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 <u>demand</u> 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: <u>practical</u> and <u>explanatory</u>. And although distinct, these two aspects of the study are essentially complementary. Their theoretical methodological treatment tends also to overlap, as illustrated below.

17