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A Theory of Forced Labour Migration

The Proletarianisation
of the West Bank Under
Occupation (1967–1992)



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To the memory of Raghid El-Solh

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Chapter 1

Working for the Enemy



1.1 Migration in the Bigger Picture

In the early 1990s, an American Indian refused a request by a white medical delegation to exhume the remains of his ancestor and conduct research that could have cured him of a potential disease. He preferred to die from the hereditary illness of his ancestors rather than allow the white man to desecrate his sacred grounds. The slaughter of his forebearers was not just a memory. It was a living memory. It was, in fact, the present. The slaughter of the American Indians never ended. He lived through it every day as the white man confines him and his people to the reservations of poverty and disease. The human development indicators of North American Indians, Canada included, are astoundingly similar to those of the poorest developing nations. In the case of the Canadian human development indices, for instance, the main causes of death on the reservations in the early 1990s were morbidity and poisoning. Alcoholism, suicides and poor education and health cut the life expectancy of indigenous men to nearly half of that of white man.

Just as Chief *Tecumseh* noted in 1811 that ‘The blood of many of our fathers and brothers has run like water on the ground, to satisfy the avarice of the white men’,¹ Salah Salah, a commander of the Popular Front for the Liberation of Palestine, asserted ‘the blood of his people has not yet dried in Palestine’. The memory of the massacres and the ethnic cleansing is also alive in the Palestinian refugee camps. It is evoked by the continued aggressions of Israel and its allies against Palestinians. Everywhere in the diaspora, the yearning for returning home in Palestine is a form of resistance and an act of self-defence. There, too, people may prefer to die from hereditary disease rather than live with the white man’s medicine.

Palestinian memory is the shared experience of an ethnically cleansed people continuously subjected to repression. In one of these experiences, an elderly

¹ Tecumseh’s Speech to the Osages (Winter 1811–12), History as a weapon, <https://www.history-isaweapon.com/defcon1/tecumasages.html>

Palestinian recalled how, on one stormy night in South Lebanon, a rising river carried the tent and his infant brother away. No matter how deeply etched, personal memory fades with age and disappears with death. However, shared memory is a different story altogether. It is a symbol and attribute of social class. It is part of the subject, the mode of consciousness associated with the social class, whose material substance, the object, is universal, simply because it is material. All metabolic social production processes are objectively interconnected. It takes the efforts, or the setting aside of efforts, from the whole world to produce a commodity.

Because violence in social reproduction is an existential or historical condition shared by all peoples under capitalism, memories of genocides and repression abound. Shared memories grow or disappear with the power, including the ideological power, of social classes. Memories of defeated peoples or of the many peoples eradicated outright by capital are no longer around. Their memories serve as mementoes of a victorious Western civilisation and possibly 'interesting' fields of research for its academics. Resisting peoples keep their shared memories alive as part of the ideology of struggle against capital, and its more intensified form, imperialism. Capital, the class whose ideology is dominant, instrumentalises the memories of the many peoples it has massacred and deploys them as part of its ideological arsenal against people it is going to massacre. Hollywood, for instance, a principal apparatus and disseminator of capital's ideological standpoint, convolutes possibly the greatest genocide in human history – that of the American Indians – into either a romance between an American Indian woman, then referred to as the less-than-human squaw, and a white colonial settler or a war of civilising barbarians. Whereas capital is a continuous massacre, little attention is paid to that American Indian massacre, while mention of the Armenian genocide resurfaces every time Turkey departs from the US position. That capital is massacre is not an allegorical statement. Waste accumulation along with its subcomponent, militarism, and its associated measures of depopulation is also a production process and a pillar of objectification qua commodification of labour. It outrightly reduces necessary labour and raises surplus labour and, by intermediation, profits.

However, the term people as used so far is too loose. People originating in differing material circumstances are mediated and organised in social classes and institutional forms. There is, first, the class of the dispossessed. This is the class of social man in search of a wage job. It is the working class, which produces everything that supports or destroys life. Its materiality, material substance to be exact, is general or universal because inputs from places around the world are required for the making of the commodity, while the production of the commodity necessitates the regulation of labour's reproduction. The latter aspect requires more immiseration, violence and depopulation, which are altogether production proper and inputs in production. The working class's relation to the mode of production and ownership is general in character or universal. Wage labour is social labour, deprived of private ownership and forced to work for subsistence. However, its subjectivity, memories and mode of organisation and consciousness are particular. Transforming the particularity of the subject through struggle into the universal anti-systemic struggles lays the groundwork for emancipation.

The counter-image of that class is the capitalist class, capital for brevity. It is also a universal material substance through financialisation and global production networks. The global money form of value is a pool in which this class partakes. The

profit rate decrees its decisions to mould social processes, always with the intent of reducing costs to ensure higher returns. It is also a class with memories transfigured in a dominant ideology. Needless to say, that ideology is powerful. In fact, it is so powerful that it even bestows upon the colonial settlers a humane quality; these are portrayed as a people who want to live in peace, but the violence of the indigenous barbarians prohibits them from doing so, and naturally, their genocidal reaction is justified as a measure by which they protect their 'way of life'. The organised dimension of capital, its smarter side, heavily relies on the weight of history, its ideology amassed as 'truth', and its more established forms of social organisations, like states. Impersonal history as financial capital assumes the form of imperialism in the twentieth century. It is a dominant ideology, with its corresponding forms of social organisation, or a class with a self-reinforcing ideological fabric transcending national boundaries. In its effort to free resources for cheaper use, it politically empowers cultural identity as means of rent acquisition, and, ironically through working class differentiation, it homogenises cultural differences by means of literal eradication of diverse traditions. It prides itself on its technological meliorism, while its technology is decisively alienated from humanity. It certainly boasts a more refined culture and a *chosen* people role that delivers humanity from its backwardness, albeit, at a cost, often involving genocides, to those who cannot adapt to the transition. European colonial settlers in the developing world are the foremost bearers of that capitalist class. The settler brand of colonialists is nearly all *chosen* people who civilised the savages with fire and steel. Their memories are variations of the frontier ideology of fortress America. They are the thrusters of capital, that is, the leading edge of the commodity as self-expanding value.

Classes engage in class wars, and in the class struggle, the two opposing classes and their modes of consciousness and organisations clash. So far, the victor has been capital. Unfettered capital prevails by the degree to which it obeys the diktat of the commodity as self-expanding and self-realising value in exchange. Falling prey to reification and its commodity fetishism, the rule of commodities implies that capital further estranges use from exchange value. It produces commodities that people do not need, like waste, or things that harm people, but that sell for a price. Gauged retrospectively and in view of humanity's current existential crisis, capital's free reign, its wealth amassed as human and environmental waste, has been of crushing weight. By kowtowing the power of capital, the science and industry of Western civilisation have mined the planet beyond repair. Walter Rodney (1972) would stand corrected, in that, it is not only Africa that did not progress despite the brutalities of capitalism, it is the planet. With the certitude of the logic of nihilism, the sort that resembles Gilgamesh's wisdom that 'mankind can number his days, but he has only achieved wind', there has been nothing progressive about capitalism. Proverbial nothing, the waste, is the determining moment in history.

Throughout its 500 year history, capital's chimerical ideas have also been its leading weapons. To be sure, capital is a fiction with a non-fictional impact. It stands tall by its ability to divide labour. The principal reason why capital has been winning by such a landslide is because working classes did not mediate their particularities into a universal organisation and ideology through common struggles. The labour process is the foundation of capital, and thus far thingified labour, the labour that has

absorbed the conceptual framework of capital, has de-emancipated humanity. Racism, the supremacy of the North evidenced in its liberalism, the kernel of working-class differentiation, thrives. Figuratively speaking, capital has paid off half the working class to suppress the other half. The same class that won against the American Indians, Africans and Arabs in Palestine is the class that owns the means of production and produces commodities for the globe. It is a cross-national class crystallised in institutions such as NATO, the World Bank and the International Monetary Fund and settler-colonial franchises like Israel. In addition to its military arsenal, this class has at its disposal a 500-year-old accumulated stock of pseudo-knowledge; the ruling class manifests in the way working people adopt the ideology of capital.

However, the power of capital may be assessed from various angles. A Western university professor may presume that capital is vulnerable to home-grown social democratic processes and may impart virtues of 'democracy' to countries like Libya, Syria, North Korea, Bolivia and possibly Venezuela. To that end, he may support regime change or even the bombing of Libya, Syria or Venezuela by NATO. To the sycophantic professor, capital and imperialism are not so strong and are not *intrinsically* driven to expand commodity production and commodification by violence and pauperisation. As if by casuistry, there are nuances, he would say, and one may take different positions in different camps, playing tricks on time and history to achieve a messianic world in which the dictators and imperialism both disappear. This metaphysical half-good and half-bad imperialism is not innocuous; it is a bourgeois class position. In any case, percentile-sectioning of social processes is too logical to be real or historical. Capital is not a liquid to be mixed fifty-fifty. It is a qualitative relationship of people, socially organised, whose social predisposition is growth and profits. Capital, the totality including its condensed practice of imperialism, is determining in its first and last moments. Its reproductive order is socially metabolic, wasteful or overly entropic. *Ipso facto*, the non-fictitious impact of capital, the earth inundated with pollution and the remains of extinct species, peoples, cultures and their memories to boot, abounds.

