in Israel rank as reflected on Scale 3, shown on the following page. Note that we excluded the kibbutz, because we are concerned only with the location of proletarian labor force in the various habitat. Kibbutznic labor, owing to its relation to the means of production through its share in the communal ownership, is not part of the

proletariat. This issue will be discussed again more thoroughly in the following chapter.

Scale 3. Habitat Hierarchy in Terms of Standards of Living



D. The Ethnic/National Hierarchy

In settler-colonial formation, like Israel, it is obvious that the settler segment of the proletariat and the native segment exercise entirely different relations to the ideological/political superstructure. This is an important and strategic issue from the point of view of the ruling class. The settler-colonial ruling class, more than ruling classes in a more typical social formation, is compelled to maintain allies among the proletarian

workers, citizens and non-citizens of Israel. They are members of a nationally oppressed people, oppressed precisely by the ideological/political superstructure to which their Jewish co-workers belong. They are denied not only their political rights for national self-determination, but also many civil rights except for the ones that legitimize the existing system of power (voting, for example). Owing to their different relation to the State superstructure, they cannot form independent political organizations, not even labor unions.

These relations are reproduced in the division of labor, in terms of relations of ideological and political domination/subordination between Jewish and Arab workers.

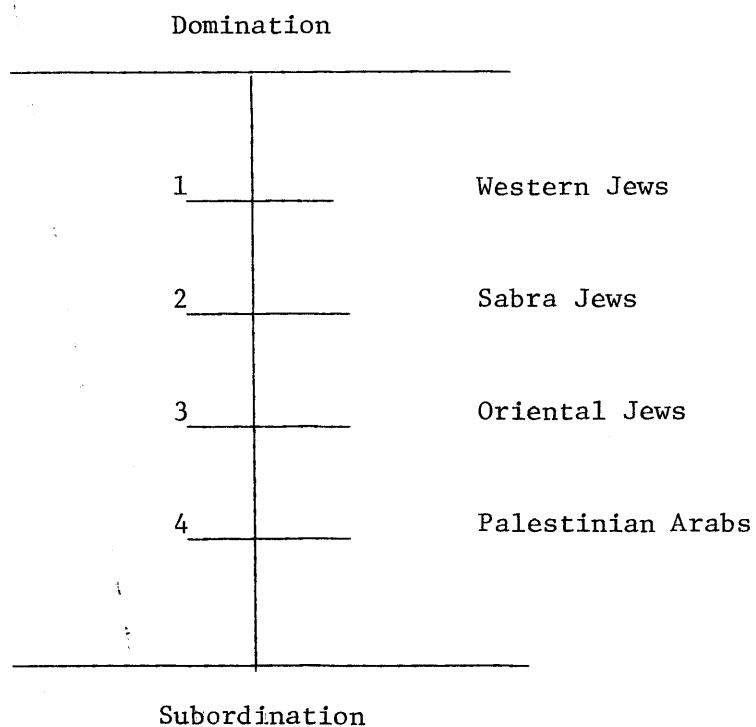
Ideological and political domination/subordination is the criterion for what Poulantzas identifies as the structural determination of class location (recall discussion on the boundaries of social classes in Chapter III).

It seems an appropriate criterion for ranking the ethnic/national composition of the proletariat in Israel. In general, one can say that in the Jewish State the relation of Jews to Arabs (even among the working class) is one of domination/subordination. This, however, must not be taken to imply that Jewish citizens are homogeneous in their relations to the ideological/political superstructure and, therefore, in the relation of domination/subordination with regard to the Palestinian-Arab citizens.

Until the sixties, seniority in the country was a determinant of political power and social status. The early settlers, once the vanguards of Zionism, and therefore by virtue of their special relation to the State, have exercised more political power than Oriental-Jews and recent Western immigrants. They ranked highest on the scale of political/ideological

domination. In the current phase of Israeli development, distinguished by the dominance of the economic and by the subordination of the national bourgeoisie to international monopolies, and of the Jewish State itself to requirements of monopoly capital; and finally, with a shift into high technology military production based on U.S. technology, recent Jewish immigrants are moving higher up on the ladder than early settlers and their Sabra generation. Accordingly, the various population groups rank as indicated by Scale 4.

Scale 4. Ethnic/National Hierarchy by Ideological-Political  
Subordination/Domination



Taking Poulantzas' criterion of structural determination of class location seriously raises a question regarding the actual existence of an Israeli-Jewish proletariat. Until now, we have assumed this and took it for

masses; and to appeal to them ideologically and politically.

In Israel, the "security of the State" has become internalized by the Israeli masses as an ultimate objective to be fanatically optimized. This is especially true among the old-timers (Vatikim) and their Israeli generation (the Sabras). The Labor-Zionist ideology, the dominant ideology of the ruling class, has been so effectively filtered down through the Histadrut, the Labor Party, the left-Zionist Parties, and the kibbutz and cooperative organizations. For a remarkable expression of how the Israeli-Jewish toilers have internalized the ideological/political appeal of the ruling class, recall the heated debate in Moshav Beer Tuvia (Chapter III). By virtue of their relation to the superstructure, including also the Zionist institution of the Yishuv, which is still operative within the modern State; Jews get access to material and non-material (education, political participation, bargaining power in the work place) benefits. This is especially true with respect to the world of consumption of public goods. The relationship to the ideological/political superstructure affects also, to some extent, their location in the spatial habitat system.

Metropolitan residents enjoy the greatest share in public consumption: better quality social services, health, education, recreation, etc. This, in turn, implies greater subsistence cost, hence higher wages. By virtue of their affiliation to the ideological/political superstructure, they have also more access to information, thus more power. They also speak the language of the ruling class. Their patterns of consumption, especially of "cultural goods", are flavored with their relation to the ideological/political superstructure. They enjoy more civil freedoms, like geographic mobility, right to State subsidies, lesser subjection to the repressive apparatuses. The opposite is true with regard to the native Palestinian

granted. It is not only by positions in the division of labor, but also in the social formation as a whole that objective class locations are determined, then can there be a Jewish proletariat as a part of Zionist settler-colonial formation? This is like asking whether or not white settler workers who produce surplus value belong to the proletariat. More precisely, it is asking the following question: do Jewish workers who perform productive, manual, non-supervisory labor categories not belong to the same class location to which Palestinian-Arabs who perform the same labor categories belong because a relation of domination/subordination derives from their differential positions in the social formation that distinguishes the two groupings?

For a clearer and more adequate expression of this question, see Chart II.

The seriousness of this question and its relevance to our analysis gets more exposed as we recall from Chapter III the theoretical discussion on: (a) proletarianization, specifically the "free" labor as condition for wage-labor -- for proletarianization; and (b) land use and control law regarding the inalienable right of the Jew in the Jewish State to possession of land; and under the annexationist program of the Likud to land conquest or, more precisely, "liberation".

Of course, the above impede the development of a Jewish proletariat in Israel as a class for itself. The question being raised above is whether it also undermines its formation even as a class in itself. I do not know whether this question is answerable and how it can be answered; I only recognize its political and theoretical importance.<sup>4</sup> It is now proposed for a future study.

Chart II Relations of Politico-ideological Subordination/Domination of Arab and Jewish Productive Labor Within and Beyond the Production Process in the Context of Zionist Settler-colonialism in Palestine

Structural Class Determination in the Social Formation at Large							
	In the Social Division of Labor			<u>Ideological</u>		<u>Political</u>	
	Proletariat Class-location by Poulantzas' Criteria			<u>Subordi-</u>	<u>Domi-</u>	<u>Subordi-</u>	<u>Domi-</u>
	Economic	Ideological	Political	nation	nation	nation	nation
	Productive Manual Non-supervisory						
Western Jews	+	+	+	-	+	-	+
Sabra Jews	+	+	+	-	+	-	+
Oriental Jews	+	+	+	+	-	-	+
Citizen Palestinians	+	+	+	+	-	+	-
Non-citizen Palestinians	+	+	+	+	-	+	-

Does the differential relations of Israeli-Jews versus Palestinian-Arabs to the Zionist settler-colonial superstructure, hence, the relations of political-ideological subordination/domination that mark the place of each national/ethnic group in the social formation predominate the economic/structural determination of their class-location within the social division of labor?



One way of dealing with this question in the present study is to recognize some important transformations that are currently taking place in Israeli social formation which are likely to radically alter the conditions mentioned above. These transformations involve land speculations -- the emergence of land market; which is likely to stimulate the privatization of land ownership, hence the transformation of the existing land use policy with regard to "national" land, which will eventually undermine the inalienable right of the Jew to land possession. Furthermore, it may lead to concentration in private land holdings, hence displacement of Jewish farmers and their coercive drift into proletarianization.

Another process which is likely to bring about "genuine" Jewish proletarianization in Israel is the increasing concentration of Israeli capital displacing the petty commodity producer and small capitalist.

These processes suggest at least the beginning, if not the continuation, of actual Jewish proletarian class formation, through "real" class struggle.

All these are tendencies that signify "secularization" in the relation of production in Israel. Secularization subject to the state of development and requirements of its productive forces, which are increasingly interwoven with the internationalization of capital. Theoretically, these processes secularize also the Jewish State, and therefore are likely to transform the conditions underlying the relation of political-ideological domination/subordination between Arab and Jewish proletariat.

These secularization tendencies get more clearly illustrated by analyzing the sources of capital by which the various segments of the working

class is employed.

#### E. The Employer or Capital Hierarchy

The sources of capital operative in Israel today are: foreign private capital, foreign public capital (State capital), co-operative (mainly Histadrut and kibbutz) capital, and local small private capital.

During its "nation-building" phase, Israel depended heavily on transfers of foreign public capital (as opposed to foreign private investment capital). The main sources of these transfers were three:

1. Philanthropic Capital: mobilized from world Jewry by world Zionist organizations, specifically Keren Hayesod-United Israel Appeal, the financial arm of the Jewish Agency, through which world Jewry in 69 countries has helped to create the State of Israel and continues to share the heavy financial burden of the country. The amount raised by this institution between 1948 and 1972 exceeds two billion dollars.<sup>5</sup>

2. German Reparations Funds: paid directly to the State and accompanied by personal restitutions from Germany to individuals who suffered under Nazism. This has been an important source of foreign capital for the State during the nation-building phase; "they probably saved Israel from bankruptcy during the crucial financial difficulties of 1953," as Segre concludes, and later provided the base for Israel's industrial infrastructure, specifically the naval and railway communications, telephone and electricity, and regular supplies of essential raw materials.<sup>6</sup>

3. Foreign Aid and Grants: mainly from the United States, and later French loans and credits, and floating Development Bonds in most Western countries.

According to V.O. Segre:

"...total capital transfers between 1949 and 1966 amounted to 7 billion dollars (almost double the amount offered by the Marshall Plan to Europe). Over \$4.5 billion came from unilateral transfers from Jewish institutions, from German reparations to the State (\$775 m.), American grants (\$315 m.), German restitutions to individuals (\$1.1 billion) and private transfers (\$835 m.). The remaining \$2.5 billion came from loans (\$1.650 m.) and private investment (\$880 m.)." 7

In Israel, this inflow of capital was then put into operation through government and public channels (specifically the Histadrut, the Jewish Agency and the Jewish National Fund), thus strengthening considerably their positions against that of private capital, within the economy.

State sector and public sector are not identical in Israel. The public sector refers to Yishuv institutions of colonization mentioned above. Although they have independent sources, they function as instruments of the State.

The Jewish Agency and the Jewish National Fund are, since the establishment of the State, responsible mainly for Jewish settlement, Aliyah recruitment and absorption. These two public institutions serve exclusively Jewish citizens of Israel.

The Histadrut is different. First, it allows for Arab membership (since 1953). Around 70 percent of citizen Arab employees hold Histadrut membership; mainly to get access to the only National Health Care System (Kupat Holim), which is entirely monopolized by the Histadrut.

Second, and more relevant to the discussion, is the fact that the Histadrut is also an industrialist; the largest capitalist (although publicized as a socialist institution) employer in the country. The Histadrut operates in accordance with the profitability imperative.<sup>8</sup>

In the previous chapter we have seen the Histadrut mainly as a trade

union. This chapter exposes the Histadrut as employer.

Histadrut's enterprises are actually patterned on private joint-stock companies.<sup>9</sup> The American researcher, M. Plunkett concludes they "in part operate in accordance with cooperative principles, and in part in accordance with strictly capitalist methods."<sup>10</sup>

The Histadrut owns and supervises huge tracting, heavy industry, mining, quarrying, wholesale and retail commerce, and the marketing of agricultural produce. It controls cooperative enterprises in agriculture, industry, and transportation, and generally exerts strong economic and political influence.<sup>11</sup>

Most of the big industrial concerns, such as Nesher cement and Shemen vegetable oil plants, are owned by the Histadrut through its holding company, Hevrat Ovdim, or in partnership with private investors. Recently, the Histadrut has been trying to get a hold in new industrial fields, particularly heavy industry, and it is buying out some private owners. Mergers are encouraged between firms with a view to improving competitiveness overseas. Many firms are seeking commercial link-ups or know-how agreements with foreign companies, especially in northwest Europe and the United States.<sup>12</sup>

The Histadrut's partnership with private capital in mixed enterprises may be demonstrated in the example of Solel Boneh, Ltd. In thirty mixed building enterprises, Solel Boneh's share was:<sup>13</sup>

- with private capital on a 50-50 basis in 15 enterprises;
- with State capital -- over 50 percent in 7 enterprises;
- with foreign capital -- under 50 percent in 8 enterprises.

Thus, where foreign capital is invested the Histadrut enterprises tend to be controlled by foreign monopolies, as, for example, the case with the

Koor group enterprises, where American-German capital is invested.<sup>14</sup>

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On account of the foreign capital imports, chiefly through government channels, the State sector's share in the economy is large. The share of State capital in investment in industry is smaller than that of the Histadrut.

State capital is mainly for investment in infrastructure. This role becomes increasingly important since the shift into high technology military production as the main exporting sector of the civilian economy. This is especially true in the sphere of Research and Development. The State in this way socializes the cost of production for foreign and national private capital. The State investment in industry is mainly indirect, through provisions of subsidies and other incentives. In the sixties, from 30-50 percent of the development budget was loaned out to private enterprises, thus helping to enlarge the private sector. This was especially true for directing private investment into New Development Towns, where State-subsidized private industry is still predominant.

