

into a collective management and/or bourgeoisie. This transformation, however, is likely to promote proletarianization among both Arabs and non-kibbutznik Jews who are now to replace the members of the kibbutzim who are ceasing to be non-capitalist productive manual/mental laborers and are becoming unproductive capitalists.

Another significant development in the political economy of the kibbutz is the recent decision by the Kibbutz Organization of Industry, with the approval of the Histadrut, to subcontract the work "which is not appropriate to the character of the kibbutz" to special factories, which are to be situated in the Arab villages of Israel. This development is expected to increase the localized proletarianization of citizen Palestinians in a direct way.

These two developments in the political economy of the kibbutz have special bearing on our analysis:

First, they signify an explicit legitimization of the kibbutz as essentially an employer, contrary to its known image as a self-labor-based unit of production.

Second, through the Regional Factory being located external to the social boundaries of any single kibbutz, and through subcontracting to factories located in Arab villages, the kibbutz community rids itself of the visibility of the social, political and ideological contradictions involved in the use of hired labor, specifically Arab. Removing hired labor from the kibbutz dining room has also an economic dimension. The development of Regional Factories rids the individual kibbutz of the daily cost of feeding its hired labor force, which can otherwise be (at least morally) unavoidable, given the employer's communal form of subsistence. The subcontracting of work to fac-