

or independence is the degree of the role which others may play in the economy of any country. All countries depend on each other, but this generality cannot be applied in the case of Israel. The political factor is perhaps the most important one which enables us to distinguish precisely between a form of dependence which is essentially mutual, and another form of dependence which embodies the full meaning of the term. Accordingly, we can list two forms of Israeli dependence:

The first is positive in that it benefits Israel. It concerns relations with the capitalist West which provides Israel with enormous capital on the one hand, and receives the greatest portion of Israeli exports on the other. Moreover, the direct and indirect exports (to Israel) of the capitalist West are equivalent to its imports from Israel. If there is a need for more clarity, we can affirm the political-strategic consideration which dominates Israel's relations with the capitalist West and has made its reliance on the West the reason for its own strength. This is very different from the relations other countries have with the West, because these relations have a different background.

The second is the structural relationship between the rising Israeli economy and the Palestinian economy which has increasingly assumed the position of an underlying structure of the Israeli economy, to the point that the Israeli economy cannot dispense with it, either now or in the future. Our ability to define the economic effects of the uprising depends on seeing the structural relationship between the two economies, especially since the Israeli economy became like a captive to the Arab economy in Palestine, although its aim was quite the opposite.

It must be admitted that the term «captive economy» could give rise to misunderstanding. Is it reasonable that the stronger, richer colonist is a captive to the occupied, poorer, weaker economy? This misunderstanding does not arise if we look at the matter as one of mutual necessity between the two parties, or the necessity which the weaker party represents for the stronger. Accordingly, the relationship between the two parties is not one between strong and weak, great and small, but between two necessities, where each party has its ultimate significance. Therefore, the relationship is between two qualities, not between two quantities. If one ton of wood is added to one hundred tons, the amount added would only amount to 1%. However, adding one ton of iron, or just a few kilograms of nails, to that amount of wood means the addition of a new element which cannot be dispensed with if we want to change wood into a table or chairs. Accordingly, the relationship between the two economies is not only an overall one, but a relationship between two labor forces and two markets of two different natures.

What I have said might lead to a very dangerous conclusion -that the structural relationship between the two economies is a form of mutual necessity simply because each of them has a different nature. Doesn't this mean that the occupation became necessary for the occupied territories and their economy? I ask this question in order to use it to answer another two questions: Firstly, the limits of the necessity and benefit which each

economy represents for the other; and secondly, the loss which would result from upsetting or severing the relationship between the two economies. Addressing the subject matter of this research will help us to answer all questions which may be raised about this subject. Moreover, answering the question about the economic effects of the uprising will enable us to get a clear picture of the economic background of the uprising which had been accumulating for more than two decades.

THE PALESTINIAN ECONOMY

Talking about a economy under occupation requires defining the meaning intended by this. Does it only cover the economy of the 1967 occupied territories, or does it also include those occupied in 1948? The term as we are using it in this research covers the Palestinian economy in both areas, although there are some differences between them particularly in the degree of Israel's hold on each of them. We don't only say this because of the unity of the land and the people; but also due to the similarity of the mechanisms to which both areas have been subjected, as well as the role which the Palestinians from both areas are playing as an underlying structure of the Israeli economy. Therefore, talking about the occupied territories of 1967 is considered a proper standard for those occupied in 1948.

Israel has run the affairs of the 1967 occupied territories in accordance with two aims: The first is exploiting all the resources of these territories in favor of its own economy. The second is the political aim of creating a situation in the territories whereby they can be annexed in the future. However, if there is a contradiction between the two aims, Israel has given preference to the political aim. Accordingly, Israel didn't try to deform the Palestinian economy, but to destroy it. The first aim would allow for keeping the structure of the economy, although in a backward or deformed state, but the second targets the structure itself.

Thus, the results of the Israeli policy were on two levels: The first is emaciation of the Palestinian economy, particularly its productive sectors, since these were less in 1985 than in 1967. The second has a structural nature, because of the increase of the Palestinian economy's dependence on income from outside the 1967 occupied territories. If we take the development of the labor force in the 1967 occupied territories as a standard for measuring economic activity, we will see that the number of employed in 1985 was the same as in 1970. What should be taken into consideration is that a considerable number of them are working in Israeli settlement projects; Israel considers them as part of the labor force of the 1967 occupied territories.

We find more than one evidence of the structural change. For instance, the number of those working in the agricultural field was 37,400 in 1985, only 65% of those in 1970. But where is the decrease? Surely, the Israeli agriculture has absorbed it. However, the loss of the occupied territories is not confined to the size of the labor force, but also applies to the quality of those employees, since all of them are wage laborers. Accordingly, the labor force in the 1967 occupied territories began to decline. In 1985, only 64,300 wage laborers were actually