The private sector (1961/62 Census) embraces nearly three-fourths of the industrial enterprises and about two-thirds of the workers employed in industry (while the State-cooperative sector, including the Histadrut, has 26.7 percent of the factories with 37.5 percent of the workers).<sup>15</sup> The private sector dominates the light and medium size industry, commerce, citrus plantations, and the building trade, as well as traditional industries such as textile and diamond working.<sup>16</sup> These are basically intermediary-level consumer industries, and the above probably represents the national private capital sector.

Since the 1967 military and political victory, Israel has started to attract foreign private investment capital on a scale unknown before. Re-

ference is mainly to U.S. subsidiaries. By 1977, more than 200 U.S. subsidiaries were already operating from Israel, investing mainly in high technology military industry.<sup>17</sup>

In Israel, unlike the other developing countries, foreign capital invests not in the production of primary goods (agricultural plantations and extraction of minerals, etc.), as in the case of Latin American countries, Asia and Africa. It rather invests mainly in the production of capital goods (weapons production) and other high technology finishing levels of production that require very technically trained labor (similar to the case of U.S. investment in West European countries). Therefore, foreign capital in Israel tends to employ mainly the more skilled Jewish labor, particularly European-American immigrants who are more familiar with Western technology. It is less likely to employ Asian-African immigrant Jews and unlikely to employ Palestinian-Arabs. There is a high degree of compatibility between the mobilization and absorption of European-American Jewish immigrants and the penetration of foreign capital.

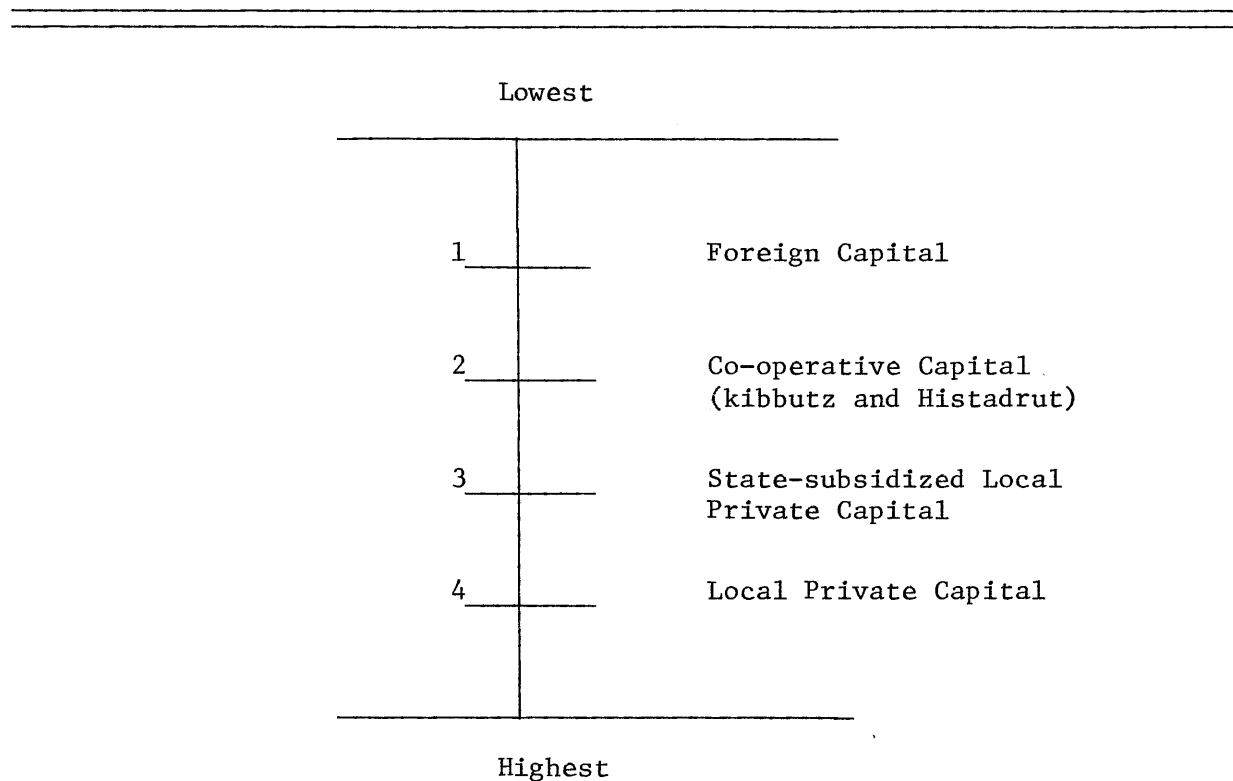
Having surveyed the various sources of capital or sectors of employment, we are now going to rank them by a specific criterion. Clearly, as our concern is the segmentation of the proletariat (productive workers), we are considering only productive capital, ignoring commercial and other capital in circulation.

The rate of exploitation (the rate of surplus value, profit) is an appropriate criterion for ranking employment sectors (sources of capital), especially so if the ranking is done from the point of view of labor. It is appropriate specifically for our attempt to answer the question regarding the possibility of segments of the working class benefiting from sur-

plus value created by other segments of the same class.

The rate of exploitation is an appropriate criterion for ranking productive capital because this criterion represents the essential relation between capital and wage-labor. By this criterion, the main capital sectors rank as illustrated by Scale 5.

Scale 5. Capital Hierarchy by Rate of Exploitation



In order to comprehend why these sources of capital rank in this way it is necessary to clarify two things: (1) profit/wage determination in theory: profit and wage stand in inverse proportion to each other. The share of profit increases in the same proportion in which the share of labor falls, and vice versa. Wages are not the share of the worker in the commodities produced by him. They are rather that part of already existing commodities with which the capitalist buys a certain amount of productive

labor power. Wages are the price of a certain commodity, labor power. Wages, therefore, are determined by the same laws that determine the price of every other commodity. The actual price of commodity fluctuation always above and below the cost of production; but the rise and fall reciprocally balance each other. The fluctuation of wages corresponds to the fluctuation in price of commodities in general. But within the limits of these fluctuations the price of labor power will be determined by the cost of production, in this case, by the labor time necessary for production of this commodity: labor power. The cost of reproduction of labor power is the cost required for the maintenance of the laborer as a laborer, and for his education and training as a laborer. Therefore, the shorter the time required for training, up to a particular sort of work, the smaller is the cost of production of the worker, the lower is the price of his labor power, his wage. In those branches of industry in which hardly any period of apprenticeship is necessary and the mere bodily existence of the worker is sufficient, the cost of his production is limited almost exclusively to the commodities necessary for keeping him in working condition. The price of his work will, therefore, be determined by the price of the necessary means of subsistence. The cost of reproduction of simple labor power amounts to the cost of the existence and propagation of the worker. The price of this cost of existence and propagation constitutes wages. The wages thus determined are the minimum wages. This minimum wage, like the determination of the price of commodities in general by cost of production, does not hold good for the single individual, but only for the race. Individual workers, great numbers of them, do not receive enough to be able to exist and to propagate themselves; but the wages of the whole working class adjust themselves, within the limits of their fluctuations,



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to this minimum.

(2) Uneven cost of reproduction on daily and generational bases:

the rate of exploitation is not intrinsic to the source of capital. It depends on the social organization of production in society at large, and on features peculiar to the social formation, the site of production, consumption, and reproduction. We can illustrate this point by attempting to explain why in Israel foreign capital ranks lowest in terms of "rate of exploitation". Unlike the case in most situations, and given the peculiarity of Israel's social formation, wages and profits do not in all cases have to stand in an inverse relation with each other. This is so because Israel consists basically of an imported population and continues to depend heavily on Jewish immigration. Israel is a net importer, not only of capital but also of wage and non-wage labor force, both of very high skill and very low skill, and therefore, the cost of reproduction of labor power in Israeli industrial production is almost invariably exogenous to the system. To be more precise, the exogenousness of the cost of reproduction of labor power applies more directly to European-American Jewish immigrants, who represent the most highly trained proportion of the labor force with sophisticated technical and scientific backgrounds, whose labor power is the most costly to reproduce, as we have argued in Chapter IV.

Capital, therefore, can afford higher wages without altering the wage-profit ratio, without lowering the rates of profit. This is made possible partially by the fact that the capitalist employer of this labor in Israel does not have to include in his cost of production the cost of propagation and training for the reasons indicated above, and can, therefore, afford higher wages and maintain the same or higher rate of profit simultaneously

(higher than the one he could afford if the cost of reproduction were done otherwise).

This explanation is, however, inadequate. It does not take into consideration anything except determinants inherent in the cost of reproduction on a generational basis. It also treats the determinants of the rate of exploitation unilaterally, not in the context of overlapping arrangements in the social formation, the site of production, consumption and reproduction. By overlapping arrangements, we refer to the facts that foreign capital is associated predominantly not only with European-American immigrants, but also with metropolitan habitat, high level of skill, high technology industries distinguished by final levels of production for the export market and, therefore, with minimal "Forward Linkages".

Considering these associations reveals far deeper dynamics and provides for a more adequate explanation. This simultaneous rise in wages and profits is then explainable partially by the resulting increase in productivity, and partially by the following fact: that the basic consumer goods (housing, food, clothing) in urban and metropolitan centers are mainly produced by labor from settlements with lower standards of living, or more precisely, whose labor power is less costly to reproduce. This, in turn, lowers the price of those commodities that determine subsistence cost of urban workers. Consequently, the latter can be kept down at the expense of worker-producers of these subsistence commodities, not at the expense of the high technology producer. This is to say, by means of over-exploitation of workers engaged in the mass consumer goods production, not only the foreign employer of those workers is guaranteed greater realization of profit (the sale of goods under conditions in which all surplus value produced by the worker is actually paid for by their purchasers), but also the

workers of the metropolitan foreign-owned industry indirectly benefits from surplus value created by the workers employed in the production of basic consumer goods. This fact allows for the lowering of the relative rate of exploitation of the Western segment of the proletariat without lowering the actual rate of profit. This is an illustration of how both "labor aristocracy" and super-profit co-exist in the economy at large.

It is following this analytical logic that we have concluded the above ranking; and that we try further to identify who tends to belong to the "labor aristocracy" and who tends to be victimized by super-profit.

Second in this hierarchy comes co-operative (kibbutz and Histadrut) capital. It is increasingly merging with foreign capital; predominant in the kibbutz, veteran towns and moshav shitoufi; associated mainly with the early settlers and their Israeli-born generation, and with heavy industry and skilled labor. Within this cluster of relationships and by the rate of exploitation, this sector ranks as second-highest in the capital hierarchy, as its rate of exploitation is the second-lowest in the country. The fact that the rate of exploitation in the co-operative sector is lower than that of other State and local private capital, yet higher than in employment by foreign capital, can be explained in the following terms:

(a) Because a large portion of the labor force belongs to forms of habitat where subsistence cost is relatively low, owing to their co-operative or communal organization and/or subsidies from the public sector.

This is as far as simple reproduction of labor power is concerned:

(b) Unlike the case in foreign capital-owned industries, the training of this labor force and the generational reproduction of its labor power is predominantly endogenous, not exogenous, to the system.

Third in this hierarchy is State-subsidized local private capital.  
State-subsidized private capital is invested mainly in "developing areas"  
where a national development strategy is undertaken, specifically in New  
Development Towns, in which Oriental-Jews are overrepresented. Light industry for the production of mass consumer goods (textiles, food and construction) are the habitat's industrial specialty, and low skilled/unskilled occupational categories predominate. For the residents of this habitat, the relative rate of exploitation is higher than that in the kibbutz and metropolitan populations, as they produce mainly subsistence commodities. Yet, it is lower than that of the Arab traditional village, because the reproduction of the resident labor power is compensated by the State: this reduces operation cost of all private enterprises as an incentive provision for firms to invest in these areas, hence promote the political objective of "population dispersion".

Two other factors that indirectly reduce the reproduction of cost of the labor power employed in this sector are: (a) the fact that housing in New Development Towns is produced by cheaper Arab labor force and housing is a major determinant of urban wage; and (b) that land which houses this labor force is essentially rural, not urban, land forcefully expropriated from Palestinian citizens: not purchased in market exchange. By the very implementation of this urbanization scheme (N.D.T.), it is then converted into urban land for industrial development, a much cheaper commodity than other urban land.

These two processes provide for investment incentives in the form of lessening operation cost and cost of reproduction. Capital then can afford lower rates under these conditions of exploitation than in the absence

of (a) and (b) invested elsewhere.

In the bottom of the hierarchy, and with the highest rate of exploitation, comes local private capital as employer of Arab labor, be it inside Israel or in territories occupied in the 1967 War. This is true both in industrial and agricultural enterprises that produce basic consumer goods for local market and agricultural vegetable plantations for the European market. This reaps super-profits, especially by employing Arab females. Highest rates of exploitation apply also to the small-scale textile and embroidery factories recently penetrating traditional Arab villages and small towns, appropriating female labor on the very site of reproduction of their labor power, and without altering the cheap basis for the reproduction of male labor power. Arab female workers are then forced to continue to contribute directly to the creation of commodity labor power through domestic labor, while they are directly engaged in the creation of surplus value.

In order to further comprehend how and why Israeli private capital reaps super-profits from Palestinian labor, we have to examine the use of two systems of labor: (a) the commuter labor system: Palestinian-Arab labor (from within or across the Green Line) in Jewish work places is almost invariably commuter labor.<sup>19</sup> This is directly related to locations in the social formation as a whole; to the question of habitat. In the basis of the commuter labor system is the "essential" Jewish/Arab residential segregation of workers in the country. This applies both to citizen and non-citizen Palestinians alike. Habitat segregation is essential in the sense that historically the Jewish Yishuv was formed as a "closed" community; Jewish colonial settlements were obviously for Jews only. New Development Towns were transplanted in the heart of Arab-populated regions on Arab land,

explicitly for population dispersion, not integration. The current settlement schemes in the Galilee the West Bank and Gaza Strip are essentially "Judiazation" programs.