Power matters to this work. It takes a lot of power to immiserate, massacre and evict Palestinians. Zionism is one of capital's most daring colonial projects. It realises one of Marx's worst nightmares that *there is nothing more abominable than to posit the great deportations as the future of humanity*. I posit that the power of capital, not only as exercised in Palestine, but universally, ought to be gauged just as a little Gazan girl perceives the power of an F16 jet-fighter closing in on her home. Its highest degree of barbarity defines its strength. Capital aggresses everyone. In intense form, Zionism qua imperialism (Zio-imperialism) particularly assaults the Palestinians because they are on the crossroads of oil, the source of energy that has supported human population expansion from one billion to seven billion in the last century. Capital is so ideologically powerful such that it can spin a story about a god who promised the land of Palestine, a land inhabited by Palestinians, to European Zionists, such that the Europeans can ethnically cleanse the native population while fulfilling divine fiat by the support of secular states. The power of imperialism in Palestine is power over the globe. In the same way it has spun a story to turn myth into reality, it could unspin that story. It could, for instance, grease palm the Palestinian

comprador, while it pulverises the surrounding region, as happens from time to time. By now, the death and war visited upon the peoples of countries neighbouring Palestine exceed the misery that has befallen the Palestinian people. The discussion between shrewd anti-settlement Europeans and marionetted biblical settlers is about where to move the goalpost for the next aggression. The more the Palestinians concede to Zio-imperialist terms, the more grows the power of imperialism over the globe.

Yet despite its power, *reason* and resilience, victorious capital is restless. It senses that it is a fiction propped up by the differentiation of labour but not because it has senses. Its search for higher profits by commodification broadens the social conditions, the socialisation of labour, which might bring about its demise. Because of such uncertainty, it pre-emptively attacks anything in its way. It incessantly lays out the historical alternatives that make it the model of choice by necessity. For instance, the United States attacked Iraq to pre-empt it from having nuclear weapons, which it did not have, nor did it have the facilities to make, imposed upon it a sectarian constitution and sent Iraqi people to the polls to necessarily vote US-cronies into power. The United States' power laid the historical imperatives. As the agent of history, it voted by bombing. Subsequently, the Iraqi polls are no more than an ornament of modern slavery. Although most gather that capital produces only commodities or services like cokes and haircuts, the 'attack on Iraq', the idea and the very act of the attack, from fanning hate to producing the means of aggression to hiring attackers and to killing the victims, is also a production process and a product of capital. The same applies for other encroachment wars.

Zionism, a by-product of the European capital class, is also insecure and on the attack. Proponents of Zionism knew that to establish the state of Israel, it must continuously war against the dispossessed Arabs. Israel wages war to achieve a 'peace' by pacifying the Arabs (Ben Gurion [1936] as quoted by Shlaim [2001]); hence, endless war against the fictitious construct Arabs to defeat the real people, working class Arabs. For Israel war is peace (Massad 2013). Peace in a class sectioned order under capitalism is *impossible* because war is pure waste. Accumulation by waste, foremost by militarism, is the backbone of capital. Waging war to achieve peace is a state of permanent war. Israel is aware that it has displaced a people who substantially belong to the international working class and who share in the memories of Arabism and the Islamic civilisation. Not that the purpose here is to rekindle the glories of past civilisations, but it is the reassertion of that cultural particularity in the face of white civilisation, which is the significant vehicle for combatting capital, hence the becoming internationalism, as opposed to the microcosmic common denominator of the class that negates everything to achieve nothing (a reinterpretation of Mavrakis critique of Badiou, in Mavrakis [2017]). Because of Zionism's interrelatedness with imperialism and Arab interrelatedness with the developing world, Israel aggresses the Arabs and a great many other people in order to pacify them as well as to consume them in the industry of war. Its *raison d'être* is thus war and it is cause for endless war.

However, no matter the acts of Zionism, the wars it wins, or the separate peace deals it strikes with Egypt or Jordan, its material substance, the real and financial resources with which it produces and reproduces are objects of capital. Its subject – its ideological and social forms of organisation – also closely identified with the intensified facet of capital, the imperialism and the security umbrella of imperialism,

manifest, for instance, in its partnership with NATO. As a capital relationship, Israel is intense capital in its subject and substance facets; theoretically, the dialectical concept of capital is substance-subject, the things and, more determinedly, the social relations governing the development of things. Concentrated capital qua imperialism, syllogistically Israel, is inherently an enemy of nature and man.

Capital grows by increasing production, which consumes man, more aptly working classes and the nature owned by social man that supports the reproduction of man, ergo, social nature. Since its long sixteenth century, capitalism has consumed the lives of nearly a billion people in war and has left the environment in an irredeemable state. Capital's offshoot, settler Zionism, the maker of the Palestinian Nakba,² whose reach is global, is a sharper replica of the big capital relation, the maker of humankind's Nakba.

To produce, capital cheapens man and nature. As inputs become cheaper, the consumption of man and nature in production exhibits higher metabolic rates; capital uses more of the cheap inputs per unit of output. As such, social man and nature become *foundationally, or by their very state of being*, enemies of capital. Nations need not possess raw material to be imperialistically aggressed. Their elimination/depopulation by war is a business for imperialism. However, foundations may remain buried and out of sight. Nature cannot speak for itself – not that there is nature under capital, for all is social nature – while the grievances of labour have not yet pierced the underground into a surface phenomenon, into a revolution, big enough to arrest the capital process. There are socialist experiments here and there, but capital forestalls the international coordination of labour's struggles. Capital reckons that whenever one corner of the world experiences a revolutionary transition, it cools another corner to maintain its rule, the rule of the capital relationship. In its course of action, capital has also enlisted more than the renegade Marxist; it has hired Marxists wholesale to serve its ends and even has a branch of Marxism integrated in its corpus eponymously named after its Western civilisation: Western Marxism, ensconced in glossy magazines and publishing houses. Restlessness extends capital's longevity.

Back in the early 1990s, when a former CIA director interviewed on PBS News was asked about the Oslo peace process between Israel and the Palestine Liberation Organisation (PLO), he facetiously answered, let us not get stuck on the word peace in 'peace process', all we want going is a *process*. The combined talent of pragmatism and American *process* philosophies has been the ethical equivalent of every 'sufficient' act in objective reality, no matter the act is ethical until proven otherwise by future enquiry. Human slaughter is ethical or not, subject to the bias of the enquirer, which is capital. The witty humans appended to the capital class, such as the former intelligence director, know that capital is by definition the war of each against all. They know that imperialism is a power game and that the wresting of power precedes the accumulation of wealth. The interviewed CIA boss is truly a visionary. The process is all we got. Despite his cynicism, he is also ethical in pragmatic standards. The binding circumstances that empire confronts as it introduces civilisation to unyielding masses impose an unwanted war upon it. The fulfilment of the empire's appetite for war as a result of the *process* created thus far, the

²Nakba is the Arabic word for catastrophe associated with the ethnic cleansing of Palestine.

‘sufficiency’ of the act in objective reality, justifies the ethicality of the interviewed CIA’s boss position. Although at the current global impasse such *witty* types should not be labelled as such anymore, the grip of capital’s conceptual constructs, the ideas that exonerate capital no matter the vile act, are sturdier than before.

Capital produces subject to the law of value. The commodity it produces, the value proper, the material object and the relation governing production are intrinsically waste. It is waste not by matter of degree, not 10% of this or 50% of that. As alluded to above, it is historically and therefore determinedly waste by the social quality or the predisposition for control cum profits of capital. The heap of commodities is the heap of waste. The pollution, the war, the victims of war, the extinct mammals and the billions who do not contribute by any effective labour units to production are samples of waste and potential waste. For human persons, the law of value, the law that lays out the social conditions for waste, is aesthetically ugly and ethically criminal. Clearly, the law of value operates under capital, and so the same pejoratives appertain to history in the age of capitalism. History is impersonal and a different creature than the human persona. Whereas no capital-conforming person can be ethical as the stock of poison accumulated so far exceeds the stock of wealth, capital incarnate in history is objective, impersonal and ruled by commodities. Ethical considerations are not something capital as history contemplates. The fetishism of commodities, their godly aura possesses the ruling class and reifies social relations as capitalists assume the spirit of things or the reason of the commodity itself. History, therefore, unlike a human, just does, *sans* ethical considerations. That history best self-manifests in places like Gaza where it is cheap to feed the population and expensive to aggress them with F35s.

Killing the socially constructed excess population and nature is a run of the mill issue under capital. In particular, the industry of war is a condensed form of killing and it is just business, as per Karl Liebknecht (1912).³ That thingified business class, so to speak, effects the law of value, the principal law of capital, which sets the stage for social production. It is a law that regulates the reproduction of labour and concomitantly drives relative and absolute depopulation. In parallel to reducing the social cost of labour’s reproduction, reducing the number of people in society diminishes the share of value outlays on labour and/or the socially necessary labour time, which goes into reproducing the population. Not to forget that working people, society, are the cornerstone of accumulation and its end. As the perils of the environmental calamity, the polluted air, threaten Europe, open support for the aggression attendant on value formation, support for boosting production by imperialist wars, becomes too self-inculcating; not that capital can green things, the cant or the new misnomer for the law of value is greening the planet. Although capital inflicts more human and environmental damages upon the least developing world, it simultaneously damages everyone, though the rich to a lesser extent than the poor.

