

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