Another rationale of special relevance to the commuting of citizen Arab workers into work places in Jewish settlements, such as Development Towns, is the fact that these settlements are almost invariably built on land that is legally defined as "National Land", restricted by law to an exclusively Jewish use, as documented previously. This, in effect, constitutes a guarantee against the leaking of Jewish philanthropic capital (invested exclusively in Jewish communities) into non-Jewish beneficiaries. Jewish settlements are constructed for the absorption of Jewish immigrants, and the housing of Arab citizens by these projects is "detrimental for absorption", as the Jewish Agency has often explicitly expressed. Moreover, the security of the State has been always the explicit rationale underlying habitat segregation.

Eventually, however, this segregation has asserted its economic significance. Arab villages in the Galilee, the Small Triangle, the West Bank and the Gaza Strip are increasingly playing the role of Bantustans in South Africa; sites for the creation and reproduction of cheap labor power commodity for the Israeli capitalist. This was, a large portion of the reproduction cost falls on the Arab community of residence which in turn is increasingly underdeveloped through expropriation of land for more Judiazation schemes.

Through commuting, value created in the Arab community is transferred into the Jewish sector. The commuters' labor power is exchanged for below the minimum wage. On the basis of low standards of living as determinants

of wage, neither the State nor the public sector invest in Arab community services or subsidize reproduction cost. Jewish citizens enjoy free community infrastructural facilities. Arab citizens pay for even installation costs of infrastructural projects. The Government budget allocation among Jewish versus Arab municipal councils is most indicative of how uneven development in standards of living, reproduction cost, hence wage allocation, is reproduced by differential locations of Arabs and Jews in relation to the State superstructure.<sup>20</sup>

With the commuter labor system on the basis of habitat segregation, it is in the direct interest of Israeli private capital to underdevelop the Arab villages.

Commuter labor can be even more profitable than the typical migratory labor system. As in the former case, capital can rely on the commuters' community for even the daily reproduction of the commuters' labor power. This is especially so in daily commuting systems, as the case with Palestinian labor in Israel. The Israeli capitalists, the buyers of labor power from Palestinian commuter sellers, save not only propagation cost -- the cost of reproduction of the labor force on a generational basis -- but the Israeli capitalist can also rid himself of a large portion of the commuters' daily subsistence cost. Consequently, the Israeli capitalist reaps superprofits. Daily commuting applies even more strictly to Palestinian workers from Gaza and the West Bank.

In conclusion, economically speaking, commuting of Arab labor from communities of lower standards of living into Jewish work places in communities of higher standards of living, and more recently, the commuting of Israeli private capital into these very communities to reach out for female

labor that is not allowed to commute (due to patriarchal subjugation) does subjugate this segment of the working class to the highest relative rates of exploitation. In this sense, this source of capital ranks in the bottom of the employer's hierarchy.

For labor from the occupied territories, daily commuting is compulsory for reducing security risk. But daily commuting from under occupation generates further security risks. To regulate and control commuter labor/mobility labor, the military administration imposes the requirement of a work permit.<sup>21</sup> Palestinian workers can legally commute across the Green Line borders only with a permit from the military administration -- an apparatus of the State of Israel. Israeli employers supposedly purchase these permits so that the State is reimbursed for the cost of occupation. To get themselves reimbursed for the cost of work permits and prevent a decline in the rate of profit, Israeli capitalists resorted to the use of a new system: "smuggled labor".

(b) the smuggled labor system: even greater profits are reaped by Israeli capitalists who employ illegally-smuggled Palestinian labor from the West Bank and Gaza. This is another system of labor made operative in Israel precisely through the collaboration of Palestinian labor contractors (citizens and non-citizens) known as Raíses (recall Chapter III, last section). Earlier in this thesis we have documented the illegal commuting of this labor force, specifically female agricultural cash-croppers, into moshav farms through the Raíses. We also documented the fact that they often stay overnight in rural work places. It is expected that in urban centers smuggled labor is politically more risky, but less exposed than in rural areas. Recent reports, however, have revealed smuggled Palestin-



ian labor is used and often locked into the factory overnight.

According to a letter to the New York Review written by Noam Chomsky on the basis of Israeli and international sources:

"The Israeli press reports the arrest of Arab workers from the occupied territories who were found living in rented apartments without a permit (Maariv, December 15, 1977). Earlier this year, the press reported that thousands of Arab workers from occupied territories are locked into factories at night. This fact allegedly known to the authorities, became public knowledge when the bodies of three dead Arab workers from Gaza were discovered in a locked room after the destruction of a small Tel-Aviv factory by fire. Employees report that workers were locked into the factories because they are not permitted on the streets at night...when work permits have often not been obtained because they are costly to the employer." 22

On April 20, 1977, similar revelations were made when Davar reported the success of the Israeli police in rescuing three Arab workers who were found locked into a Tel-Aviv clothing factory when fire exploded in the factory at 1 A.M.<sup>23</sup>

It is unnecessary to examine the rate of exploitation of this segment of the labor force. The point is to see how it is determined by the location of this labor force in the social formation; their relation to the political/ideological superstructure -- to the type of employer. For example, it is less likely that smuggled labor be employed by State, foreign, or cooperative capital, although their reasons may differ.

### III. Conclusions

It is by virtue of extracting super-profit from one segment of the working class that the ruling class can maintain a labor-aristocracy as a strategic ally. Now we have identified what segments of the working class tend to belong to the labor-aristocracy and what segment tends to pay the

price of maintaining it.

The labor-aristocracy still belongs to the proletariat, however, as a "privileged" faction that indirectly benefits from surplus value created by other members of the proletariat. Labor-aristocracy versus the rest is not the only segmentation in Israel's working class. The working class is segmented on ethnic/national lines into four groupings:

1. European-American immigrants;
2. Early settler Sabras;
3. Oriental-Jews;
4. Palestinian-Arabs.

These groupings constitute, respectively, the hierarchical structure of the working class itself. This internal structure of the working class seems comprehensively and systematically designed to guarantee its self-reproduction.

The internal segmentation of the working class on national/ethnic lines is observable in the spheres of production, consumption, and reproduction. The differential relative rate of exploitation to which the various segments of the working class are subjected is function and indicative of the role each segment plays in these three spheres respectively. The internal structure of the proletariat suggests the possibility of indirect economic exploitation within the working class in the sense that some segments of the proletariat benefit indirectly from surplus value created by other segments of this class. This is a result precisely from the differential locations of the various segments of the Israeli labor force within the five dimensions we identified in the social formation.

There is a five-dimensional hierarchical variation in the economic

structure. These five dimensions are: (1) ethnic composition; (2) spatial form (habitat); (3) industry affiliation; (4) occupational structure; (5) employer (type of capital).

Although vertically differentiated, horizontally they seem to be in correspondence. Western early settlers and new immigrant Jews do indirectly benefit from surplus value created by Asian-African Jewish and Arab workers as cheap producers of subsistence commodities. This indirect exploitation corresponds to "West-East" dichotomy of the sources of labor. Palestinian Arab labor and Oriental-Jewish workers reside in settlements where standards of living are relatively lower. The Oriental and Arab labor force is also overrepresented in light industries of consumer goods and/or primary production (agriculture and mining). This does indirectly reduce the cost of production and reproduction in the finishing and high technology levels of production, where Western settler and new immigrant Jews are overrepresented. The over-exploitation of the former provides the conditions for lowering the rate of exploitation of the latter not at the expense of capital.

Benefitting from these arrangements, Western Jews in Israel, likely to be co-opted by the system and used in perpetuating the status quo, oppose the imposition of proletarian alternative because they do have something to lose. They probably have a stake in the existing arrangements. This is to be taken into consideration in assessing the conjunctural impediments of cross-ethnic/national proletarian alliance.

Oriental Jews who are, like Arabs, overrepresented in the production of basic consumption goods, and unlike the latter, they are engaged neither directly nor indirectly in sharing surplus value created by Arab labor (with the exception of the exploitation of farm labor from the occupied

territories made possible by the political privilege of the former as part of the oppressor nation). In this sense, both Eastern segments of the working class are jointly subjected not only to direct exploitation by the capitalist class, but also to indirect exploitation by the Western segments of the working class (the labor-aristocracy). Therefore, material impediments of proletarian alliance are likely to be less between Palestinian-Arab workers and Oriental-Jewish workers than between the latter and Western-Jewish workers. Similarity in the cultural backgrounds, hence the consumption patterns of the Oriental-Jews and the Palestinian-Arabs are likely to reinforce the commonality of their class interests and, consequently, their political class positions. Proletarian alliance is seen here as an expression of class position and not necessarily class interest dictated by the objective location within the social division of labor and social formation.

The structure of the proletariat is characterized by horizontal integration/vertical differentiation that cuts across various spheres of society. The importance of these horizontal segmentations lies in the generation and reproduction of the vertical differentiations. These are, in turn, most functional for not only political stability, but also and simultaneously productivity of capital through cheaper reproduction of labor power for the dominant capital. This concrete case illustrates the instrumentality of uneven development for growth under capitalist relations of production.

We must recall again that Israel's social formation is a pre-planned one. That these arrangements that we have identified and expressed on Chart I are not accidental, but rather the by-product of a very deliberate planning effort, carried out mainly by the Yishuv institutions of the State and the State itself for specific economic/political objectives. Initially,

(as argued earlier in this thesis), these objectives were the formation and reproduction of Jewish social classes, as a material base for a bourgeois Jewish State. Then the State itself was to carry on this task through the essential internationalization of capital. As the State has a specific role in the process of extended reproduction of social classes, it intervenes, on the one hand, "in the training and subjection of agents to render them suitable for occupying these places, and, on the other, in the distribution of agents among these places". Does not this explain Chart I?

We must not forget the anarchistic nature of capitalist development. How the essential competitiveness of capitalism constantly generates contradictions that may alter all pre-planned arrangements, even the conditions that were necessary for initiating the very process of its accumulation. This is entering a deeper level of analysis, the subject of the following chapter: the relation between planning in class society and class struggle!

Chapter VI: Footnotes

1. Manpower in Israel/1964 - Annual Report, State of Israel, Ministry of Labor, Manpower Planning Authority, Jerusalem, August, 1964, p. 77.
2. Israel Monthly Bulletin of Statistics, Supplement 26, July-December, 1975, pp. 48-50.
3. Spatial organization of the country during the Yishuv period seems to be nothing but an expression of the struggle between big Jewish capital and petty Jewish capital of the pioneering settlers themselves, between the private sector dominating the urban sphere and the co-operative sector dominating the rural sphere. It is a struggle for domination between primitive accumulation of petty capital and that of modern accumulation.

"The co-operative and collective settlements developed under the auspices of the Histadrut, created central co-operative for marketing (tnuva) and supplies (hamashbir) with 'direct links' between the central moshavim or kibbutzim to the three major cities with almost complete elimination of the intermediate stage of small- and medium-sized urban centers."

In Israel, the central-place movement won over the opposition of the rural petty bourgeoisie. The central-place hierarchical model of spatial organization was, according to Brutzkus, advocated by big capital and physical planners already in the Yishuv but defeated by the opposition of the kibbutz and co-operative movements that insisted on strict separation between rural/urban sectors and on rejecting any integration through mediating settlements.

When the State was established, reconciling this conflict between the urban and rural factions of the ruling class became possible, being by definition the central role of the bourgeois State. The implementation of the central-place spatial model resulted from the State intervention on behalf of the urban bourgeoisie and in the form of a national urban growth strategy (the New Development Towns) rationalized by the objective of population dispersion for the security of the State. Later, in the form of regional plans based on central-place theory, the best example of which is the internationally-known (and exported) Lachish Regional Plan. These central-place-oriented forms being inserted into the former rural-urban spatial dichotomy shaped the hierarchical character of the spatial form of the country. That this spatial organization is the function of the social organization of production can be concluded also from the functioning of this hierarchical structure in the reproduction of the dominant capital.

On the advocacy of hierarchical models, see Eliezer Brutzkus, Regional Policy in Israel, op.cit., p. 18. We must keep in mind that Israel is the only developing country in the world that applied urban capitalist

spatial models in its rural regional planning policy. The advocacy of these models, particularly that of Christaller's, negate the argument maintaining that the Yishuv community was an egalitarian system and it is only with the establishment of the State that capitalist transformation of the relations of production occurred.

4. The relevance of this question can be challenged by the increasing tendency of Israeli-Jewish farmers to move off the land except for those who succeed to transform its form from petty commodity form to a capitalist enterprise.
5. According to the Israel Yearbook, 197?, p. 220. The grand total of the fund raised by Keren Hayesod for the United Israel Appeal reached \$143,000,000 in the 1920-1948 period and \$2,228,000,000 during 1948-1972.
6. V.D. Segre, Israel: A Society in Transition, Oxford University Press, London, 1971, p. 190.
7. Ibid., p. 191.
8. Esco Foundation for Palestine - on self-definition of the Histadrut.
9. Economic Review, 1958, No. 25, p. 3 (quoted by G. Nikitina, The State of Israel, Moscow), p. 247.
10. M. Plunkett, "The Histadrut - The General Federation of Jewish Labour in Israel," Industrial and Labour Relations Review, 1958, pp. 161-162.  
  
As in capitalist enterprises, the workers take no part in management of Histadrut's enterprises, have no share and take no part in the distribution of profit. Alex Rubner writes that in the large corporations run by the Histadrut the manager's "power to rule is more absolute, ruthless, unchallenged and continuous than that of heads of private enterprises in Israel, or for that matter, elsewhere."  
  
Economic Annual, 1961/1962, Jerusalem, 1962, p. 203 (from Nikitina, op.cit., p. 247).
11. Eliezer Brutzkus, Regional Policy in Israel, Ministry of the Interior, Jerusalem, 1970, p. 8.
12. Economist Intelligence Unit, Quarterly Economic Review, Israel, 1975? p. 9.
13. J. Levav, "The Industry of Labour Economy," Israel Economic Forum, 1957, No. 1/2, pp. 50-51 (from Nikitina, op.cit., p. 248).
14. G. Nikitina, op.cit., p. 248.
15. Ibid., p. 245.