To rephrase, the law of value, which allocates and moulds the conditions for the making of resources at the behest of capital, a relation that takes its cue from the

³ Karl Liebknecht, Where Will Peace Come From? *Le Socialisme*, November 2, 1912, <https://www.marxists.org/archive/liebknecht-k/works/1912/11/02.htm>

commodities that are exchanging on the market, assigns the smallest outlays of value to the reproduction of labour. Ideally, it wants a worker born at working age, to die at the exact day of his retirement, paid as little as possible and costing little in hours of labour to be reproduced by his community. Capital needs a society whose own labour power is of no use to it. The exchange of labour power on the market as expressed by the law of value dictates the living as well as the 'dying' conditions of the worker. By dying, I mean the rate of dispensability of excess labour. By definition, the worker is a medium of society's productive capacity. He is a subcategory of the social labour whose productivity and earnings are determined socially and politically, in that order. For capital to have a high surplus labour relative to low necessary labour, the worker as well as his community have to be pauperised.

The closest human being personifying the ideal type required by the law of value is the migrant labourer. The receiving country immiserates the labourer's country of origin, uses an already grown labourer in production upon whom it defrayed no costs and throws him back to his debilitated community afterwards. Necessarily but not exclusively, creating cheap or migrant labourers requires a dose of violence.

1.2 Palestinian Proletarianisation

Theoretical migration is, then, the study of the application of the law of value as it allocates the labour resource. It is, *inter alia*, about the expulsion of people and the socialisation of labour. 'Human beings' Marco Rizzo says, 'are not like migratory birds. It is not nature that compels them to migrate but the capitalist system... They migrate because of war or hunger'. Palestinians forcibly migrated because of the 1948 war (the Nakba). The expelled Palestinian farmers were private labourers working their plots of land. Some were semi-proletarians engaging in seasonal wage labour, but having the farm as the main subsistence base; such was the earliest enforced proletarianisation in Palestine. They were mostly private labourers transformed into fully socialised wage labourers – from petty owners of their means of production to non-owners, or private to wholly social. These refugees cum proletarians have, for instance, contributed to the construction of Lebanon, Jordan and some of the Gulf states.

The second wave of Palestinian proletarianisation began after the 1967 Arab-Israeli war. The Arab countries were swiftly defeated in what has come to be called a Naksa, or the smaller disaster. The Palestinians rhyme their tragedies in the Arabic language: Nakba and Naksa. Once again, the tactics and the strategy of removing and transforming private labour into social or wage labour depended on violence, restrictions on the economic autonomy of the occupied territory, land confiscation and the growth of settlements. Gaza has since been reduced to the biggest open-air prison in the world (Høvring 2018). The West Bank has been nearly all confiscated. Zionist settlements have grown more than tenfold since the signing of the Oslo peace accords. That was only part of the *process* of which the US spy-chef spoke, without the peace of course.

As early as 1960, the astute van der Hoeven-Leonhard explicated the dynamics of the Palestinian conflict as follows:

In building up its state, Zionism thus succeeded in creating a fact of power, but not an accepted and hence accomplished fact. The Arabs have long realized that any acceptance on their part would be merely an instrument in Zionist hands to pave the way for the next fact of power... The truth about the Palestine problem lies in the succession of historic facts, in the chain of actions and reactions which created and continue to create these facts and the driving force behind them.

Build the settlement; impose the fact; extort the concession under the *faux* pretext of peace negotiations so as it becomes an accepted fact, but only to the comprador; and then heighten the aggression, *ad nauseam*. What van der Hoeven-Leonhard did not mention is that the aggression is unstoppable because it is itself an accumulation process, and not only does it bolster accumulation in Israel: aggressing the Palestinians prepares the grounds for the growth of the intertwined industries of war and oil, industries central to global accumulation.

Zionism in Palestine targets more than just the Palestinians. Grabbing Palestinian land is a lever to trigger the bigger stakes of imperialism. Zionism commands a substantial nodal link in the global value chain, the circulation of oil and the intensity of war. The issue of Zionism and its embodiment in Israel 'is not just a question of Israel but of who stands behind Israel', as rightly put by Mao Zedong.⁴

As the crisis of capital deepens, its overproduction requiring underutilisation, capital resorts to higher rates of exploitation to generate higher rates of profit. Commercial exploitation, the capitalist slavery associated with primitive accumulation, known for its highest rates of surplus value because it makes a commodity out of living labour, never went away. In close correlation to the crisis of capital, slavery assumes more general forms. Colonialism and imperialist wars of encroachment strip the autonomy of states and de-subjectify whole countries submitting them to terms of slavery. The masses of the bombed-out countries of the modern age, Iraq, the Congo, Libya, Yemen, etc., are unwillingly socialised en masse. It is not the single enslaved or wage-enforced labourer who loses his property or his means of production; it is the whole country. Encroachment wars enlarge the scope of slavery. With the loss of its autonomy, a nation also loses its command over its labour and resources. It then releases natural and human resources, the refugees, onto the global market. In this sort of slavery writ large, capital and its imperialism strip a whole nation of its political independence.

The encroachment war is a treasure trove of the law of value. It is also a sub-branch of waste accumulation, and an industry of militarism. It serves to redeploy the economic money surpluses of monopoly-finance into state securities guaranteed by imperialist pillage and the present and future labour of the working class. The remaining moneyed profits to which there is no comparable asset in the real economy incentivise future imperialist wars in search of real collateral. Concomitantly,

⁴Quoted from Democracy and Class Struggle <http://democracyandclassstruggle.blogspot.com/2011/02/chairman-mao-zedong-on-palestine-and.html>

wars bolster the power of imperialism responsible for under-pricing the value drawn from subdued or slave-like social formations. War produces pure waste; it consumes labour's effort and human lives and produces the deaths in humans and nature. War is not a negative value process because there is *a priori* nothing positive about the category value.

To put things in perspective, let us note that incomes under capital are rents. Technology presupposes wealth but the share of income is derived from class power. The income earned by empire from the sales of weapons pales in comparison to the technological edge provided by the socially funded military research, which places the United States atop the global division of labour. US-led capital aligns two components, technology and military superiority, the physical base of its power platform, to capture value in the form of financial rents while sapping the central working class of income by taxation and the underdeveloped countries' working classes by much more. The higher wages of the central formations are not propped up by a moral obligation of capital vis-à-vis its national working class. There is nothing moral about keeping some wages up while depressing the wage of the international working class. Humanity is outside of political economy; inhumanity is in it (Marx 1844). The higher central incomes of labour are rents from the stock of historical surplus value, the material substance of wealth and corresponding ideology, which reward a section of the proletariat for its contribution to imperialism.

Another source of imperialist power follows from the control of strategic commodities, choke points and trade routes, especially in the vicinity of historical Palestine. Power as such lays down the rules for value transfer/capture, which allows financial capital the luxury to disdain involvement in real production while directing moneyed wealth into the United States and US-related financial instruments.

Militarism and its wars are provinces of waste accumulation whose rate of surplus value is determined by the power balance of the class struggle. The approach I adopt here about the formation of surplus value is social as opposed to the economic Western Marxist position. It is not the diminishing returns to physical capital nor outdated technology that lessen the rate of relative surplus value. Surplus value in its absolute and relative forms is indivisible. It is not quantifiable or monotonically transformable by the law of identity into prices or the forms of value given as immediacy in actuality. As I have argued in Kadri (2017), prices are a veneer that distort value by the power of the dominant subject in the class struggle. Capital is a totality whose rate of surplus value arises from the rate of de-subjectification or, relatedly, the objectification of labour. However, unlike the rate of surplus value in the Western Marxian discourse that relents as machinery becomes outdated and rises with new technology, the surplus value of which I speak contingently fluctuates with the degree of enslavement/de-subjectivation or by conditions of revolutionary consciousness subject to the interface of value into prices mediated by class power. Market power is an appearance of class power. Although objectified labour produces high rates of surplus value, the thingification of man, the utter transformation of man into machine, counteracts surplus value formation. It arrests the labour process as no additional value can be negotiated from labour. The man/machine passes only the value within it because labour and labour power merge into a single state.

At this conjunction, capital subliminally elicits the development of liberal anti-capital consciousness, but never anti-systemic consciousness. The dynamic of the labour process undergirding surplus value creation requires sections of the labouring class whose demands focus on the sphere of circulation, as opposed to ownership of the means of production. For capital, a labour that asks for a higher share from social product is not anti-systemic. The rebuilding of liberal anti-capital consciousness to be crushed raises the platform of value making and with it the profit plateau, unless per the measure of coincidence and necessity the revolution succeeds in toppling capital. Naturally, capital requires a sort of revolutionary it can decimate. The Marxian business cycle is not a political cycle in the putative stop-go policies; it is a value cycle determined by the class struggle and one in which society as a whole is the material of the turnover cycle (as remarked in Marx [1894]). Each crisis or failed revolution disengages old value stock and gears newer value, however, not in the machine that only presupposes wealth but in the decimated subjectivity of labour. There is a transformation problem in Marxism, but it has to do with how the suppression and necessary rebirth of revolutionary consciousness, the ideological cycle itself, dialectically moves the plateau of value to higher levels, as opposed to how any prices, including production prices, accord with value. The abstract case of workers as machines, the logical end of labour's ideological defeat, is undesirable to capital because in the auto-negating social cycle there would be no living labour to short-change for profits. Profits emerge as a higher dialectical unity of labour and capital shaped by reappearing revolutionary consciousness. Capital in the guise of imperialism does not attack developing formations to awaken revolutionary consciousness, but it inadvertently does so by dialectical inversion; otherwise the social entropy comes to a halt.

