

overall situation gives some meaning to the concept of a Jewish economy.

However, it should be stressed that the way the Zionist movement's institutions and policies were set up, and the extent of their success, were conditioned by existing conditions in the country, its indigenous people and their response, and the policies of the colonial government. Similarly, the Arab socioeconomic conditions were affected, even more, by Zionist institutions and policies, as well as by government policies. Owen puts it in the following manner:

The concept of a Jewish economy [has] some meaning if properly defined in terms of its scope and in terms of the exact historical period under examination. But its use should certainly not be allowed to give support to the assumption that it enjoyed a quiet separate and independent existence or that economic relations between Jews and Arabs or Jews and the Palestine government can only be treated at the level of the two communities as a whole. To do this is to effect the surprising conjuring trick of causing the larger Palestinian economy—in which both Jewish and Arab activity was embedded—to disappear.<sup>107</sup>

### 1.3.5 The Capitalist Penetration of a Noncapitalist-economy Approach

The second approach treats the transformation of Palestine as a process of articulation of a capitalist sector (Jewish European) with a noncapitalist sector (Palestinian Arab).<sup>108</sup> The interaction between the two sectors is seen both as direct and mediated by the colonial government, the latter given critical importance. Although this approach is a vast improvement on the dual-economy

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<sup>107</sup>Owen, "Introduction," 5-6.

<sup>108</sup>Asad, *Anthropological Texts*.