16. Brutzkus, op.cit., p. 8.
17. Estimated from information in Aviation Week & Space Technology, op.cit.
18. Karl Marx, Wage-labor and Capital.
19. With the exception of Arab workers who immigrated to the few mixed towns like Haifa.
20. For documentation see, for example, the Geraisy Report of 1972, Ministry of Interior, Israel.

It is important to notice the inseparability of the Raise institution from that of the work permit institution. Both co-existed also in an earlier stage when the Arabs in Israel were still subjugated to military administration while the demand for their labor power was growing. Then the imperative of work permits emerged to regulate the use of this labor force and so did the Raise phenomenon.

21. Documented by Sabri Jiryis, The Arabs in Israel, 1976.
22. Noam Chomsky, New York Review, March 17, 1977. Based on Yediot Ahronot, March 16, 1976; Haaritz, March 19, 1976; London Economist, March 20, 1976.
23. Reportedly from Al-Itihad, April 22, 1977.



CHAPTER VII

TRANSFORMATION OF THE SETTLER-COLONIAL FORMATION:

NEW FORCES OF ARAB AND JEWISH PROLETARIANIZATION

## I. Introduction

The objective of this chapter is to illustrate transformations in the social formation that are likely to further the proletarianization process not only among Palestinian-Arabs but also among Israeli-Jews. These are also transformations that are likely to alter early planned arrangements and features of the social formation that we identified in the previous chapter. They are, therefore, expected to offset the effects of segmentation of the working class on the material conditions of proletarian alliances. Specifically, this analysis focuses on the following processes:

A. Concentration of Israeli private capital as manifested in the shift from small-scale to large-scale production. This includes also the sweeping capitalist transformation of petty commodity forms of production.

B. Transformations in the rural sector:

- (a) the kibbutz economy;
- (b) the non-agricultural moshav;
- (c) Israeli private and kibbutz capital, including Arab villages:  
the industrialization of the Palestinian-Arab community;
- (d) from mechanized to high technology agriculture.

C. Secularization of the relations of production:

- (a) secularization of land;
- (b) Jewish class struggle;
- (c) re-establishing the abnormalities of Diaspora;
- (e) secularization of the Jewish State;
- (f) better material conditions for cross-national proletarian alliances.

These processes represent the structural forceful tendencies underlying

demand for Arab labor in the present phase. They also suggest further proletarianization in the long-run. They express the urge for a more direct and permanent integration of the Palestinian labor force into the Israeli-Jewish economy.

We try to demonstrate how these processes are the outcome of the essential internationalization of capital which necessarily distorts the basic character of the settler-colonial formation; being only a transitional formation.

## II. Concentration of Production

### A. Theoretical Background

It refers to the increase in quantity of capital under one's control; this, in turn, makes possible an enlarged scale of production and is necessarily the result of accumulation. Concentration of production in ever-larger enterprises represents one of the most characteristic features of capitalism. It is precisely the result of its own opposite feature (also essential to capitalism), competition. Concentration of production is much more intense than the concentration of workers, since labor in the large enterprises is much more productive.<sup>1</sup> This is another way of referring to the ratio of dead to live labor, or of constant to variable capital -- to the organic composition of capital.

In general, the greater the organic composition of capital in an industrial branch, the greater is the concentration of capital, and conversely, the smaller the organic composition of capital, the smaller is the concentration of capital. Why? "Because the smaller the organic composition of capital the less capital is required at the beginning in order to enter

this branch and establish a new venture. It is far easier to put together the million or two million dollars necessary for building a new textile plant than to assemble the hundreds of millions needed to set up even a relatively small steel work."<sup>2</sup>

The organic composition of capital is determined by unsuccessive accumulation of surplus value. Accumulated surplus value is that entire part of surplus value which is not unproductively consumed, and which is transformed into supplementary constant capital (more quantity of raw materials, machines, etc.), or into supplementary variable capital (means for hiring more workers), Furthermore, in the ratio between constant capital and variable capital which is the organic composition of capital,  $\frac{c}{v}$ , c tends to increase; and the process of growth in the organic composition of capital represents succession of capitalization processes.

The organic composition of capital increases antagonistically by way of competitive struggle governed by the law of "the big fish eats the little". The competitive struggle is, therefore, accompanied by a continuous concentration of capital, by the displacement of a large number of businessmen by a smaller number and by the transformation of certain number of independent business people into technicians, managers, foremen, and even simple subordinate office personnel and workers. As put by Marx, "capital grows in one place to a huge mass in a single hand because it has in another place been lost by many."<sup>3</sup>

The concentration of capital is a permanent law of capitalist society and is accompanied by the proletarianization of a part of the bourgeois class, the expropriation of a certain number of the bourgeoisie by a smaller number of the bourgeoisie. This seems an aspect of what is happening in

Israel today. To be more specific, concentration of capital in Israel today signifies not only the expropriation of small bourgeoisie by bigger bourgeoisie, but also the expropriation of petty Jewish capitalists by Jewish and foreign capitalists. Two processes are taking place simultaneously: the transformation of some petty industrial production (workshops) into capitalist production (factories) and the replacement of many smaller factories by few larger factories, specifically foreign subsidiaries.

This theoretical introduction focuses our attention on the possible relation between the concentration and proletarianization processes.

#### B. Concrete Illustrations

Viewed historically in Israel, petty capital seems to have paved the road for productive capital. Kibbutz and co-operative capital are now paving the road for the penetration of foreign capital and, in many cases, are merging with it. How petty Jewish capital paved the road for factory production and the emergence of local industrial capital is similar to the concentration processes of the present phase, but on a narrower scale and slower pace. This is not to imply that all local industrial capital have emerged from local petty capital. Another source of local private capital is the "naturalization" of foreign private capital through Jewish immigration. Many Jewish immigrants came with small productive capital and established small factories.

Historically, the petty commodity form and low-capacity, small-scale production predominated in the pre-1967 War period. Most factories were small, semi-primitive enterprises employing from 1 to 49 workers. According to 1963/1964 statistics, these comprised 94.2 percent of all factories and employed 52.8 percent of the industrial workers. This should not be

Concentration for higher productivity, for economies of scale and as the inevitable consequence of the essential capitalist competition. This process was further stimulated by the requirements of military industrialization for the international market.

With this military industrialization, the Great Transformation in Israel's economy begins, a turning point in the development of Israel's social formation.

In light of dynamics in this larger context, including the crisis of Aliyah, of Jewish labor supply (Chapter IV), that concentration, its causes and implications, can be comprehended.

Concentration of production is illustrated here by comparing the 1963 structure of industry (Table S) with that of 1972/1973 (Table SS). The comparison of the two tables indicates that total number of industrial establishments has decreased from 10,430 in 1963 to 6,600 in 1972/1973 (a decline of 37 percent), while the number of workers engaged in industrial production increased from 166.5 thousands in 1963 to 234 thousands in 1972/1973 (29 percent increase).

(a) The food industry:

In the food, tobacco and beverage industry, for example, the number of establishments decreased during the same period from 1,199 to 785, while the number of persons employed increased from 248,001 to 338,000. This is the leading industry in terms of both its share in the gross output as well as its share of total revenue and labor force.

(b) The textile industry:

Similarly, the number of establishments in the textile industry has declined by 40 percent, from 203 to 422, with slight increase in the number of workers.

Table S. Structure of Industry in 1963.

	Number of Factories	%	Number of Workers	%	Average Number of Workers	Gross Output I£	%
Total	10,430	100.0	166.5	100.0	15.9	4,188	100.0
Mining and Quarrying	92	0.9	3.7	2.2	40	104	2.5
Food (including Tobacco and Beverages)	1,199	11.6	24.8	14.9	20.6	995	23.8
Textiles	703	6.7	21.9	13.2	31.1	460	11.0
Clothing	779	7.4	6.9	4.1	7.5	119	2.8
Woodworking and Furniture	1,507	14.5	11.9	7.1	7.9	258	6.1
Paper and Paper Products	149	1.4	3.1	1.8	20	101	2.4
Printing and Publishing	521	5.0	7.5	4.5	9.2	119	2.8
Leather	568	5.4	3.5	2.1	4.4	64	1.5
Rubber and Plastic Products	188	1.8	5.2	3.2	27	143	3.4
Chemical and Petro- leum Products	251	2.5	7.8	4.7	51	249	6.0
Non-metallic Minerals	472	4.5	10.6	6.3	22	288	6.9
Diamond Industry	351	3.3	7.6	4.5	22	214	5.1
Basic Metals	103	1.0	4.0	2.4	39	} 550	13.1
Metal Products	1,115	10.7	12.0	7.2	11		
Machinery	604	5.7	7.3	4.3	12		
Electrical Equipment	340	3.2	7.7	4.6	22.7	171	4.1
Transport Equipment	1,112	10.6	17.7	10.6	16	306	7.3
Miscellaneous Manufacturing	376	3.7	3.3	2.3	9	48	1.2

Source: Galina Nikitina, The State of Israel,  
p. 243.

Table SS. Structure of Industry in 1972/73 (establishments engaging 5 or more persons).

	Number of establishments	'000 persons engaged	Gross output I£ mn	Percentage share of total revenue
Mining and Quarrying	61	4.2	397	2.4
Food, Beverages and Tobacco	785	33.8	3,373	20.1
Textiles	422	24.0	1,486	8.9
Clothing	855	22.7	914	5.4
Wood and Furniture	641	10.0	644	3.8
Paper and Products	115	4.8	423	2.5
Printing and Publishing	458	8.4	439	2.6
Leather and Products	225	3.1	158	0.9
Rubber and Plastics	229	9.3	720	4.3
Chemicals and Oil Products	182	10.3	1,138	6.3
Non-metallic Minerals	302	9.9	780	4.7
Diamond Industry	440	8.0	810	4.8
Basic Metals	73	5.5	541	3.2
Metal Products	1,030	26.5	1,665	9.9
Machinery	225	10.3	722	4.3
Electrical and Electronic Equipment	247	20.1	1,317	7.9
Transport Equipment	120	18.9	1,048	6.3
Miscellaneous Manufacturing	190	4.0	207	1.2
TOTAL	6,600	234.0	16,782	100.0

Source: Statistical Abstract of Israel No. 26, 1975, in Quarterly Economic Review, 1976.



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.

(c) The electrical industry:

In the electrical equipment industry (which in 1972/1973 included also electronics), the number of establishments decreased by 27 percent (from 340 to 247), while the number of employees increased by 161 percent (from 7,700 to 20,100). This industry, which is related directly to arms production, shows more concentration of workers. This is important, as in high technology production the human capital "engineering" component is the most intensive input.

(d) The metal industry:

The metal industry requires high-skill technical labor categories and is directly related to the arms industry; therefore, it is both a politically and economically strategic industry, and although it requires physical strength, it employs Jewish, not Arab, labor, unlike the case in other hard work; construction, for example. Though small in scale, metal establishments are capital-intensive, with high productivity and greater organic composition of capital than large-scale mass consumer goods production factories such as textile and food production, where cheaper Arab and Oriental-Jewish labor is absorbed, and it is cheaper to add more of it than to add machines. It is also consistent that metal production is owned by cooperative (Histadrut and kibbutz capital) and possibly State capital and/or State-compensated foreign capital.

In metal products industry, the number of establishments increased only slightly (1,015-1,030), while the number of workers more than doubled (12,000-26,500). By 1972/1973, in terms of its gross outputs and number of workers, the metal products industry was the second largest in the country (second to food, beverages and tobacco branch). It is, however,

the very leading industry as far as number of establishments; the average size of a metal products factory grew from 10 workers in 1963 to 25 workers in 1972/1973. It has probably increased further in more recent years, despite the post-1973 crisis.

The Economic Quarterly - Israel reports: "a very rapid growth since the wars in 1967 and 1973 in metal-using industries and electronics, especially in the field of military equipment."<sup>6</sup> The growth in the workers/establishment ratio probably signifies not a pure concentration tendency but also capitalist transformation of the petty commodity form. This is unlike the change from 38 to 75 workers in the average size of basic metals.<sup>7</sup> This latter signifies mere concentration. In the former, we are speaking about finished level of production; essentially a high-skill craft work, more characteristic of the workshop, as compared to the factory labor process. It has probably been transformed into mass production in response to increased demand on the international market, as in the case of the kibbutz helmet industry, mentioned earlier in this thesis. The fact that despite some concentration it is still a relatively small-scale production is perhaps related to being traditionally the specialty of the kibbutz.

The development of metal finish-products industry in the kibbutz goes back to the Yishuv phase,<sup>8</sup> specializing then in rifles, however, for merely national consumption. It is only recently that it has become a major export industry.

Other traditional industries which produce luxury consumer goods for export show a different pattern of transformation.

(e) The diamond industry:

In the diamond industry (known in the past as Israel's main export

industry). We notice a considerable increase (25 percent) in the number of establishments compared with only 5 percent in the size of the labor force. The average size of the establishment declined from 22 workers in 1963 to 18 workers in 1972/1973. The latter is most likely the result of productivity hence concentration of capital, not workers -- capital deepening.

(f) The clothing industry:

A different pattern of transformation seems to occur in clothing, another major traditional industry in Israel. Here, also, we notice expansion of 9 percent in the number of establishments; however, of 229 percent in the number of workers. The average size of the establishment increased from 9 to 27 workers. This is probably indicative more of a capitalist transformation of the petty commodity form than of concentration per se. Expansion in this industry after 1967 has probably been stimulated by the Israeli popularization of traditional Palestinian embroidery (as Tozeret-Ha'aretz) in the international market, and the abundance of skilled and cheap Palestinian female labor to produce it. Israeli-Jewish owned embroidery establishments (with workshop appearance and factory essence) are increasing transplanted in the Arab area inside and across the Green Line. This is converting a Palestinian craft into mass production. This transformation applies also to the traditional Israeli clothing craft. This may be a way for this traditional Jewish industry to survive the increasing competition of other industries and the resulting concentration.

The increase in the number of establishments in the clothing and diamond industries, the two traditional Jewish industries also in Diaspora, may be taken to signify something else: the possibility that after the Six-Day War, some Westernized Jewish petty bourgeoisie immigrated to Israel,

transferring with them their small diamond/clothing business, where the likelihood to transform them into productive capital through state or public subsidies is greater. In that case, much of the original Israeli clothing industry controlled by early settlers can maintain its competitive position on the international market without conversion into large-scale mass production. As the products of this industry of the early pioneer settlers may still have symbolic value among Diaspora Jewry as a guarantee for profit realization.

