

capitalist economies, arguing that the two sectors developed independently. The second approach posits a direct relationship between both economies.

Adherents of the first approach argue that the Jewish capitalist economy established itself in total isolation from the indigenous traditional peasant economy (Ohana,1979:1981; Eisenstadt,1974: 1985; Ben Porat,1986). For these authors there is no question of the Jewish capitalist sector having exploited the indigenous peasants. If anything, they argue, the Jewish capitalist economy benefitted indigenous Palestinians by opening up employment opportunities and by exchanging Jewish capital for indigenous Arab land. (1) Even "liberal" authors such as Kimmerling believed that this was indeed the case. He comments:"Indeed, the Arab social and economic structure did benefit considerably from Jewish presence" (Kimmerling, 1983:69).

The so-called independent Jewish entity in Palestine is explained by one prominent Israeli scholar as a product of what he calls "the absorbing society" (Eisenstadt, 1958). Early Jewish settlers, Eisenstadt writes, created an independent Jewish entity because of their strong will. These settlers were equipped with Zionist (socialist) ideals,most notably the ideal of Jewish self reliance, and were therefore able to prepare the settlement for future Jewish immigrants (Eisenstadt,1958:387).

This account, as various Israeli critical writers have pointed out, was and continues to be the most common Zionist or Israeli official belief. In their *The Rich Families*, Frenkel and Bichler provide a more comprehensive account of the perpetuation of the "myth about the Israeli society". Their account of this romanticized version of Jewish