

of (a) and (b) invested elsewhere.

In the bottom of the hierarchy, and with the highest rate of exploitation, comes local private capital as employer of Arab labor, be it inside Israel or in territories occupied in the 1967 War. This is true both in industrial and agricultural enterprises that produce basic consumer goods for local market and agricultural vegetable plantations for the European market. This reaps super-profits, especially by employing Arab females. Highest rates of exploitation apply also to the small-scale textile and embroidery factories recently penetrating traditional Arab villages and small towns, appropriating female labor on the very site of reproduction of their labor power, and without altering the cheap basis for the reproduction of male labor power. Arab female workers are then forced to continue to contribute directly to the creation of commodity labor power through domestic labor, while they are directly engaged in the creation of surplus value.

In order to further comprehend how and why Israeli private capital reaps super-profits from Palestinian labor, we have to examine the use of two systems of labor: (a) the commuter labor system: Palestinian-Arab labor (from within or across the Green Line) in Jewish work places is almost invariably commuter labor.<sup>19</sup> This is directly related to locations in the social formation as a whole; to the question of habitat. In the basis of the commuter labor system is the "essential" Jewish/Arab residential segregation of workers in the country. This applies both to citizen and non-citizen Palestinians alike. Habitat segregation is essential in the sense that historically the Jewish Yishuv was formed as a "closed" community; Jewish colonial settlements were obviously for Jews only. New Development Towns were transplanted in the heart of Arab-populated regions on Arab land,