The majority of the examples above (except for metal products) are industries that belong predominantly to the local private sector. This concentration process applies to all sources of capital.

(g) The regionalization of kibbutz industry:

According to Yediot Aharonot, April 13, 1977, "Regional Factories" of all the kibbutzim which are composed of ten groups with 165 subsidiary factories, and employing 5,000 workers, among whom only 1,000 are members of the kibbutzim, have recently emerged. This is one indicator of concentration of the kibbutz capital, probably in response to the penetration of foreign monopolies and their merger with the comprador and even public (mainly Histadrut) capital.

(h) High technology military industry:

In the sphere of high technology military production for export foreign capital or joint ventures of foreign and State or public capital are invested in large-scale production. In these industries a more complex form of transformation is occurring, centralization.

Centralization, known also as "combined production", can be defined as "the grouping in a single enterprise of different branches of industry,

which either represent the consecutive stages in the working up of raw materials...or are auxiliary to one another."<sup>9</sup> This can be best exemplified by the avionic industry containing also its auxiliary textile factories, as already documented in Chapter IV.

To sum, in this presentation we have identified seven patterns of transformation currently taking place in Israel's industry. These are:

(1) Capitalist transformation of petty commodity forms of production exemplified by the clothing industry.

(2) A dual process of capitalist transformation and concentration (metal products).

(3) Concentration of workers (textiles and food-processing industries).

(4) Concentration of capital, not workers -- capital deepening (diamond industry).

(5) Concentration of human capital of high technology know-how (the electronics industry). This is a new and most sophisticated form of concentration of production.

(6) A kind of conglomeration exemplified by the combination or regionalization of kibbutz industry and contracting work with dependent subsidiary-like plants located in Arab villages.

(7) Centralization or combined production in the sector dominated by foreign monopoly capital (avionics).

For linking the previous chapter with the present analysis, notice the high concentration of workers (not capital) in the textile and food processing industries. Workers in these industries are predominantly Oriental-Jews, Palestinian Arabs, and overwhelmingly females. It seems cheaper for the owners of these industries to add more workers than more machines

for higher productivity.

Contrasted with this is the diamonds industry, where only Jewish workers, predominantly Western and early settlers, are employed. It seems cheaper to introduce technological innovation and expel (lay off) labor. This is only an observation that can reinforce our earlier conclusion regarding the differential rates of exploitation affiliated with different sources of capital, industries, ethnic groups, and their reproduction sites.

A more relevant point to the objective of the proceeding chapter is that these transformations seem, by and large, to intensify the proletarianization process; the number of industrial wage workers is growing, not decreasing; the size of the working class is expanding, not shrinking. One can infer from these processes that these transformations are increasingly proletarianizing not only Arabs but also Jews. This inference is especially valid in light of capitalist transformation of the pre-commodity forms of production previously prevailing in Israel. This analysis therefore reveals findings that are complementary to those in Chapter V.

We must keep in mind that this presentation is based mainly on pre-1973 statistics and reflects features of the economic boom. It does not reflect the effects of the post-1973 economic crisis. More recent transformations in other aspects of Israel are following and may reveal some of those effects.

A final point is to recall that these transformations that are taking place in Israel today are very similar to the ones that were taking place in Diaspora and eventually gave birth to proletarian Zionism, the theoretical-ideological basis of this social formation.

### III. Transformations in Rural Israel

Rural Israel is historically the planned sector of the economy, since the Yishuv planning applied only to the Jewish part. Jewish rural Israel is often referred to as the stronghold of Labor-Zionism and as a residual of the socialist Yishuv community.

Earlier in this thesis we tried to argue that it was, in fact, the non-capitalist sector of the Jewish economy based on the petty commodity form of production (the moshav) and primitive capitalist accumulation (the kibbutz). The latter is viewed not in light of the internal structure of the kibbutz community, but rather from its place in the social formation and the indispensable historical role it played in the development of Jewish capitalism, specifically the "closed" Jewish capitalist economy of the Yishuv. We argue that it played the equivalent role of the "traditional" (pre-capitalist) sector in the development of capitalism elsewhere in the world.

These pre-capitalist forms of production are now being swept away by the advancement of capitalist development in Israel. Most prominent in this process are the following features:

- (a) Transformation in the economy of the kibbutz.
- (b) The introduction of utopian settlement with high technology production: the case of the non-agricultural moshav.
- (c) The industrialization of the Palestinian-Arab community.
- (d) The transformation of land.



#### 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.<sup>10</sup> 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

into a collective management and/or bourgeoisie. This transformation, however, is likely to promote proletarianization among both Arabs and non-kibbutznik Jews who are now to replace the members of the kibbutzim who are ceasing to be non-capitalist productive manual/mental laborers and are becoming unproductive capitalists.

Another significant development in the political economy of the kibbutz is the recent decision by the Kibbutz Organization of Industry, with the approval of the Histadrut, to subcontract the work "which is not appropriate to the character of the kibbutz" to special factories, which are to be situated in the Arab villages of Israel. This development is expected to increase the localized proletarianization of citizen Palestinians in a direct way.

These two developments in the political economy of the kibbutz have special bearing on our analysis:

First, they signify an explicit legitimization of the kibbutz as essentially an employer, contrary to its known image as a self-labor-based unit of production.

Second, through the Regional Factory being located external to the social boundaries of any single kibbutz, and through subcontracting to factories located in Arab villages, the kibbutz community rids itself of the visibility of the social, political and ideological contradictions involved in the use of hired labor, specifically Arab. Removing hired labor from the kibbutz dining room has also an economic dimension. The development of Regional Factories rids the individual kibbutz of the daily cost of feeding its hired labor force, which can otherwise be (at least morally) unavoidable, given the employer's communal form of subsistence. The subcontracting of work to fac-

tories placed in Arab villages is even more effective; it transfers the entire subsistence cost of the hired labor to the Arab village.

To point out the relevance of the above to our central analysis is to argue that the externalization of the problem of hired labor removes socio-ideological and economic constraints, hence the encouragement of the kibbutz capital to hire more and more labor. This, in effect, may imply furthering the proletarianization process, specifically among citizen Palestinians. The latter is emphasized in light of the urge to maintain higher rates of profit in the face of the persisting economic crisis. This is probably why subcontracting, which originally developed as a form of inter-kibbutz cooperation, is now being applied to factories in Arab villages. In this case, it is the subcontracting of work "which is not appropriate to the character of the kibbutz." We interpret the latter as being work which involves the extraction of a higher rate of surplus-value and industries that generate mainly unskilled labor categories, such as plastic products and food processing.

Moreover, we tend to think that both of these recent developments in the kibbutz are linked to the militarization of the kibbutz economy, specifically the introduction of high technology and arms-related metal industries. This is to say, the integration of the kibbutz economy into the country's leading export sector. The regionalization of the kibbutz industrial production seems more directly related to efficiency measures and infrastructural complexity as prerequisites for high technology industry. The Regional Factories of all the kibbutzim located on "national land" not in Arab villages are most likely to employ non-kibbutznic Jewish labor force. The profitability imperative underlying the emphasis on non-kibbutznic labor, and the security

imperative underlying the emphasis on Jewish, or at least non-Arab, labor force.

It is in the latter sense that subcontracting to factories located in Arab villages seems related (although indirectly) to the militarization of the kibbutz industry; it helps avoid the exposure of military production to Palestinian-Arabs, because through subcontracting, Arab labor stops commuting into the kibbutz and continues to productively labor for the kibbutz capital in the Arab village itself. The transfer of the traditional industries of the kibbutz into Arab villages does, in effect, release the kibbutznic labor force for managing the new and more strategic industry. Traditional kibbutz industries, which are mainly related to agricultural produce and generate only unskilled, low-paid labor categories, can no longer attract Israeli-Jewish labor. Maybe in this sense such work is "not appropriate to the character of the kibbutz" and is therefore subcontracted to factories in Arab villages.

In this sense, appropriate to the character of the kibbutz is only work that has potential to attract Jewish labor. Of course, neither agriculture nor agricultural produce has such potential. Only skilled labor in strategic, i.e., military, industries is likely to redirect Jewish labor mobility from services into industries. Military production is thus most promising as far as the hiring of Jewish labor, which conforms with the principle of self-labor, the ideological basis of the kibbutz, that gives it its peculiar socialist-Zionist character. Without the subcontracting of unskilled industrial work to factories situated in Arab villages, massive penetration of Arab labor into the kibbutz would result, as has been happening on a wide scale since 1967. This way, the kibbutz violates not only its principle of

self-labor, its original interpretation of labor-Zionism, but also the principle of Hebrew work by hiring non-Jews. This is to say, the hiring of Arab labor in the kibbutz does entirely distort the socialist-Zionist character of the kibbutz. Subcontracting, which reduces merely the visibility of this distortion, is therefore a form of remedy to restore the kibbutz potential to serve the Aliyah objective. This, indeed, exposes the essentially exclusivist character of the kibbutz as a socialist-Zionist institution, let alone the mythology of its socialism. To be more precise, subcontracting to factories in Arab villages represents an adaptation to accommodate the troublesome conflict between its ideologically and politically-based exclusivism, on the one hand, and the urge for profit, for hiring the cheaper Arab labor, on the other. Notice, however, the predominance of the economic instance over the ideological and political ones in this phase of the kibbutz development, as a micro-cosmic picture of what is happening in the Israeli social formation as a whole.

The development of the Regional Factories of all the kibbutzim and the subcontracting to factories situated in Arab villages is consistent with the current conflict between the economic instance and the political/ideological instances. Furthermore, it simultaneously represents the institutionalization of the violation of the two-fold principle of self-labor/Hebrew-work, through the use of hired labor in the Regional Factories, and the hiring of Arab labor by means of subcontracting, on the one hand, and the masking of these two-fold violations by externalizing the contradictions, pretending no distortion in its socialist-Zionist character, on the other.

Since its very inception, the kibbutz as a configuration of labor-Zionism has had to constantly and innovatively cope with its internal contradic-

tion, inherent in the combination of opposites of: socialist appearance and capitalist essence. In retrospect, the kibbutz in its concrete form and real experience refutes the essential unity of Zionism and socialism claimed by Borochoy, the founding father of Labor-Zionism. It highlights the essential antagonism between socialism as a proletariat alternative, and Zionism, being ultimately a bourgeois alternative.

This is different from arguing about the kibbutz' internal contradictions as being a function of incongruities between its intrinsically socialist character and the essentially capitalist environment into which it was transplanted. The latter argument is misleading; it is historically inaccurate, in the sense of misinterpreting the actual role of the kibbutz in the creation of a settler-colonial social formation, and precisely in the formation of Jewish social classes -- using Borochoy's term -- in the "normalization" of the Jewish society of Diaspora, which consisted of a "one-people class", as Abram Leon documents.

This is different, also, from arguing that the contradictions facing the kibbutz today are the result of inconsistencies between the theory and practice of socialist Zionism, or the effects of Statehood, which has centralized the Jewish socio-economic existence in Palestine, resulting finally in the current bankruptcy of the kibbutz. The kibbutz, we emphasize again, must be viewed in the proper historical context, in terms of its role in the creation of a Jewish social formation in Palestine and not in isolation from the latter. In this sense, the kibbutz community, which formed the core of the Jewish petty bourgeoisie in Palestine, played a major role in the development of a Jewish social formation and, currently, in the formation of Jewish proletariat and bourgeoisie; this is to say, in furthering

the essentially uneven development of capitalism in Palestine.

Transformations in the class nature of the kibbutz community can occur only in the embourgeoisment direction: kibbutznics becoming a faction of the bourgeoisie, representing more the national and less the comprador Israeli bourgeoisie.

It is a well known claim that, owing to its essentially labor-Zionist ideological base, the kibbutz possesses an immunity against embourgeoisment; transformation into the bourgeoisie itself. However, the contrary is evident in retrospect, the kibbutznic labor force seems immuned precisely against proletarianization. It is by virtue of their equal share in the collective ownership or possession of the means of production and consumption that the latter type of immunity prevails. Once the principle of self-labor is translated into Hebrew work, hired labor is legitimized and the kibbutz is transformed into a bourgeois collective. This is to say, eventually it becomes a collective capitalist enterprise.

Since its very inception, the kibbutz has had to cope with this paradox of hiring labor without an embourgeoisment effect. In kibbutz Hazore'a, for example, one of the early industrialized kibbutzim, an interesting resolution was concluded: to use hired labor in construction, arguing that in the kibbutz, housing is not a commodity; therefore, construction labor does not involve creation of surplus-value. It can, however, replace the kibbutznics, whose labor can then be more fully devoted to industrial production not for direct consumption.<sup>11</sup>

It is important to remember that such ingenious adaptation was possible only earlier, when the kibbutznics were still proficient in Marxism and when the ideological-political instances still predominated the economic.

More importantly is to point out that the hiring of labor in the case above was not yet to free kibbutznic labor force for capitalist commodity production, but only in pre-capitalist small-scale commodity production as a self-employed petty bourgeoisie not in the creation of surplus-value. Kibbutz members are, by definition, incapable of performing capitalist productive labor. They can either labor productively in the context of pre-capitalist relations of production, or be unproductive capitalists. This point leads us into the imperative of hired labor in the extended self-reproduction of kibbutz capital.

We argue that as an integral part of the essentially capitalist settler-colonial social formation in Palestine, the kibbutz, specifically for its extended self-reproduction must hire non-kibbutznic capitalist productive labor. It is so because kibbutz members cannot labor as wage-workers in their own kibbutz, given the nature of their relation to the collective means of production. The kibbutznic labor force can increase the surplus-product but not create surplus-value. This is another way of pointing out the inconceivability of proletarianization of kibbutznics as long as they are kibbutz members; this membership does, by definition, give them access to the means of production, and prevent their alienation from the latter. It is in this sense that the kibbutz as the institutional configuration of left-wing socialist-Zionism have played a crucial role in extending the prevalence of the petty bourgeoisie in Israel, and in the formation of its principal capitalist classes; providing for reproduction of capitalist relations.

