

one, in that it treats the Palestinian economy as a single unit of analysis, incorporates the crucial role of the government, and provides a framework for an analysis of the impact of the process on the indigenous society, it still has some shortcomings.

One problem with this approach is its complete characterization of the “Jewish European sector” as a dynamic capitalist sector. Although there is no doubt that the Jewish European sector was capitalist in essence, it also had some specific features that qualified its workings. Jewish European economic policy did not at all times necessarily follow the normal criterion of profit and loss so characteristic of capitalist enterprise.¹⁰⁹ Many times, economic calculations were subordinated when they came in conflict with attracting permanent Jewish European settlers or with the political requirements of setting the foundations for the eventual establishment of the Jewish state. The Jewish Agency, for example, promoted a policy, as already discussed, of employing only Jewish labor regardless of the existence of lower rate Arab labor.¹¹⁰ This varied in its success at different times and among different industries, but nonetheless it had a profound impact on the overall process of the transformation of the Palestinian society. Then, again, there was the policy of land, which once acquired, could not be sold or leased to non-Jews. That is also contrary to the normal functioning of capitalist markets.

¹⁰⁹Owen, “Introduction,” 7.

¹¹⁰Ibid.