As an accumulation sphere, militarism consumes value and produces surplus value. That people expend time and effort on producing waste and then pay for waste should not be odd. War deaths, pollution and trash are exchangeable and priced. Militarism, its wars and their associated austerities perform as conduits for wasting human life, instantaneously or protractedly depopulating, the latter by diminished life expectancy. These measures reduce the social cost of labour reproduction in value terms, in terms of the real necessary social time that re-sustains labour, while at the same time, the act of war is industrial-scale killing priced and funded in the currency of imperialism. The profits and lure of the war enterprise are substantial. As the value outlays on the aggrieved population in terms of subsistence income fall over the life-cycle of society, two outcomes follow. Firstly, the autonomy of people resisting imperialism, the subject in the value relation, drops, which partially commodifies labour. That is, it contributes to the enslavement of a whole population. Secondly, the reduction of life and standards of living or the social cost of reproduction of the aggrieved people is a reduction of necessary labour, which, as it articulates with production processes elsewhere, pressures other necessary labour outlays downward, and revs up the underlying condition for stocking surplus value. The accumulated stock of value is a historical surplus value in which the ideological stock of capital is primary.

In a financialised world, exchange and money-form value transfers flow in a less-viscous environment. The speed of exchange requires more of the socialisation and commodification, more space to be overcome by time and more resources to be

cheaply engaged. Encroachment wars break down the barriers inhibiting the further interlocking of the global production system. In such a world, more of the value usurpation/snatch in the form of imperial rents will depend on power rather than conditions and intensity of production; although these would still have to intensify, they do so by more waste and the liquidation qua privatisation of the working class and its assets. At this juncture – the moment of financialisation – the global class struggle corresponds even more closely to the conditions of integrated global production. Class struggle determines production and identifies with production. Every measure of the law of value and process of socialisation qua commodification, including the creation of indigence that precede migratory flows, becomes couched in the global imperialist choices, the real powers of history. To be sure, capital incarnate in history makes the choices and hands them down as a must do list to the powerless peoples, those who have not yet made the transition into masses. People become masses as they acquire revolutionary consciousness. The demands of the imperialist hegemon, now the integrated global financial class, more so than the provincial bourgeois, such as the small business owners in Israel, set the groundwork for the mobilisation of labour. Migrations concur with the imperialist choices laid down by imperialism as imperatives. Forced migration in Palestine represents an outstanding case whose exploration, the theorisation of practice, informs the practice of theory:

I contend, as I will show in this work, that the case of the Palestinian migrant/commuter to Israel is an offshoot of imperialism. It coheres with imperialism's broader militaristic objectives. It is a stark example of the law of value manifest in colonial settler practice. The making of Palestinian dependency and migration decisively bolsters imperialist hegemony. It only secondarily corresponds to the narrow interests of small sections of Israeli capital willing to hire the cheaper Palestinian labour.

1.3 Israel in Context

In Van Nieuwenhuijze's (1971) *Sociology of the Middle East*, Israel was said to be and not to be in the Middle East. It was geographically in the Middle East, but, culturally and in terms of commerce, it was European and traded with Europe. That Israel does not trade with the Middle East or the Arab world is falsification of fact. It certainly trades little in commodities or services; however, it trades in a much more rudimentary item, imperialist securitisation. Kamil Abu-Hneish (2019) exposed the falsity of the Zionist positions that calls for the extension of trade to Arab countries, the so-called economic peace, whose real aim has little to do with intra-regional trade and more to do with extending imperialist hegemony. Furthering imperialist goals is the bigger economy, the war and oil control economies. Israel is the purveyor of US-led imperialism in the region. It is the guarantor of the ruling class formation in charge of regional economies, especially the Arab monarchies. It is a geographic and an economic partner of the Middle East whose volume of trade with the Arab world appears insignificant in UN trade statistics, but highly significant in war, oil and overall imperialist rents.

Israel trades in the application of the global law of value. It un-sovereignises the Arab states/masses and hegemonises their oil fields, the straits of Mandab and Hormuz. Control of these latter choke points is the basis for global imperialist racketeering, the notion that potential oil supplies will be cut off unless adherence to imperialist diktat resumes. Nation states must either hold the dollar and trade with it or be subjected to sanctions or worse. Imperialist rents are many, of which I note here in passing the austerity liquidated assets transferred to the imperial core over decades and the militarism that has shifted resources away from health and education and destroyed nature and other means of support for human life. These have raised the historical rates of surplus value and its corresponding ideology. The power derived from such hegemony empowers the hold of US-led capital over financial resource channels and value transfers.

In addition to the self-reinforcing momentum of dominant ideology, it is this real power of empire, the military reach, which also transmutes into ideological power. There are several veneers veiling the real social being, the real Arab working class reproduced under the wrath of war and poverty, by the power of such ideology. There are, first, the regurgitated banalities of fascism. For instance, as Donald Trump says he clinched a deal for US \$350 billion arms in 2017 from Saudi Arabia. Saudi Arabia, a country with the independence of a laboratory rat hooked on heroin, whose assets are either already lodged in US T-bills or promoting US interests with Salafism further afield, whose control is a principal backer of US dollar seigniorage over the globe, is not an entity from which Trump clinches anything. It is his already, or the United States' capital to be sure. For that show not to draw widespread ridicule is testimony to the United States' ability to construct any falsities as acceptable facts.

The second and deeper level of obscuring reality relates to the concealment of the real cycle of production, value relations and time. Consider the arms deal as an example. It is instantiated in the price of the weapons as per so many US dollars (350 billion). The instance of sale de-historicises and obscures the social production process or the value relations involved in weapon making. It condenses real production time into a single moment, the moment of sale. The history of the many sub-industries it takes to make weapons and the many interrelated and anachronic stages of production associated with war making fade from view at the point of sale. In reality, the amount of US\$ 350 billion pocketed by the seller reflects not only all the value inputs and value relations at the time of sale; it is a culmination of the past and future production processes associated with the military industry. To produce weapons, resources are drawn from other social areas, pollutants gestate until social time allows them to circulate on the market and be paid for, cheaper raw materials require subjugation of nations abroad to which current and future war is a possible resolution, the realisation of the weapon causes austerity and depopulation, etc. All these value relations, these different production processes, are social-time determined and remain embedded in society over its lifecycle. With labour eviscerated, social time is the time at the command of capital by which it regulates the labour process, including the reproduction of labour.

However, value relations only appear to be resolved in the moment of sale. Unless one adheres to the constructed time and the accounting schemes of capital, there is

no final stage of realisation in any real social process. There are many production and realisation stages that do not follow a teleological order, and the real sum of prices or profits to which they relate far exceeds the money form amount paid for the weapons at that instance of sale. That is so because labour and the nature that reproduces labour must be short-changed for surplus value cum profits to emerge. That amount which is already paid and the amount that is yet to be paid imputes a fraction of itself as a cost that reduces the bread and butter and the lives of the masses over the social cycle. The compression of chronological time into the time constructed by capital, its social time, masks over value relations. Under the semblance of free trade between free agents, it equates price to value at the point of sale. In reality, there is so much unpaid, underpaid and yet to be realised and paid effort for value such that the lives and the standards of living of society necessarily worsen. In such socially organic and metabolic production process even the wasting of lives is a value produced and a value relation. The fetishes of the market, foremost in its prices, conceal from view how many hours of socially necessary labour society inputs into the value and the realisation of arms. Within value relations, there is a struggle to conquer time between capital and labour. The working class must control its time and effort at every stage in production, while capital has to compress the potential or socially necessary labour time to optimise what it derives in profits from the terms of exchange.

These value or production relations are neither complex nor mysterious. They are altogether what society does to reproduce or de-reproduce under capital. As societies de-alienate themselves through struggle to gain leisure or more of the commodities produced for the betterment of their lives, they denude and control every moment of social production. Capital, contrariwise, attempts to strip peoples of their labour and their lives subject to its intertwined crises of falling rates of profit and overproduction. Under the absolute rule of capital's ideological hold, tantamount to the rule of commodity, humanity de-reproduces or auto-consumes because value and its value relation, the inseparable substance-subject, are waste in terms of material substance and social subject type (Kadri 2019). Waste is not just the value relation in the production background or the cheap inputs that lower the prices of commodities on the market. Value is not a pie half-good half-bad. Value, along with its attendant value relation, is not a formal category, logical and quantifiable by an objective measure. It is itself historical and the historical product of capital. In everyday vernacular, capital cannot impart any goodness not so much because it may empower the working class, but principally because every value relation required to produce surplus value must waste material substance including humans in order to boost profit rates. The statement of *Tecumseh* (1811) that 'the white men want more than our hunting grounds; they wish to kill our warriors; they would even kill our old men, women and little ones... and that nothing will pacify them but the destruction of all the red men' is as historically true as it is logically true, then and now. Logical truth coincides with historical reality; the rational becomes real, as socialist ideology ebbs.