Many people view the current transformation in the political economy of the kibbutz, specifically the use of hired labor on a massive scale, subcontracting and the regionalization of its industrial production, etc., as



a capitalist transformation of an essentially socialist relations of production. This is also misleading; since the kibbutz cannot be said to offer a socialist alternative when its main role and reason for existence as a configuration of labor-Zionism is precisely to create a Jewish class society. A socialist alternative is one which promotes the emergence of a classless society. The current change in the economy of the kibbutz represents rather a capitalist transformation of pre-capitalist relations of production. The capitalist mode of production is predominating the petty bourgeois small-scale commodity mode, a shift from primitive into modern accumulation.

A closer look at the dynamics of social change currently occurring in the kibbutz reveals a greater complexity with regard to objective class locations of different kibbutz communities and sometimes of different segments of the labor force in the individual kibbutz; this is especially true in the cases of merger with other sources of capital. For example, the kibbutznic labor force increasingly combining management and economic ownership positions in the social division of labor within the kibbutz production process. The kibbutz, in other words, is becoming simultaneously a self-employed collective management and an employer. Management is itself an essentially capitalist labor category, but self-employed management, whose labor is exchanged neither against capital nor against revenue, is external to the realm of capitalist relations of production. The comprehension of such reality does, indeed, call for Olin Wright's conceptualization of the objectively contradictory class locations. (Recall debate in Chapter I.)

Equally complex is the determination of the objective class-location of kibbutznics who are laboring productively or unproductively in another kibbutz or even non-kibbutznic capitalist enterprise: a phenomenon that is

increasing in recent years, owing to labor shortages (as kibbutznics constitute the core of Israel's defense army), as well as to the tendency of kibbutz capital to concentrate for economies of scale and other considerations.

Kibbutznics as wage earners outside their own kibbutz represent a very complex phenomenon. Simultaneously, they form a part of the bourgeoisie/petty bourgeoisie as members in their kibbutz and perhaps part of the proletariat outside its boundaries. Their situation presents a challenge to the accepted criteria of class determination. The apparent ambiguity in their class-location may simulate what Olin Wright refers to as "contradictory location between the petty bourgeoisie and proletariat in the process of the proletarianization of the petty bourgeoisie." If so, it refutes our argument regarding the immunity against proletarianization implied in kibbutz membership. Otherwise, it raises questions regarding the ceasing of the kibbutz to be; that is, regarding the withering-away of the kibbutz essence and the remaining of its mere appearance.

The latter is not a question to remain in the realm of theoretical debate. In reality, specifically following the 1967 War, employment of kibbutz labor by another kibbutz has been widely practiced in the context of two modes of inter-kibbutz cooperation:

- (1) cooperation based on manpower and capital investment;
- (2) inter-kibbutz cooperation based on manpower alone.

Both forms of inter-kibbutz manpower-based cooperation are to be viewed as the result of the increased industrialization of the kibbutz, and/or the concentration of kibbutz industrial capital in the post-1967 period.

A concrete example of the first type of cooperation is the Hazore'a wood industry in kibbutz Hazore'a. It started in partnership with a private

entrepreneur and hired labor. In recent years, kibbutz Hazore'a decided to set up an inter-kibbutz partnership with the neighboring kibbutz Giva'at-Oz. Kibbutz Hazore'a holds two-thirds of the investment capital and manpower, while kibbutz Giva'at-Oz has one-third of each. Profits are divided in the same proportion, two-thirds to Hazore'a, and one-third to Giva'at-Oz.<sup>12</sup>

Another example is Arad plant in kibbutz Dalia going into partnership with kibbutz Ramot Menashe, both in manpower and capital investment. Some of the latter's members travel daily to work in the plant in kibbutz Dalia. Ramot Menashe in this case supplies 20 percent of capital investment and manpower in the Arad plant in kibbutz Dalia.<sup>13</sup>

As far as their objective class-location, we argue that the labor force of kibbutz Giva'at-Oz employed in kibbutz Hazore'a wood industry and that of kibbutz Ramot Menashe employed in kibbutz Dalia's Arad plant are not proletariat. They are more likely to fall within the boundaries of the petty bourgeoisie, since they are essentially self-employed by the capital share of their own kibbutzim in those industries. In this sense, they do not create surplus-value for either kibbutz.

In the second system of cooperation, based on manpower alone, "the industrial plant is owned by one of the kibbutzim and members of a neighboring kibbutz go to work there. The neighboring kibbutz only participates in the plant insofar as manpower is concerned, and in return, the workers are paid wages and their kibbutz is allocated a certain share of the profit after deduction of profits on capital investment."<sup>14</sup>

An example is the Nirim Electronics Israel plant for military production. Until 1967, both kibbutz Nirim and kibbutz Megan had an electronics factory. Now, labor flows from kibbutz Magen into Nirim Electronics Israel plant.

In this form of employment outside one's own kibbutz, the employees at best mobilize revenue but do not contribute to the accumulation process in their own kibbutz. In kibbutz Nirim, however, they seem to perform capitalist productive and most likely manual non-supervisory social forms of labor. Unlike the former example, in this case the wage earning kibbutznics are closer to proletariat class-location. But can they belong to the working class while they still, as members of kibbutz Magen, exercise an economic ownership or possession over some means of production. They are not separated from their means of labor, at least land, even in the worst situation, say for instance, their own kibbutz industry going bankrupt.

It is this latter example that may lead to the questioning of the theoretical inconceivability of the proletarianization of kibbutznic labor force, and it is to this situation that the latter conceptualization by Olin Wright may be applied.

In such cases, does not the Magen community constitute merely the shell of a kibbutz reality? Does not it liken a "Bantu", a communal semi-subsistence community whose primary function is to reproduce labor power to be productively utilized in another collective capitalist enterprise (kibbutz Nirim)? Does this differ from the "big fish swallowing the little" in the process of capital accumulation being inevitably also a process of concentration? Does not this phenomenon also simulate the essential unevenness of capitalist transformation and the inseparability of development and underdevelopment in capitalist accumulation?

Manpower merger in the case of these two kibbutzim, which is becoming a common practice among all kibbutzim, seems clearly to simulate, both contradictory location between the petty bourgeoisie and proletariat in the

process of the proletarianization of the petty bourgeoisie (in the case of kibbutz Magen) and a contradictory location between the petty bourgeoisie and bourgeoisie in the process of embourgeoisment of the petty bourgeoisie (in the case of kibbutz Nirim). It is more likely that objectively contradictory locations be only conjunctural; kibbutzim may end forming either part of the bourgeoisie or of the working class. Such class polarization is promoted by the merger of kibbutz capital with other sources of capital, especially foreign investment capital and national cooperative (mainly Histadrut) and private capital. Abraham Yassour, a well-known kibbutznic theoretician indicates that the financing of industrialization has derived only in part from sources within the kibbutz itself.<sup>15</sup>

The merger with external sources of capital is, undoubtedly, a prerequisite for this large-scale, high technology, and rapidly growing industrialization. According to the same source, this process has resulted in the establishment of some 200 very modern (most likely military-related) industrial plants in a period of ten to fifteen years. What is taking place in the kibbutz today seems an irreversible transformation that negates all potential restoration of self-labor. This merger of capital can only intensify the dependence on non-kibbutznic labor force to create surplus-value. A situation that promises further proletarianization of Palestinian Arabs and Israeli-Jews and, in effect, promotes the material conditions for cross-national proletariat alliances.

According to Samuel Pohoryles, while the number of workers in kibbutz industry rose by 184 percent in the years 1960-74, the increase in the whole of Israeli industry rose by about 56 percent. Consequently, the percentage of workers in kibbutz industry, as against the country's overall industrial

labor force rose from 4 percent to 7.2 percent. From 1952 to 1974, the number of those employed in industry in the kibbutz increased nearly five-fold. Pohoryles also states, "among the various settlement forms in Israel, the most rapid rate of industrial growth took place in the kibbutz."<sup>16</sup>

These figures are somehow to substantiate the relative effect of kibbutz industrialization on the proletarianization process. To sum up, several studies have examined intra-kibbutz and inter-kibbutz stratification, but none has examined the possibilities of class-transformation. This is proposing an important subject for future research that emerges from our present study. A future research must also focus on whether, in cases similar to kibbutz Magen, the entire kibbutz community is drifting as a unity into proletariat class-location or becoming, itself, internally segmented by class; a proletariat employed in external enterprises, and a self-employed petty bourgeois farmer or craftsman. Once a kibbutz community is proletarianized, or transformed into a collective modern employer or into a class society, the kibbutz, essentially, does no longer exist; even if the appearance may be conserved as a living museum, commemorating the early settlers' egalitarian-pioneerism in the route to advanced capitalism, a situation not unlike the living museum in the town of Plymouth, Sturbridge, etc. of Massachusetts, commemorating the primitive habitat of the early Pilgrims in their very road to technological America.

The regionalization of the kibbutz industrial production and the subcontracting to small subsidiaries situated in Arab villages and which are systematically maintained as incomplete plants, seem to represent the beginning of conglomeration of kibbutz capital.

B. The Non-agricultural Moshav: A High Technology Utopia

Modern industrialization of Israel's rural frontiers is not confined to the kibbutz. It is also penetrating the co-operative moshav. A previous chapter gives an account of the non-agricultural rural co-operatives, mainly based on high technology production and populated by recent Western immigrants with sophisticated training in science and engineering. Again, in the case of moshav industrial development, regional industrial development is a high priority, as especially recommended by Raanan Wietz, Israel's internationally-known regional-rural planner.

We have already discussed the penetration of Israeli investment capital into Arab villages in Israel and in occupied territories, since the persisting of the country's economic crisis. We emphasized how the latter is likely to speed up proletarianization among Arabs and the former among Jews. Concomitant to this rapid industrialization of the rural frontiers is the capitalist transformation of Jewish agriculture. The latter has special bearing on Palestinian proletarianization and carries a peculiar political significance in the context of Zionist settler-colonialism.

Chapter III provides a detailed descriptive account of the penetration of citizen and non-citizen Palestinians as cash-croppers, even into the co-operative and collective Jewish farms in the moshav and the kibbutz, the strongholds of Labor-Zionism, the articulate symbols of the "Return to the Soil", and restoration of the "Bond with the Land", the very basis of the territorial solution to the Jewish question.

It is only in these forms of settlement, where agricultural work is so politically/ideologically loaded, that capitalist transformation in the post-1967 period had such dramatic impact on the Israeli society. Capitalist agricultural production elsewhere in the country was neither new nor carried

political/ideological significance.

"Non-agricultural co-operative villages could constitute such a challenge. They could be populated with communities that are homogeneous as regards their culture, way of living and even their occupations. They comprise a social challenge of the highest degree of employment in creating socially valuable cells of a new type of community organization. They can prove suited to educational and professional backgrounds of immigrants from advanced countries, whose training and educational background can find adequate outlet in forms of employment with which they are familiar and experienced from their countries of origin."<sup>17</sup> If implemented, the proposal outlined here may result in the creation of communities based on a set of special values without precluding the utilization of modern technological and scientific advantages. The structure of these proposed settlements is based on three points:

First, they will be run according to the rules of a co-operative community.

Second, they will constitute closed communities, entry into which will be dependent upon acceptance by an elected committee of the settlement. Enlistment of prospective members from abroad ought to be carried out, as far as possible, in their countries of origin.

Third, the size of the settlement will be limited. The choice of enterprises must ensure, among other things, economies of scale in the present and future, and the level of education, professional training and personal inclinations of the candidate.

These non-agricultural co-operative villages are different from the kibbutz, moshav shitoufi and moshav ovdim -- the traditional strongholds of Labor-Zionism. Unlike the former, they are to be an integral part of



the international division of labor, an extension of metropolitan production increasingly concentrating on high technology military export products; hence lacking the petty bourgeoisie Labor-Zionist ideological element that cannot co-exist with modern technology, the economic base of the new co-operatives.

Given their simpler infrastructure, compared with the metropolitan and given the co-operative character of the daily reproduction of their labor power, subsistence cost, hence the cost of production, may decline, thus becoming a more profitable site for foreign investment. And while still representing an exciting experimental form of life, may attract the immigration of the very manpower in demand within military production; consequently, fulfilling both the economic and political objectives.

Weitz identifies three kinds of non-agricultural co-operative villages to be presently in existence: (1) Nevei Ilan group, consisting mainly of members of Yehuda Hatsair youth movement, active in the United States. The first members of this group arrived in Israel in 1969. The enterprises envisaged are to correspond to the qualifications of the members, most of whom have academic training in the natural sciences, social sciences and the fine arts. Thus, projects proposed included industrial plants, services, and consultancies. Already in operation is a plant for manufacture of electronic appliances, a computer service and consultation center and an agricultural branch. (2) The Aliyah 70 group, composed of immigrants from the Soviet Union, mainly from Kiev. They are academicians, for the main part engineers, who arrived in the country after 1970. The group consists of twenty members who have formed a limited liability company. Projected industries are electronic and optical industries and chemical laboratories. (3) Yahdav (Kfar Etzion C.) is a group composed of 25 young religious families from the United States. The heads of these families are in the process of completing M.A.s or doctor-

ates. They include electronic engineers, programmers, chemists, psychologists, and the like. In consideration of the qualifications of the members, industrial and chemical plants, etc.

These examples are very indicative of the purpose of this brilliant rural industrialization scheme and the role it plays in furthering the accumulation of the dominant capital; in this case, joint ventures of public (Histadrut) capital and foreign investment capital. Equally important is the potential this scheme has for accommodating the currently conflicting but non-contradictory interests of the traditional national bourgeoisie (represented by the Likud Party) regarding Jewish settlement and colonization, hence national independence, and the interests of the modern national bourgeoisie (represented by RAFI and the Democratic Movement for Change -- DMC) regarding the internationalization of capital and interdependence between Israeli capital and international monopoly, from which big Jewish capital has become irreversibly indivisible.

These high technology-based utopian settlements are linked to the military industrialization in the country at large. Military industrialization applies not only to the metropolitan habitat, but also to new and old habitat forms that house old and new Western Jews. The transformation in the kibbutz economy illustrated earlier is probably a symptom of the same process.

