

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-