In an analogical manner to the weapon sale, the migrant's labour power being sold for a wage also encapsulates the value that has gone into the making of man, including the many stages of human reproduction predicated on communal effort, into the one-time exchange of labour power for wage. Here too, there are paid, unpaid and long gestating periods for value mediated in the market for exchange. For

instance, the unpaid labour of mothers betters the life of man. However, the bombing of his community by modern jets is an overpriced activity that reshapes the reproduction of the community from which the migrant hails. All these production stages of the social production of the migrant, the value relations, are camouflaged by the act of exchange. The value of exchange given in the money form, the wage, negates the use value, the productivity of labour power, the latter value delivered by social as opposed to the fiction of abstract man and constituted by the real labour of society. The money form of value, the wage, becomes a fetish that conceals the various areas of production that consume socially necessary labour time to reproduce the migrant. The purpose of the mainstream is to logically separate the migrant from his community in order to factually separate him and pay him less. To pay him as if he is the abstract individual only and not the social man, or not to reward the labour of his community invested in him. That the wage of the worker tallies with his productivity measured by the moneyed value he produced is turning real life, the man of society, into the formal illusion, *homo economicus*. Of the many fallacies of the mainstream, the labourer bereft of community earmarks the surrealism of neoclassical economy.

In its social science and in real life, capital omits people as subject in the value relations. It reifies, as in thingifies the labourer, and expunges labour from the history of production. Labour turns into a de-subjectified automaton. In turn, capital assumes the role of subject that adopts the historical choices in production, which are the acquisition of low-cost inputs at a huge cost to society. It then forces the commodity arising upon these choices upon society as a mandatory requirement at the point of sale. As for labour, not being subject, or not having been involved in the decision-making processes of production, explains why society emits the waste as production. The one-time sale of any commodity, including labour power, is only a constructed accounting identity occurring as an instance in a ripple of production and realisation processes occurring over the lifecycle of society. Production happens in a time continuum and the real product being sold is not the useful product, such as a car or a can of coke; it is the amalgam of waste and wasted lives it took and it will take to produce the product. Calculating the consumption of inputs into the GDP would still not show the real costs of consumption to society. The real costs are tapped elsewhere in the real conditions of life and life's quality and expectancy. Moreover, the overdetermination in history, the process by which everything determines everything, is a qualitatively shifting dynamic; it allows for causality to be reversed and, adjunctly, for the commodity of the future to worsen the living conditions of the present. The one-time sales gimmick misrepresents the totality of the historical value relationship, social production, obeying capital's definition of social being and social time.

The same sales gimmick resembles the voting booth gimmick. In bourgeois democracy, people are estranged from the historical decisions made on their behalf. On the day of voting they are presented with the historical choices made by capital, the reigning agency, as the only choices available. Colloquially, they can do what they want so long as it fits into what capital wants. In the example of Iraq mentioned above, the real power, which opts to bomb, is imperialism. The introduction of a sectarian constitution that devolves rents to the community on the basis of denominational divisions renders necessary that each person votes for his own sect. By the design of the same constitution, the relegation of women to secondary social

position by the now reigning sectarian obscurantism relieves the social pressure resulting from the imperialist incapacitation of the economy. The United States bombs the economy, puts people out of work and empowers a sect that relegates women to the role of reproductive incubators. Imperialism presents the individual with the only choice, which is to vote for the crumbs left behind, handed down from on-high by the power centre that has decimated the basis of social reproduction.

Alienation imposes itself by power including the power of the gun. However, the alienation cum cultural retrogression of the Western hemisphere is doubly potent. Through their thorough belief in their democracies founded on their share of imperial rents, Europeans vote for the governments that ravage social reproduction on a global scale. To rephrase from an earlier work (Kadri 2014), exit-poll democracy bereft of economic and social rights is autocracy by the alienation of the working class.

Of all the stages in the development of the commodity, the regulation of the labour process by depopulation holds primacy. Measures of depopulation, whether by austerity or war, raise the rents of imperialist war and policy as they reduce necessary labour, the value outlays on labour's reproduction. Depopulation is pure waste for profits. It shifts potential value and use value assigned for the reproduction of the working class to surplus value through the premature consumption of human life. While the very act of consuming human life in war is an industry in its own right, the wasted lives become themselves the products, the value and the value relationship – just as in producing pollution for which people pay in taxes and poor health.

Furthermore, the ideology of capital fabricates scarcity and lifebuoy ethics to justify militarism and with it the socially erected chimera justifying resource underutilisation. Even the more tempered brands of neoclassical economics adopt a neo-Malthusian frame of reference, relegating causality to the limitations on the use of natural phenomena. In a world where the rationing of incomes to the working class deprives it of overproduced commodities, conventional economics studies the allocation of supposedly scarce resources. The crux of the issue is society's negative dialectic – the overconsumption of waste that makes things from bad to worse, to which there are no limits. Waste is the phenomenon to be explained. The concepts of decreasing carrying capacity and rising population are not products of scarcities. Even oil has proven abundant and not scarce. Overproduction does not necessarily mean that there is too much of a commodity everywhere, although that may at times be the case. 'Overproduction is specifically conditioned by the general law of the production of capital: to produce ...without any consideration for the actual limits of the market or the needs backed by the ability to pay' (Marx 1863). There is an excess of the commodity in a certain market, for those who can afford it, relative to those who cannot and are likely to perish because their very demise predicates the production of the overproduced commodity. Predicating the dominance of central production upon the elimination of peripheral production implies that the pursuit of tropical or sub-tropical commodities whose supply-cost price is rising as per Patnaik and Patnaik (2016) partially presupposes imperialism, whereas socially or holistically, imperialism is the de-subjectification or de-sovereignisation of the periphery, even areas without the sub-tropical commodities, by means of violence. The de-development of peripheral social formations, often by means of war, is itself a prop to central accumulation and domain of accumulation.

The ‘affordability’ symptom, the rise of those who can afford relative to those who cannot, is a product of the imperialist dynamic. It is imperialism, concentrated capital, which must pauperise the developing world and de-modernise it as rural communities retain high fertility rates. The population surplus is a reserve army of labour so large, such that to destroy part of it reduces the value outlays on labour, while the act of demolition itself, especially if it involves war, is capital’s favoured form of accumulation. The growth of credit to support the war and the diminution of the socially necessary labour time required to reproduce the working class form a nexus that lays the groundwork for higher profits from war markets and from markets that afford high-end products. The only scarce naturally occurring resource in Europe is not pineapples or other sub-tropical commodities; it is the recognition that the Third World is human.

Imperialism engages some of the developing world with super-exploitation, the civilian-end use commodity in its market realisation process, but determinedly engages the developing world through waste accumulation, particularly by wars of encroachment. In relation to the latter point, ensuring that no additional capacity comes online from underdeveloped countries also mitigates the overproduction that may dampen the profit rates. All this occurs in the space hegemonised by imperialism and in social or abstract time, the time at the command of capital. And in all this, Israel trades in the service of imperialist war, the furnace of surplus value making and the stage of realising labourers and their labour power as waste by depopulation. War is the only sphere of production where there is a complete identity between living and literally dead labour – they become inputs and outputs in production at the same time. Bundling together so many lucrative war activities under Zio-imperialism is the new pedestal of world capital, the slavery of the modern age. It is neither out of sympathy for a white people subjected to the horrors of whiter people in the Second Great War nor for the myths of returning Messiahs that world capital supports Israel – white as in ideological whiteness. It is because Israel promotes pure waste: militarism and war, the greatest provinces of accumulation.

1.4 The China Tangent

Remorseless history grows by auto-negation. It self-consumes and, in the process, it grows new sprouts and eliminates others. The last of these shoots is China. China has just about beaten the United States in terms of capacity and possibly synergy between science and industrial application. China also breaks the ultimate imperialist taboo, which is to invest in the market expansion of developing nations and to build their infrastructure, an action that undermines the foundation of imperialism. The principal contradiction in international relations is now between a globalising China and a protectionist United States (Lausen 2018). China is being targeted by US imperialism, especially through the assault on Iran, which compromises China’s security through its energy deficit. China retaliates by cementing its internal front with socialisation and massive redistribution. However, that may not be enough to stave off the United States. The store of objective and impersonal knowledge of the Western world, its ideology, has struck deep roots and metastasised throughout the globe. Although every intellectual in every

stage of history inculcates the past for the problems of the present, our past harbours the ideology of capital, an ideology unparalleled in its degree of mystification. To borrow from Feuerbach (1841), it is an ideology that ‘prefers the sign to the thing signified, the copy to the original, representation to reality... illusion only is sacred, truth profane...so that the highest degree of illusion comes to be the highest degree of sacredness’. Capital’s dominant ideas arise from reification, the mode of knowledge that reduces concepts to their substance, and commodities impersonating humans, in a market governed by the fetish of the money form. No sane society can bear the burden of capital’s auto-consumption, the excessive entropy and the war-climatic calamity.

