

III. Transformations in Rural Israel

Rural Israel is historically the planned sector of the economy, since the Yishuv planning applied only to the Jewish part. Jewish rural Israel is often referred to as the stronghold of Labor-Zionism and as a residual of the socialist Yishuv community.

Earlier in this thesis we tried to argue that it was, in fact, the non-capitalist sector of the Jewish economy based on the petty commodity form of production (the moshav) and primitive capitalist accumulation (the kibbutz). The latter is viewed not in light of the internal structure of the kibbutz community, but rather from its place in the social formation and the indispensable historical role it played in the development of Jewish capitalism, specifically the "closed" Jewish capitalist economy of the Yishuv. We argue that it played the equivalent role of the "traditional" (pre-capitalist) sector in the development of capitalism elsewhere in the world.

These pre-capitalist forms of production are now being swept away by the advancement of capitalist development in Israel. Most prominent in this process are the following features:

- (a) Transformation in the economy of the kibbutz.
- (b) The introduction of utopian settlement with high technology production: the case of the non-agricultural moshav.
- (c) The industrialization of the Palestinian-Arab community.
- (d) The transformation of land.