

Arab working class. In the mid-sixties only one-third of the Arab employees were members of the Histadrut (Preuss, 1965:234), and although that proportion has steadily increased since then, there are still substantial numbers of the Palestinian labour force working under non-contractual terms. In the occupied territories, of course, the percentage of organised labour is much lower, probably less than five percent.⁸ Here the impact of Israeli occupation has been retrogressive; both the political repression of trade union organising attempts and the predominance of casual labour among Palestinian workers have eroded even the minute gains which workers' unions have achieved under the Jordanian administration.

But erosion of control over the conditions of work by Palestinians need not mean an automatic decline in their bargaining power. Wage differentials between Israeli and Arab workers are more likely to decrease due to efforts aimed at counteracting the depressive effects of cheap Arab labour on Jewish wage scales. Most probably such a protectionist wage policy, if pursued by the Histadrut, will come into conflict with the attempts of Israeli private capital, now given a freer hand by the Likud government, to make the most of the seemingly unlimited supply of unskilled Palestinian labour. Another, more encompassing, source of conflict within Israel will be the continued disenfranchisement of the Palestinians. So far, this issue has not been a bone of contention either by the Israelis or the Palestinians, since the latter do not see themselves as potential subjects of the Israeli state within which they have to fight for their democratic rights. But, as pressures arise for maintaining Jewish hegemony in the political sphere, against the increasing role of Palestinians in its economy, the Israeli state will have to acquire an infinitely more repressive character.