Fascination with Western glitz, that side of fetishism is China’s Achilles heel. Nearly half a million American-educated Chinese students have been submerged in that ideology of that past. Many have since returned to China. Add to that, the thousands of Hong Kong and Macau academics orphaned after the departure of British and Portuguese colonialism and the visiting Israeli academics, nearly all of whom are gripped by the United States’ model of voting booth democracy. The *mosquitoes* would soon start crowding out people from the room – in reference to the Chinese parable that by opening up they let some mosquitoes in that they can handle. Whereas China continues to improve living standards, the United States as progenitor of neo-liberalism exhibits high poverty rates, promotes an ideology of war and austerity and boasts an Abu Ghraib culture of prisons, etc.⁵; yet, it is the United States that is trumpeted as leader in human rights. The weight of imperialist ideology is such that US-led capital produces the waste and the man who is both a willing consumer of that waste and the one who hails the waste as humanity’s biggest achievement.

China may handle the US military, the financial and the trade embargo, but it will have a tough time containing the clones of the Chicago boys, or visiting Israeli academics, calling for political and financial liberalisation. Financial liberalisation releases national wealth to the United States, while political liberalisation severs the organic bond between labour and state; why an organic bond? Because continued poverty alleviation since 1949 is evidence of an organic bond. The ‘deep’ ideological values of Western civilisation, the intellectual corruption, the sort that convinces people to weep for the extinct natural species but to overlook its ongoing genocide in war and daily hunger, are difficult to catharise.

The real miracle of China is not what occurred in the last 20 years; it is what happened immediately after 1949 when every household in the countryside had a light bulb, access to schools and clinics. The late Arthur K. Davis recounts how he personally witnessed the Yangtze full of floating bodies in 1948, while when he returned a few years later, rural areas were brimming with life, and with teacher and doctor alike serving the countryside. To re-emphasise by *ipso facto* proof, the synergy established between the rights of labour in the state and the state, the rising living standards, shows that the communist party representation is organic to labour and not alienating. The ‘Hong Kong’ underlings of US empire cannot nudge China into ballot box democracy, a democracy wherein the box itself, the fetish of the commodity, rules because the results it emits have been ex ante laid down by capital.

⁵Yes, Half of Americans Are In or Near Poverty: Here’s More Evidence <https://www.common-dreams.org/views/2017/10/16/yes-half-americans-are-or-near-poverty-heres-more-evidence>

However, as China rises and furthers development far afield by its Belt and Road initiative, the real and perceived power of the United States recedes. Through such transference, the United States' ideological power also recedes. It is only then that the decomposing of US-led imperialism and its European civilisation, that cadaver that is yet to be buried, the creators of the state of Israel, begins. As the balance of power globally shifts, alliances centred around state formations will gradually be supplanted by state-transcendent class alliances. Just as the working class assumes its true shape in revolutionary moments, tectonic plates collision, lets the class pierce the shell of the nation into internationalism. The rotting of the advanced imperialist posts, the states serving the United States as a *cordon sanitaire*, Israel included, into several formations within a formation may occur first because the erosion of their patron empire is their nemesis.

Because of China's energy weakness, the region is again on a war footing and Iran is being targeted. However, this time around the empire and Israel face a serious problem. Before the rise of China, imperialism could destroy states like Afghanistan or Iraq at will. Because the United States was the sole power, there would be no one to contest and reconstruct, especially socially reconstruct, and fill the vacuum. The United States was always 'right' with some undesired results of its action being dubbed collateral damage. By the gibberish of intentional or un-intentional consequences, or by an impertinent cant of right and wrong, the immediate post-cold war US covered its tracks and remained atop the global pyramid. For about a decade at the time of writing, imperialism can no longer afford to just bomb and leave; Syria is a case in point. It must fill the space into which China may possibly move. China's investments in infrastructure abroad bolster the aggressed nation's security capabilities. A rising China demystifies the United States' fictitious position, its science as received theory, and with that the strategic control required for dollar hegemony, the main conduit of imperial rents.

As China recoils into the fundamentals of socialism to fend off US aggression, the blindness of a US-led capital whose reason is that of the commodity may yet unfold on nuclear conflagration. None may be around to witness the coming of the messiah or the deal of the century for Palestine, another mythical solution to intractable capital (for a thorough analysis of the limits to peace, see Tartir [2018]). At any rate, growth by indefinite waste, the ongoing mode of production, is just slow universal demise as opposed to the instantaneous effect of nuclear winter. Israel in its ideal state, the state in which alternative social ideology is completely absent because its working class consumes by procuring more of the regional wars and thrives off the avails of such procurement, in that state, *logically* and *historically* capital transmutes into the commodity. Its reason becomes the commodity's strategy for self-expansion. The ideal commodity under capital is waste. These are the products associated with the production of a consumption item that do not register as consumables, like pollution, war-dead, child labour, coercion and the real heap of commodities. Of all the waste products/commodities, the ideal item is the bomb. As nothing from the past re-emerges in the present out of love for history and archaeology, the undercurrent of the bomb fetish creates its own discourse. The re-emergence of messiahs and Armageddon myths serves current ideological tendencies, or the proclivities of a capital that has internalised the reason of the commodity and its bent to materialise in its ultimate form of waste. When myth leads history, the truly absurd instantiates as the real.

1.5 The Problematic

Regional wars release huge numbers of labourers onto the global market. Mass expulsion is proletarianisation. By proletarianisation I mean to transform the worker into a being fully dependent on the market, into a social labourer as against private labourer. By its occupation of Palestine, Israel provokes such processes and through its terrorisation of Arab masses proves its centrality to the United States' regional security arrangement. The latter point is the reason for which it came into being as a state. The Palestine question, the removal of Palestinians from their land and homes, is catalyst for bigger wars, which entail a commodification of the proletariat – its readying for consumption alive in militarism.

Seen from the top down, the real purpose of proletarianisation in Palestine, including the thousands who commuted daily to Israel from the West Bank in its first 25 years of occupation, is not only to arrange cheap labour for Israeli industry; although that happens, the real purpose has to do with imperialism's inner logic, its predisposition for hegemony and waste. Imperialism is the face of capital in the monopoly/finance age. The immiseration of Palestinians agitates the regional masses and galvanises more wars. Expropriating Palestinian culture and hiring the ethnically cleansed refugee for few dollars a day may be relevant to the Israeli tourism and industrial sectors. However, militarism and the finance linked to it are not only far bigger; they are also pivotal to accumulation/value relations on a global scale. They waste, create new markets for waste and cheapen inputs. Such wars render many peoples around the world like the de-populated American Indians on the reservations, or better yet like Palestinians in Gaza, a place cheap to feed and expensive to bomb. The cheapness to feed is a reduction of the value outlays on necessary labour, to which depopulation is a corollary. The expensive to bomb caption is the mobilisation of huge moneyed surpluses in search of risk-free financial instruments such as bonds and T-bills that finance permanent wars. Equally important, in regulating or deflecting the flood of labour, US-European capital retreats into fascism or into its element:

To rephrase my hypothesis: this work posits that the creation of the Palestinian proletariat in the West Bank is the historical choice of imperialism. Immiserating and proletarianizing Palestine foments more regional wars, augmenting the rate of global accumulation through militarism. In assessing this migratory condition and in proving my postulate, the research will deploy standard and received methods of analysis as well as heterodox ones.

1.6 Some Issues of Method

The social transformations in the West Bank resulting from the occupation were swift and significant. In the first quarter century under occupation – 1967–1992 – the number of workers commuting daily from the West Bank to Israel steadily rose from a negligible proportion of the actively participating labour force to about 35% of all employed persons and 60% of all wage paid workers. These figures are from the

peak period of commuting just prior to the first Intifada beginning in 1987 (Statistical Abstract of Israel [hereinafter SAI] (various years)). At first, the few commuters who were deprived of their elementary means of subsistence and dared work for the enemy were hauled across the 1948 armistice line under the protection of the occupation forces, as their compatriots hurled insults at them and stoned their busses.

From a country that allegedly sanctified 'Zionist labour only' in building its early colonial settlements upon the remains and villages of the ethnically cleansed Palestinians, Israel tempered its national zeal by hiring first cheaper and unskilled Palestinian labour from the West Bank and Gaza – and then, as of 1993, replacing that labour with even more rights-deprived labour from the Third World. The cycle of 'expropriate the villager, make him or her into wage labour, render the occupied economy dependent on remittances from Israel, and expel the commuters to further subordinate occupied Palestine' has come full circle as the leadership of the Palestine Liberation Organisation, represented in the Palestinian Authority (PA) accepted the Oslo Accords. The PA has effectively become a security branch of the Israeli army. It so happens that the demands of capital and capitalist class ties supersede the bravado of nationalism.

Commuting workers were generally forbidden from staying overnight in Israel. Although the perimeters of Israel are malleable depending on its desire for annexing the land of others, the migrants originated in a colonially administered territory and daily crossed an international border. As such commuting had exhibited unique characteristics, shared with permanent migration situations. It does so not only *de jure*, but also in the way it transferred resources between home and destination economies. Equally, the risk factors associated with commuting, including arbitrary detention, the possibility of not finding a job and exposure to hazardous working conditions, became as consequential, if not more so, than those associated with permanent relocation scenarios. The descriptor 'Oscillating Labour' was used in the Bantustans of Apartheid South Africa to differentiate similar types of internal migration where apartheid policies undercut the cost of the reproduction of the indigenous labour force.

