

1936 levels.

So, Arab wage labor was employed by settlers despite the policy of “conquest of labor” (i.e., the exclusion of Arab labor from Jewish European establishments). However, this employment was primarily in capitalist Jewish European enterprises, and in “projects” undertaken and funded by Zionist institutions, it was excluded.⁷ Thus, here we have another example from the labor market that undermines the argument of those dual-economy proponents who chose to ignore or deny the economic interactions between the two communities and the implications of such interactions.

6.2 Differentiation of the Arab Peasantry

Who are those wage labor coming from rural areas? Were they landless peasants who have been “pushed” out of independent agricultural production through the expropriation of their land, or use of by the development of general capitalist production in agriculture, or, alternatively, have they been attracted (i.e., “pulled”) to job opportunities external to the village economy as Carmi and Rosenfeld⁸ claim? In other words, these two positions raise the question of whether, and to what extent, there has been a process of differentiation among the peasantry.

⁷See Shafir on the conflict within the settler community on this issue during the pre-Mandate period.

⁸Shulamit Carmi and Henry Rosenfeld, “The Origins of the Process of Proletarianization and Urbanization of Arab Peasants in Palestine,” *Annals of the New York Academy of Sciences* 220 (March 1974): 470-85.