Military industrialization of the rural frontiers is part and parcel of the "Judiazation" programs, a new name for Jewish settlement, for the "conquest of land"; that is, Judiazation through absorption of Jewish immigrants. This must not be interpreted in terms of value inherent in land acquisition per se (except for the case in the occupied territories). In

the Galilee in particular the Judiazation schemes are motivated primarily by the imperative of Jewish demographic superiority.

Military industrialization of the rural frontiers is, therefore, provision of material incentives for Aliyah, for population dispersion, and for readjustment of the demographic map to new political and economic requirements.

An illustration of a more recent adjustment is a proposal by Defense Minister Shimon Peres (presented in the Government meeting on May 8, 1977) to transfer 11 military factories with their 3,000 workers from central locations in the country into the Negev and transfer of other military factories and training school with their 4,000 employees from Haifa into the Galilee; a relocation scheme with an initial cost of 60 million I.L. Minister Peres added that a new additional arms factory will be erected in Segif (a Jewish settlement) near Sakhnin (an Arab village).

Concomitant with the transplantation of military industrial plants in rural Jewish settlements is the transfer of the supplanted traditional industries of these settlements into Arab villages. Military industrialization of Jewish rural settlements is, therefore, resulting in non-military industrialization of the Arab community.

#### C. The Industrialization of the Arab Community: Development or Plunder?

For small local Israeli private capital to accumulate in the face of more competitive capital in the country, the Arab community represents the indispensable fertile investment site. Only in the least developed communities where subsistence cost is lowest can this form of capital reap super-profit. And only with super-profit can this capital increase its organic composition and expand.

The penetration of Israeli-Jewish capital into the Arab village is, indeed, the transfer of the effects of the main contradiction of the "center" to the "periphery". One aspect of the main contradiction is the high-priced Jewish labor commodity being historically organized and in demand against the penetration of Arab labor into Jewish enterprises. The historical practices of Labor-Zionism apply more to the Arab community with post-1948 borders. The other aspect of the main contradictions is in the current requirements of the highly developed productive forces and under intensified competition to offset the falling tendency of the rate of profit, hence the urge for higher relative surplus value in the form of super-profit, through dynamic integration of the West Bank and the Gaza Strip. Moreover, in the face of the concentration tendencies reviewed earlier in this chapter, the vulnerable material conditions prevalent today in the Arab-Palestinian community specifically under occupation provide probably a last chance for petty Jewish capital in Israel to become productive capital; hence to avoid extinction through the massive wave of concentration.

Through concentration of cheap workers, this petty capital can expand its constant capital and survive the "Great Transformation" occurring in the Israeli economy. As mentioned earlier, this very concentration process is as much the effect as the cause of penetrating the indigenous rural frontiers.

It is no longer satisfying to the development requirements of the Israeli economy to mobilize this cheap labor into the work place; the Palestinian labor power commodity becomes more expensive upon crossing the Green Line into Israel. Plus, the cost of work permit and Raise share. Exchanging Palestinian labor power at the very site of its reproduction

is conducive to a high rate of profit.

With the Likud political/economic program, local Israeli capital is given the "green light" to cross the "Green Line". One of the most recent studies that document the increasing investment in, and industrialization of, the occupied territories is a 1977 Carnegie Report by Brian Van Arkadie.<sup>18</sup>

This process is likely to increase the proletarianization of Palestinians by Israeli capital. This phenomenon has not only recently emerged, but only recently it became more of a rule than an exception. Since the earlier years of occupation, the West Bank has had industrial workers and agricultural cash-croppers in enterprises owned by members of the Israeli national bourgeoisie or jointly with Palestinian feudal landlords, who are thus merging into the bourgeoisie itself. The actual size of wage earners employed in a proletariat capacity in the West Bank and Gaza Strip is unknown. According to Jamil Hilal, in 1973 there were 59,700 wage workers working in the territories, compared to 70,800 in 1969.<sup>19</sup> Although Hilal refers to these as proletariat simply because they are wage earners, it is still unclear to us how many of them are actually involved in productive, manual, non-supervisory labor, and therefore objectively belong to proletariat locations.

The size of Palestinian proletariat locally employed in the occupied territories and Arab villages in Israel is definitely expected to grow in response to the increasing penetration of Israeli investment capital into the traditional Palestinian community.

The localization of Palestinian proletarianization (through the mobility of Israeli-Jewish capital into the very site of self-reproduction of

Palestinian-Arab labor power) is new. It represents a special phase in the integration of the indigenous population into the settlers' economy and more precisely into the dominant mode of accumulation, currently being advanced capitalism.

This type of integration through the transplanting of agricultural and industrial enterprises by the Israeli national capital is considered by some Israeli officials as community development for the absorption of Palestinian refugees, hence the settlement of their national question. We argue that this tendency of Israeli investment capital to move into traditional Palestinian communities is essentially related to the intensification of the tendency of the rate of profit to fall with the persistence of the economic crisis since the 1973 October War. The intensification of this structural tendency of a falling rate of profit in turn urges capital to extract a higher relative rate of surplus value. The latter is economically more feasible and politically more appealing through the mobility of Israeli-Jewish capital into Arab communities than in the case of Palestinian-Arab labor mobility into Jewish work places. This way, the Israeli national bourgeoisie:

(a) rids itself of paying for work permits when the employed are non-citizen Palestinians;

(b) reduces the cost of production because subsistence cost is lower in Arab villages and falls mainly on the extended family and the traditional sector of production;

(c) increases the realized profit from accumulated surplus value through centrally-provided tax exemption incentives for investment in rural frontiers;

(d) gets access to Arab female labor, whose mobilization into capitalist production in Jewish work places may otherwise be impossible, owing to their subjection to patriarchal oppression. This implies, therefore, an access to a more vulnerable labor force, hence conducive to the creation of higher surplus value;

(e) moreover, by investing its small capital in Palestinian-Arab communities, the Israeli national bourgeoisie temporarily avoids the competition with the compradore and international bourgeoisie, whose merging big capital is invested in Jewish rural and urban communities and mainly in high technology products for export. That is why (as we have documented in a previous chapter) Israeli small capital is reviving indigenous traditional industries like olive oil soap and other small-scale manufacturing.

The industrialization of traditional rural settlements is, therefore, consistent with the survival and profit imperatives of the Israeli national bourgeoisie. Whether or not it leads to economic development of the "traditional" Arab sector depends not on the employment multiplier effect such investment generates in these localities, but rather on the extent to which the inhabitants of these villages share in the economic ownership of these enterprises, hence the extent to which they exercise control over their own sources of employment. The central issue, however, is to emphasize that the considerations identified above can promise only to enlarge the size of the proletariat, even though the penetration of non-citizen Palestinians across the Green Line border seems to be declining.

Further enlargement in the size of the proletariat is expected to be the result of capitalist transformation of agriculture.

#### D. The Transformation of Agriculture

This is mainly capitalist transformation of predominantly petty commodity agriculture production. Reference is to the co-operative/collective sector of agriculture; not to traditionally commercial agriculture (citrus plantations) in the coastal region of Israel.

As the case in the transformation of the petty commodity forms of industrial production, this process was also stimulated by the advanced capitalist transformation of the entire economy, especially its militarization, on the one hand, and the abundance of cheap Palestinian labor, on the other.

Transformations in the relations of production and the productive forces after the Six-Day War affected transformation in land tenure and use. This applies both to Palestinian land in the occupied territories and to Israel "National Land".

Nothing is unique about the pattern of transformation in the traditional Palestinian land tenure upon the integration of the West Bank and the Gaza Strip to the Israeli branch of central capitalism. It is very much the same process prevalent in dependent capitalist peripheries the world over: landlords becoming absentee capitalists, mainly money capitalists; concentration of land for commercialized agricultural production -- plantations. Tenants and share-croppers transformed into cash-croppers, agricultural proletariat.

In a plan published in Al-Hamishmar, October 7, 1976, Raanan Wietz proposed the introduction of a Green Revolution technology, specifically high-yield grain-seed varieties to the West Bank. If implemented, this plan will further the transformation of both land tenure and use.



What is unique, indeed, is the transformation of land tenure and use in the Jewish co-operative rural sector; the moshav shitufee and the kibbutz. In these cases, land is essentially the inalienable property of the Jewish State. A Jew, by Israeli law, has an inalienable right to use this so-called "national land". Put differently, the Israeli-Jew is implicitly, by definition, and explicitly, by law, entitled at least to possession of land. "Possession" is the capacity to put the means of production into operation. This is slightly different from "economic ownership", which is the real control of the means of production, i.e., the power to assign the means of production to given uses and so to dispose of the products obtained.<sup>20</sup>

Economic ownership and possession are the two aspects of the double relationship of which the relations of production in a class society consist. The double relationship refers to: (a) the relationship between the non-worker (the owner) and the object and means of labor; (b) the relationship between the immediate producer (the direct worker) and the object and means of labor.

In every class society it is the owners who have real control over the means of production and exploit the direct producers by extorting surplus labor from them in various forms (like surplus-value, Fund-of-Rent, etc.), depending on the particular mode of production.

This ownership, the real economic, is to be distinguished from "legal ownership", which is sanctioned by law and belongs to the superstructure. The law generally ratifies economic ownership, but it is possible for the forms of legal ownership not to coincide with real economic ownership. In

this case it is the latter which is determined in defining the places of social classes, that is to say, the places of the dominant and exploiting class.<sup>21</sup>

In Jewish rural Israel there is an ambiguity as to who really owns the land. The kibbutz and the co-operative moshav lease the land from the superstructure for ninety-five years. During this period of time they have possession over their parcels of land. This way they are entrusted by the State to put these leased parcels of land into use exclusively by Jews.

Prior to the 1967 war, many Jewish farms, be they collective (kibbutz), co-operative (moshav shitufi), or family units (non-co-operative moshavs inhabited mainly by Oriental-Jews), used hired labor especially during harvest. In most cases, hired labor was then similar to domestic service, mainly in the form of extra consumption on the part of the household, be it family unit, co-operative, or collective. It did not necessarily involve profit-making. This is because agriculture was primarily for subsistence and secondarily for exchange. Hired labor, in many of those cases, was not engaged in commodity production and it was mainly exchanged against revenue not capital. The Jewish employer in these cases was still a direct producer himself. In such cases, hired labor was not employed in the context of capitalist relations of production.

In the post-1967 era, with the availability of abundant reservoirs of dispossessed Palestinian refugees in the occupied territories and an increasing number of landless citizen-Palestinians, this very land in the possession of self-employed Jewish farmers turned overnight into capital; capital as a social relation, not a thing.

What is peculiar about this process is that by virtue of mere possession of land and not actual economic ownership of the means of production Jewish "farmers" are now hiring labor for profit, for capital accumulation; a situation not much different from processes occurring during the land enclosures in the transition from feudalism to capitalism in Europe.

It was then the rentiers, not the proprietiers, who were first to make a profit in the process of primitive accumulation by means of employing non-family labor on that rented land. It can be said in both cases, of these rentiers and these Jewish leasers, that it was precisely the time-limitness of access (in the form of possession) to the land underlying the urge to maximize its use through profit-making. It is, in other words, the fear of proletarianization that the consolidation of capitalism generates, that urged Jewish farmers in that critical moment (1967, which represents a turning point in the capitalist transformation of the Israeli economy) to redefine their relation to the "national land" they possessed as one of ownership, in an attempt to form part of the bourgeoisie.

This strategic move obviously represents a choice of a particular class transformation. Unlike that, proletarianization is never the result of one's own choice. How did this capitalist transformation of semi-subsistence Jewish rural Israel occur? And what has transformed co-operative land from a means of subsistence into capital? To answer these questions is to recall Karl Marx on primitive accumulation, in which the transformation of the means of subsistence into capital takes place, and how through capital surplus-value is made and from surplus-value, more capital. Marx writes:

"This transformation can only take place under certain

circumstances that centre in this, viz., that two very different kinds of commodity-possessors must come face-to-face into contact; on the one hand, the owners of money, means of production, means of subsistence, who are eager to increase the sum of values they possess by buying other people's labor power; on the other hand, free laborers, the sellers of their own labor power, and therefore, the sellers of labor...With this polarisation of the market for commodities, the fundamental conditions of capitalist production are given. The capitalist system pre-supposes the complete separation of the laborers from all property in the means by which they can realise their labor. As soon as capitalist production is on its own legs, it not only maintains this separation, but reproduces it on a continually extending scale. The process, therefore, that clears the way for the capitalist system can be none other than the process which takes away from the laborer the possession of his means of production, a process that transforms, on the one hand, the social means of subsistence and of production into capital; on the other hand the immediate producer into wage laborer. The so-called primitive accumulation is, therefore, nothing else than the historical process of divorcing the producer from the means of production...The starting point of the development that gave rise to the wage laborer as well as to the capitalist was the servitude of the laborer." 22

The analysis Marx provides explains how the 1967 military occupation intensified the capitalist transformation of the Israeli economy, including even its co-operative and collective semi-subsistence agriculture. How, consequently, the simultaneous availability of Palestinian sellers of labor for any price, and of Jewish possessors of rural "national" land resulted in capitalist relations of production; these Palestinians (as the case in transformation of all producers into wage workers) became "free" sellers of themselves only after they have been robbed of all their own means of production and all other guarantees of subsistence. This is another way of saying that proletarianization is essentially the alternative for no other choice. It is the entire separation of the direct producer from the object and means of labor. It is this decisive modification of the place of the direct producer in the capitalist (as compared to pre-capitalist)

relations of production which makes labor itself into a commodity; and this determines the generalization of the commodity form.

This raises again the question regarding the inconceivability of the proletarianization of Israeli-Jews, given that a Jew is automatically entitled to the use of land, the property of the Jewish State, and by definition has an inalienable right to land possession. Unlike the Palestinian-Arabs, for Israeli-Jews mobility and/or immobility off the land is ultimately a matter of choice; laboring productively as manual, non-supervisory wage earners is thus still a matter of choice. Does the latter, therefore, objectively signify an actual proletarianization?