The evolution of this migratory condition from a case on the margin into a phenomenon may be attributed to various reasons. This book is an attempt to *empirically and theoretically* explore the reasons and implications of this phenomenon. To identify the determinants of migrant labour from the West Bank, two broad approaches are employed: the neoclassical and the political economy methods. Each of these methods can be divided into two branches, the neoclassical split into wage pull and choice theoretic and the political economy divided into some mild form of structural dependency and a radical or Marxian theory. The wage-pull and choice theoretic are fundamentally similar as both are based on individual choice. The very notion of choice under conditions of war and poverty is delusional. However, in order to acquire a comprehensive understanding of the situation, I will query the pertinence of all perspectives to this case. Obviously, impoverished people move in search of better living standards. No matter the logic one explores that situation with, so long as the facts are discussed, it will be either poverty that has pushed the migrant or wages that have pulled him, or more realistically their co-occurrence. However, theory is about determinacy or which of the two factors holds primacy. By reading the concrete conditions in a complex whole structured in dominance, the Althusserian whole, in which concepts are linked together dialectically, finding the

principal contradiction and the decisive or leading link sheds the preconceived prejudices of conventional science. The notion of choice or the choice theoretic framework are intuitively inappropriate under conditions of war that evict people, leaving them with the one choice: leave or else. In revocation of complacency, that gloomy situation, forceful expulsion, is still a choice for the mainstream, and it may be worth the effort to apply the neoclassical perspective to this case, as I will in due course. The spectrum of the theoretical literature is broad, and it is only with these four rather broad approaches that I will tackle the subject. The immediate rationalisation of the facts in which the case evolves under each method will raise more questions.

Experimenting with the data by twisting the precepts of neoclassical economics, I find the salient wage differences between the West Bank and Israel insignificant. Not that this is unusual, the West Bank is forcibly integrated with Israel, and prices of commodities, including the price of labour power, tend to equalise. However, the difference between the going wage in the combined labour market and subsistence income is significant, the same as elsewhere in less-developed countries (Breman 2006; Rozenweig 1989). The question is then why has there been a decline in the subsistence income of unemployed or farming Palestinian labour, or why has the appearance of the outlays in value on living labour in money wages adhere to the machination of the law of value as if by necessity. To address this issue, I first study the reason for the fall in Palestinian subsistence income using mild dependency or the relationship of two technologically disparate structures, the West Bank and the more advanced Israel. I find the high-tech capacity of Israel did not impart higher productivity to the West Bank – Israel did not enhance farm output, and subsistence income, especially in agriculture, is independent of productivity. Second, I resort to Marxian political economy and find that Israeli capital accumulation is nested within larger imperialist accumulation patterns and it creates a pauperised proletariat in Palestine to serve the strategic ambitions of imperialism. A structure emerges covering different lines of migration literature but always attempting to read the immediate manifestations in terms of their historical causes or mediations. As such, no one basic literature review chapter is included. Instead I will review the relevant literature of each approach as the research interest makes it a requirement.

Although throughout this work I rely on specific laws of reflection involving the ascent from abstract to concrete and the unity of the rational with historical to better understand the issue, in Chap. 4 I deviate and resort to a conventional approach in an attempt to explain migration with orthodox techniques. In neoclassical economics, that is not so difficult, there is a *deus ex machina* price to allocate resources, and that price in the labour market is the wage rate; ergo the banality, migrants pursue better wages. I draw on data from the Statistical Abstract of Israel to be modelled with econometric tools. I show that this formalisation of historical processes is not only off the mark by some error margin; it is *a priori* and theoretically impertinent as well. That people are forced to work to earn a wage and support themselves is self-evident. What is not so self-evident is why people were pauperised and forced to work for wages below what is necessary for subsistence. Theory evolves in relation to understanding the mediatory processes behind phenomena.

As per the subtitle of this book, the period of study will be limited to the first quarter century under occupation (1967 until *circa* 1992). The data between 1967

and 1973 (the Arab-Israeli war of Six-October) as well as that between 1988 and 1993, the beginning and end of the first Intifada, are volatile. Although there is no steady period in which business as usual proceeds in such a war zone, the time span between 1974 and 1987 exhibits the least deviation on a time-series trend to illustrate the statistical relationship between occupier and occupied entities. I always try to include additional data in empirical demonstrations where possible, but for the econometric test, I smooth or difference for the purpose of stationarity that 14 years data-span such that it becomes the repository for our stylised facts and/or our statistical parameters.

For those unfamiliar with statistical analyses, data smoothing or stationarity attenuates any discrepancies in the figures that reflect qualitative shifts and changes in a social process. Contingently upon the accounting method constructed to serve an ideological end, statistics, the science of quantification, inadequately captures qualitative change because it begins with the one-sided abstraction of a particular variable whose quality develops from within and in relation to the whole. For Karl Niebyl (1940a), ‘if it is true that qualitative analysis, analysis containing basically the element of change, must start with the understanding of a process, and that particular events can have meaning only as formations within a field of relevance (*the more general process*), then any start of an investigation in the opposite direction, from the particular event to the whole – *in our case from data on the number of migrants and their corresponding wages to the study of labour allocation* – the process can lead only to an approximate characterization of that particular event and as such under all conditions must contain a certain margin of error’ (the italicised text is my addition for illustration). In neoclassical analysis, there is no reversion to the field of relevance, the product market (the accumulation in quantity) as a determinant of employment. Its econometrics addresses the particular, the narrow relations of the labour market, as in the relation of wages to labour demand or supply, which merely brings into focus the symptoms of the labour process.

And although a margin of error would be substantial, it is doubly compounded because the data of the Statistical Abstract of Israel is shoddy by original design and as a result of manipulation. In Israel, as in all countries using the standards of the System of National Accounts (SNA), its measured economic variables are faulty by utilitarian construction. Not that it is my purpose to construct an alternative accounting system here, but for the SNA total income does not contain measures of society’s auto-consumption or measures of what production consumes. In addition to that, Israel doctored the data of the measured variables to appear in better light or as benevolent to an otherwise ‘ungrateful Palestine’. Statistics everywhere are a point of view, but they are more so in Israel.

The purpose of the quantitative technique employed in Chap. 4 is to explore the limitations of reading too much from variations and statistical causality between migrant numbers and wages – the idea that higher wages cause migration. In relation to our work, working our way up from smoothed data of a migration condition to explaining the broader allocation of labour, and the demand for the migrants, our formal deduction building upon the behaviour of each migrant, does not lead to the formulation of an adequate theory of migration. Although Niebyl is aware of such fallacy of composition, it is not what he meant by approximation. For him,

understanding dynamic processes or processes of qualitative change requires overcoming the stillness of received theory, the conservatism to which data is produced to support the dogma of conventional theory (Niebyl 1940a).

Furthermore, most econometric measurements preserve the fictional continuity of received doctrine, as opposed to the continuity/change of the economic process, which is broken up and preserved only at the cost of divergence from economic reality (Niebyl 1940a). To include data outliers, even from faulty data, representing the dispossession of Palestinians, the war visited upon them and Intifadas, that is some measures of the fullness of reality, lets the aberrant numbers display so significant a divergence from the trend such that neither the available formal method nor the margin of error would be fitting or tolerable. Although uncertain and explosive social reality can be mimicked by a reconstructed time series because in logical symbols anything goes, it cannot be explained by that time series, tautologically, because the time series mirrors the explosiveness of reality. The explanation is historical, and what the worked over time series does is afford the ideological position with empirical fodder. For our purposes, the aim of discussing the banality of such econometric exploration is not to engage it for the additional knowledge it imparts. It imparts little or no value to knowledge not only because of its pedestrianism but also because it serves the dominant ideology. The purpose here is to reveal its theoretical inadequacy and to lay the groundwork for a new value system and theory.

A statistic inherently distorted with 'stillness', capturing an immeasurable social quality such as the non-additive capital stock or effective labour units in production, is additionally laden with Israel's ideological bias. Received theory, interred in the subconscious of society as an unchanging value system, its accounting system engineered to conceal the perpetrators of social ills, can only be overcome by a revolutionary theory of value or adequate theory. Adequate theory builds on organic change and represents mediated or interdependent social actions. Organic change, the subject of value theory, ought to be identical with qualitative change (Niebyl 1940a).

In his attempt to answer the logical positivists of his days, Niebyl hesitated to mention that the law of value, the innate predisposition of the ruling class, the quality it holds in the value relation, by which it acts at the behest of the expanding commodity, *determinedly* shapes social production. It does so necessarily but not exclusively, as is apposite of social laws of development. He instead departed with his analysis from Maurice Dobb's empirical position that the law of value is an approximation of reality. However, the class in command is a relationship to other classes; hence the class struggle is a subject conditioned by the degree of alienation, *commodity* alienation and its associated spiritual alienation. Let us just posit formulaically for the sake of perspicuity that the more alienated the working class, the less its command of production, the more capital commands social processes.

