

for higher productivity.

Contrasted with this is the diamonds industry, where only Jewish workers, predominantly Western and early settlers, are employed. It seems cheaper to introduce technological innovation and expel (lay off) labor. This is only an observation that can reinforce our earlier conclusion regarding the differential rates of exploitation affiliated with different sources of capital, industries, ethnic groups, and their reproduction sites.

A more relevant point to the objective of the proceeding chapter is that these transformations seem, by and large, to intensify the proletarianization process; the number of industrial wage workers is growing, not decreasing; the size of the working class is expanding, not shrinking. One can infer from these processes that these transformations are increasingly proletarianizing not only Arabs but also Jews. This inference is especially valid in light of capitalist transformation of the pre-commodity forms of production previously prevailing in Israel. This analysis therefore reveals findings that are complementary to those in Chapter V.

We must keep in mind that this presentation is based mainly on pre-1973 statistics and reflects features of the economic boom. It does not reflect the effects of the post-1973 economic crisis. More recent transformations in other aspects of Israel are following and may reveal some of those effects.

A final point is to recall that these transformations that are taking place in Israel today are very similar to the ones that were taking place in Diaspora and eventually gave birth to proletarian Zionism, the theoretical-ideological basis of this social formation.