Unlike the question raised earlier regarding the inconceivability of a settler-colonial proletariat, this question relates specifically to the Zionist settler-colonial context, distinguished by its unsecular character. Both questions, however, point out a conjunctural conflict between the laws of capital accumulation and the laws of Zionist colonization. The former are most likely to enforce the secularization of the Jewish State. This is probably linked to the victory of the Likud against Yadin's Movement for Change in the recent elections. The former, with their allies the fanatic religious orthodoxy, are the most committed to rescuing the Jewish State from secularization through capitalist transformation. Their success to do so will inevitably result in the rise of fascism.

To sum up this point is to point out the unsecular character of the superstructure as an objective impediment for Israeli-Jewish-Palestinian-Arab proletariat alliance. The secularization of the "base" theoretically transforms the superstructure, resulting therefore, in turn, in material conditions more favorable to such alliances.

As demonstrated by Chapter III, State and public institutions are failing to control their sectarian land use policy. Legal sanctions imposed on Jewish land leasees who are employing Arab labor are proved to be ineffective. They resulted in discrete forms of transfer back to Arab hands the tilling of their land; discrete methods that are ironically not different from those used in the Yishuv to transfer Arab land to Jewish tillers.

Most striking of all is the emergence of a land market in which land becomes merely a secular commodity, transferable freely, subject to market exchange relations.

This process is an aspect of liberalization policy as investment incentive to facilitate penetration and accumulation of capital, foreign and local.

#### IV. Conclusions

The process of concentration of production as well as the transformations in rural Israel represent secularization of the relations of production. Transformation of the sectarian impositions of Labor-Zionism, secularization in the sense that the relations of production are no longer predominantly Jewish. Jewish labor is increasingly employed by foreign monopoly capital. Israeli Jewish capital (private and co-operative) is increasingly employing Palestinian-Arab labor. The Jewish petty bourgeoisie is increasingly transformed into capitalist employer of Palestinian labor. State and public capital in high technology, as we recall from other parts of this thesis, employ also non-Jewish European migratory labor. This means class struggle in Israel is no longer Jewish, i.e., internal to Jewish life, as it was planned to be by proletarian Zionists.

The historical material prerequisites for the Jewishness of the State

superstructure have been secularized. Israel's material "base" is no longer purely or even predominantly Jewish as far as struggling forces, class forces. This may imply that the State of Israel is theoretically no longer a Jewish State. It is no longer a relation of struggling Jewish classes; a manifestation of class antagonism peculiar to and internal to Jewish society. The principal contradictions are increasingly located between Israeli-Jewish labor and foreign monopoly capital, on the one hand, and Israeli-Jewish capital and Palestinian-Arab labor, on the other.

In the current phase, the State of Israel manifests the culmination of the contradiction inherent in Labor-Zionism: its closed Jewish sectarianism versus its open capitalist secularism. Conflict is thus emerging today between Zionism and the essential internationalization of capital. The coincidence once existing between the two is over. It was seemingly only a transitional coincidence. In this sense, not only the unique features of this settler-colonial formation have transformed. There is also a functional transformation, as is happening in other settler-colonial formations. Perhaps settler-colonial formations are essentially transitional formations.

Chapter VII. Footnotes

1. V. Lenin, Imperialism, op.cit., p. 16.
2. Ernest Mandel, Introduction to the Marxist Economic Theory, p. 45.
3. K. Marx, Capital, Vol. I, p. 626.
4. Statistical Abstract of Israel, 1965, No. 16, p. 415, and Israel Year Book, mentioned by Nikitina, op.cit.
5. Ibid.
6. Economic Quarterly - Israel, 197?, computed from figures in Tables S/SS.
7. From Statistical Abstract of Israel, No. 26, 1975.
8. Documented by Paula Raymon in "A Study of Kibbutz' Role in National Development," unpublished Ph.D. thesis, Boston College, Department of Sociology, December, 1976.
9. Lenin, cited in Kemp, op.cit., p. 18.
10. From a Report by Israel Shahak, the Chairman of Israel's League for Human Rights, based on Davar, April 22, 1977.
11. I learned about this from Noam Chomsky, who had personally witnessed this debate in kibbutz Hazore'a in 1953.
12. Abraham Daniel, "Inter-kibbutz Co-operation in Industry," in Landau et al. (eds.), Rural Communities, op.cit., p. 157.
13. Ibid.
14. Ibid.
15. Abraham Yassour, "The Danger of Industrial Success of the Kibbutz -- Discouraging Observations of a Non-professional Spectator," in Rural Communities, Landau et al. (eds.), op.cit., p. 149.
16. Samuel Pohoryles, "Economic Diversification in Israeli Villages," in Ibid., p. 87.
17. See Raanan Weitz, "Non-agricultural Co-operative Villages," in Rural Communities: Inter-co-operation and Development, by Y.H. Landau, M. Konopniki, H. Desroche, and P. Rambaud (eds.); Praeger Special Studies in International Economics and Development, London.
18. Brian Van Arkadie, Benefits and Burdens..., Carnegie Report, 1977.



19. Reference to Jamil Hilal, "Class Transformation in the West Bank and Gaza," MERIP Reports, No. 53, December, 1976, pp. 11, 12. Probably, the unavailability of detailed occupational structure of employment for this segment of the population does not allow for a more careful class analysis.
20. This discussion of economic ownership versus possession is based on Nicos Poulantzas, op.cit., p. 19.
21. Ibid.
22. Karl Marx, Capital, Vol. I., pp. 714, 715.

CHAPTER VIII

CONCLUSIONS

This thesis was an attempt to examine forces that have finally culminated in the integration of Palestinian-Arab labor into productive, manual and non-supervisory employment by Israeli-Jewish capital -- the formation of a Palestinian proletariat in Israel.

These forces were examined against ones that in the past have impeded the proletarianization of Palestinian labor.

Examining the above was motivated by the purpose of assessing material conditions impeding and promoting the possibility of cross-national proletarian alliances between Israeli-Jews and Palestinian-Arabs.

Using the most conservative criteria for defining the boundaries of the working class, it was found that by 1974 more than 75 percent of all officially registered Palestinian wage-earners employed by Israeli capital were, in fact, proletariat. They constituted 30.6 percent of the entire wage-earners in Israel. All together, 44 percent of all Israeli-Jewish and Palestinian-Arab wage-earners in Israel were engaged in productive, manual, non-supervisory labor categories and, therefore, jointly belonged to the proletariat class and shared a common class interest.

For the first time in the history of the Israeli social formation Jewish proletarianization and Palestinian-Arab proletarianization were no longer mutually-exclusive processes.

This was a first material prerequisite for the potential development of cross-national proletarian alliance. It therefore represents a turning point in the Israeli-Palestinian history. Only when the imperative of exclusive Jewish proletarianization in Palestine was undermined could Arab

and Jewish labor develop a common class interest.

Historical evidence from this study suggests that undermining the imperative of exclusive Jewish proletarianization and, consequently, the proletarianization of Palestinians in Israel, were changes in the relations of production and the state of development and requirements of the productive forces at the disposal of Israel in the aftermath of the 1967 war.

To be more precise, the proletarianization of Palestinians in Israel resulted from the interaction between the forces and relations of production in this transitional phase: transition from the stage of competitive Jewish capitalism to that of concentration through direct integration of the Israeli social formation to the international division of labor, when the State of Israel was urged to intervene directly in the essential internationalization of capital.

The internationalization of capital involves the integration and subordination of pre-capitalist economic formations that until then were prevalent in the Gaza Strip and the West Bank. The integration and subordination of these pre-capitalist formations as a marketplace and as a source of cheap labor power were indispensable for accumulation and reproduction of Israel's local productive capital and the capitalization of its petty capital.

These two forms of capital were forced to expand the site of their reproduction if they were to survive the competition inflicted by the massive inflow of foreign investment capital.

The 1967 War represents a turning point in the historical development of Israel. It was an expression of transformation of the relations of production and thus the beginning of a new historical phase.

The victory won by Israel in the Six-Day War resulted in mobilizing foreign monopolies to invest in Israel's high technology arms industry. This

investment is another level of the essential internationalization of capital undertaken by the Jewish State on behalf of big Jewish capital as an integral part of international monopoly capital.

Investment in high technology military industry was the optimal choice of development strategy capable of stabilizing the crisis-ridden economy of Israel and of furthering the development of its productive forces. This was an optimal development strategy for Israel in the sense of having a comparative advantage in this field of production, as well as a competitive position in the international commodity market.

Israel possessed very little national resources and local market possibilities. However, Israel constituted a pool of scientifically trained immigrant labor force whose cost of training was therefore exogenous; it falls, by-and-large, on the immigrants' countries of origin -- a condition that reduces the cost of high technology production in Israel, and consequently, promotes Israel's position in the sphere of circulation. The arms industry, therefore, soon became the leading exporting sector in Israel's civilian economy. The requirements for, and the effects of, high productivity in this sector stimulated concentration of production and further division of labor in the country at large.

These are features of stabilization effects necessarily inflicted by military industrialization.

In the face of concentration resulting from higher productivity, small capital had either to get engulfed by bigger capital or to increase the concentration of workers and reap super profits. This is the only way for small capital to accumulate and increase its organic composition in the initial stages. Local capital thus moved into Arab communities.

On the other hand, the increased division of labor necessary for effi-

ciency and discipline of the labor force resulted in increasing the number of unskilled categories in the labor process.

Both consequences implied greater demand for unskilled labor in Israel.

If for nothing but political and security considerations, unskilled labor categories in arms and arms-related industries are likely to be performed by Oriental-Jews, not by Palestinian-Arabs. The latter, therefore, became increasingly in demand in non-military industries, primarily where consumer goods predominates.

For the first time in the history of Palestine, demand for both Arab and Jewish labor simultaneously became consistent with the requirement of reproduction of the dominant relations of production in the country and the development of its productive forces. This is another way of identifying a basic transformation of the social relations historically prevalent in the Israeli social formation and derived from its labor or proletarian Zionist tradition. This basic transformation was the result of the essential internationalization of capital by which the process of Palestinian proletarianization was unfettered.

The essential internationalization of capital is related to the essential unevenness of capitalist accumulation inherent in the fundamental tendency of the organic composition of capital to increase.

Consequently, the essential unevenness of capitalist development is represented in the urge of higher forms of capital to integrate less developed forms of production as a condition and site for the reproduction of dominant capital.

In "Greater Israel" the requirements for reproduction of the dominant capital, as well as the essentially Jewish relations of production, had to clash, transforming the initial conditions dictated by Labor-Zionism.

Labor-Zionism, the condition necessary to the initiation of the process of exclusive Jewish capitalist formation in Palestine, was destroyed by the process itself. This is an example of the dialectics of development. Similarly, the settler-colonial social formation, transplanted once in Palestine to replace the indigenous Palestinian social formation, is increasingly urged by the requirements of its extended self-reproduction to reintegrate the remnants of the Palestinian social formation.

This reintegration is socially expressing itself in the formation of a joint social force. This is the proletariat class -- combined Israeli-Jews and Palestinian-Arabs -- who are located in the bottom of Israel's social division of labor, identically performing productive, manual and non-supervisory labor categories. Owing to their identical objective place in the production process, they share common class location and class interest. This commonality of class location and interest is a necessary material condition but not a sufficient prerequisite for an actual proletarian alliance. Two types of impediments against actual alliance prevail in the present:

(a) Material impediments. Central to these impediments is the internal segmentation of the proletariat subject to differential locations in the social formation as a whole, specifically in relation to the State apparatuses. This structural segmentation distorts their unifying essential antagonism as the exploited class against the ruling class objectively dictated by the commonality of their place in the production process and, instead, highlights their relatively contradictory interests as class fractions: the "super-exploited" and the "labor aristocracy".

Contrasted with these segmentations, however, are structural trans-

formations that tend to offset their effects. Specifically, through secularization trends in the economic "base" and, consequently, in the political-ideological "superstructure". This involves secularization of what initially was Jewish relations of production and class struggle: local Israeli-Jewish capital is now increasingly employing Palestinian-Arab labor and foreign monopoly capital is increasingly employing Israeli Jewish labor. The relations of production are thus no longer Jewish.

Class antagonism which was systematically internalized to Jewish life through the policy of exclusive Jewish proletarianization by Jewish capital in Palestine, and in order to give content to the Jewish State as a relation of struggling Jewish classes, is no longer present principally between Jewish labor and Jewish capital. Rather, it has been increasingly externalized through the intervention of the State in the essential internationalization of capital. The principal class antagonisms are, nowadays, between Israeli-Jewish capital and Palestinian-Arab labor, on the one hand, and Israeli-Jewish labor and foreign monopoly capital, on the other. The "abnormalities" of Diaspora are being thus reproduced in Israel itself. Those abnormalities are most likely to alter the existing relations to the State apparatus underlying the segmentation of the working class, resulting in material conditions more favorable for proletarian alliances. Furthermore, the emerging new material conditions may give rise to forms of consciousness that are alien to Zionism and more favorable for the development of revolutionary proletarian consciousness. These are only hypotheses for future research.

It should be indicated here that only through historical analysis based on the dialectical materialist method did it become possible to



comprehend the proletarianization process, specifically the structural transformations in Israel's settler-colonial social formation, which constitutes the dynamics underlying the demand for Palestinian labor.

(b) Non-material conditions. These are the subjective conditions in the sphere of consciousness which are imperative for an actual alliance.

Nationalism and other forms of false consciousness prevalent among the various segments of this proletariat is an absolute barrier against actual cross-national proletarian alliances today, even between Oriental Jews and Palestinians, who share more commonality of material conditions.

In conjunction with the issue of nationalism, it is not clear from this study whether the proletarianization of Palestinians in Israel represents the formation of an essentially Palestinian working class, or merely a Palestinian fraction of an essentially Israeli working class. It is not clear how one answers this question. Does the answer lie in the sphere of the objective determination of class location by economic and structural criteria, or to the subjective sphere of position and consciousness.

Without a revolutionary politicization of common objective proletariat interest, proletarian alliances will not be actualized. This dimension, however, is beyond academia in general and beyond the scope of this thesis in particular.

This thesis was only meant and able to point out that material prerequisites for cross-national proletarian alliance, which have never existed before, are beginning to emerge.