Niebyl does not resort to the full logic of Marxian theory in defining the law of value, possibly for reasons to do with the persecution of radical academics in US universities or because he appeased the empiricists. He added that approximation does not contradict any other approach to science. True enough, approximations do not contradict any approach to science or otherwise because they reflect the degree

of abstraction or generalisation upon any object or event. However, based on the premise that each abstract interrelates with another abstract as differentiated quality, the general ceases to be an approximation and becomes a determining relation. In social science that relation is capital and the power it commands in a social process. Capital's dynamics admit differences by means of mediation. However, capital is not the unity of differences; its objective market dynamics homogenise differences, while its law value generates differences. The universal/general has nothing to do with how similar the constituents of capital are or are not; it is the law of motion of capital itself, the law of value practiced as a residual of the class struggle is the universal.

To capture the stillness of a process in a quantitative measure more adequately, Marxian social accounting would, for instance, assess the contribution of the past, including a measure of the power of the subject in value relations, to the variables it intends to measure. Moreover, materialist concepts cannot be purely *a priori* or reason for themselves even in the stillness of that moment in which they appear as more adequate approximations. The social account of a variable snapped as an image from a cross-sectioned reality is not a form in an ideal state. The dialectical abstract is a historical condition waiting to mature by its categorical development or its development in real time, history.

Sraffa's (1960) notion that machines are dated labour inputs, in addition to the assessment of the rate of colonial and imperialist plunder as subject in machine-making, may serve as a starting point. The power of the subject, how capital fares in the class struggle, especially imperialism, could always be modelled on the basis of distributional inequality. An assessment of power and its distributional impact, the subject of the substance in historical surplus value, unmask the formal construction that perpetuates the *status quo*, the positivists' accounts of variables without referents in reality, forms abstracted from real time and their surroundings. It would literally demystify mainstream measures, including the erection of the money fetish, as veneers of value relations. An accounting system of the build-up in historical surplus value, in which the stock of ideology figures as subject, rendered in figures designed by the working class is more veritable because it is the negation of the ahistorical or neoclassical-capital account that aggregates in the money form unmediated or heterogeneous components. However, no matter the partial or relative truth, it will be suppressed by the weight of ideology. In the current conjuncture of labour's ideological defeat, truth remains submerged, only to surface as a mere detail or intellectual curiosity. Truth emerges in the class struggle and that is why any research of the *particular*, such as labour migration, not referred to the field of relevance, capital accumulation through the class struggle and the primacy of ideology, is means of deception.

Niebyl's argument against ideologically laden formalism, the stillness preserving the conservatism and the dogma, could also be applied to the law of value as approximation. Niebyl alluded to a field of relevance but shied away from calling it the class struggle. In a materialist historical approach, substance without subject, a law of value as approximation, omits the class struggle. It overlooks the phenomenon of capital as a subject whose predisposition is the pursuit of profits, the quality

he spoke of. Whether the levelling of the social conditions for production by brute force is approximated as a result of the law of value or an agreement between utilitarian agents entering free contracts matters little in terms of outcome. The supposedly free worker could be a Faustian character who signed away his own life to capital.

However, what really matters is the power of capital as history forging the condition for the fiction of free contracts to systemically discipline the labour process by means of violence. It is not the conditions of production that call for an explanation; it is also the violence as production parallel to any production process. The instance revolutionary ideology introduces such critique and measures of quantitative change in relation to quality or the power of capital; its negation of dominant theory becomes the processual truth. It is truth insofar as it exposes the salient fallacies of neoclassicism that have captured the imagination for so long. Despite it being a higher plane of thought, it is not the realism of that argument that bestows it with the quality of rigour; it is dominant ideology. That is why the real rigour of any social argument is not in the eloquence of the approach, but rather in how theory transmutes into revolutionary ideology.

I believe persecution, as well as his inclination to engage with the debased argument of American positivism, more so than appeasement of the mainstream, which shaped Niebyl's language in this valuable 1940 paper. Within the text he says: 'the starting point and the subject matter of all scientific inquiry must always be society as a whole at a definable, processual stage of its development'. This means that social problems have a social content in the particular forms contemporary problems confront us – interlocked with the whole by some mode of determinacy, which is after all the power of ideology.

The social problem that confronts us here is a historical experiment in proletarianisation under conditions of occupation. The occupation is the practice of the law value, a universal law that abides by the desires of the imperialist market, whose purpose is to generate surplus value. What colonial settler occupation produces in value arises upon the misery and death of Palestinians. The waste as value, which niches in the broader imperialist objectives of hegemony and militaristic accumulation, is why any particular moment in the totality such as migration must articulate with the demands of that totality or capital and its imperialism.

Apart from the refugees expelled from Palestine in 1948, the fully converted social labour, the occupation of the West Bank converted a semi-proletariat, which worked partly on the farm and partly in the wage sector, into a fully fledged wage-earning proletariat. The sheer power of the colonial force means it could easily bend the social conditions of the occupied territory to meet the political and economic demands of *its capital*. The crucial concept here is *its capital*, because Israeli capital, subordinate to imperialism, has demands that cohere with US-led imperialism. As such, the object of research exhibits all the extremes that lay bare the social practices antecedent to accumulation by waste. *Prima facie* there are labour transfers where the salient wage differences are immaterial to the cause of migration and where non-employment income is below subsistence. Unless the method of analysis unearths occupation, the historical condition of disengaging and pauperising labour,

as the reason for migration or the socio-economic undercurrents of proletarianisation that constitute the basis of expulsion from the land, the approach will be less than historical and less than scientific.

1.7 An Introduction in Figures

The circuit of value symbolised in money-form wages exhibits a peculiar circularity: Shekel-denominated wages are remitted to the West Bank. In turn, these cover a part of its outstanding trade deficit with Israel. This trade deficit is a consequence of the occupation-imposed economic union with Israel. Given the economic quarantine on the West Bank, about 90% of all West Bank imports originate in or come from Israel, and much of the remaining 10% are under the control of Israel (SAI 1974–1987). The wages from employment in Israel constitute on average about a quarter of local GDP (SAI 1974–1987). In the absence of a sovereign Palestinian state, with the right to issue its own currency and monetise its own debts, the remainder of the deficit is offset by visible and invisible transfers from individuals, governmental and non-governmental organisations. Between 1975 and 1987, net current transfers and factor income from abroad (wage remittances) constituted 40–50% of local GDP in the West Bank (Selected National Accounts Series of the Occupied Palestinian Territory (West Bank and Gaza Strip), United Nations Conference on Trade and Development [UNCTAD], 1991). With nearly half of GDP in the West Bank emerging in net transfers and factor income from abroad, it may be difficult to argue that the internal momenta of local economic sectors are major contributors to growth. The magnitude of income originating abroad is clear in Table 1.1.

In Table 1.2, unrequited visible transfers (disbursed funds that need not be reimbursed) from official governmental and non-governmental sources for the years 1978–1984 form a band between 11.5% and 19% of the GDP in the occupied territories – the Gaza Strip and the West Bank. The figures in Table 1.2 represent transfers from several external sources and the European Community.

From 1968 until 1974, the Israeli real growth rate averaged near 10% yearly. The expansion in the construction sector created vast employment opportunities for many Palestinians expelled from the land and left without any alternative income. The West Bank's continuously increasing level of economic subordination cum forced-integration with Israel raised the prices of essential commodities to higher levels than those experienced in Israel. The Consumer Price Index (CPI) in the West Bank rose to higher levels than its Israeli counterpart [SAI various years], defying

Table 1.1 Rate of net transfers and factor income from abroad to GDP

Year	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Ratio	.42	.43	.44	.43	.47	.40	.50	.50	.53	.45	.40	.31	.42

Source: Selected National Accounts Series of the Occupied Palestinian Territory (1968–1987), Published by UNCTAD, November 1991

Table 1.2 The rate of unrequited official aid to GDP at factor cost for the occupied territories in current US\$ (millions)

Year	1978	1979	1980	1981	1982	1983	1984
GDP at factor cost	695	815	1044	945	1002	1047	988
Unrequited aid	80	115	173.3	176	194	139	143
Rates	11.5	14.1	16.5	18.6	19.3	13.3	14.5

Sources: Selected national accounts series of the occupied Palestinian territory (1968–1987), UNCTAD), November 1991. And, Basic Statistical Indicators on Occupied Palestine, Published by the Palestinian- Jordanian committee, Amman, Jordan, 1988

the Penn effect, which says richer, higher productivity or income countries exhibit higher price levels. The principal traded commodity or service is military occupation, the securitisation of imperialism, which liquidates the assets, including the human assets of the occupied. The location or the transaction costs do not account for the variation in prices. Occupation dismantles the negotiation power of the occupied, the subject in the value relation, and sets the price it wants for the commodity it wants. In terms of productivity, the output per Israeli/worker soldier employed in the territory in imperial rents exceeds the returns of any of the civilian-end use commodities. It goes without saying, despite income arising from commuting, the rising level of land confiscation in the agricultural sector, and the constraints imposed on indigenous economic development, in addition to rising CPI, have generally been reflected in the deterioration of the standard of living in the West Bank.

The commencement of the Israeli stagflationary period post-1974 prompted Israel to raise its dose of austerity on the occupied territory in order to redress its recession-related income losses. Outright dispossession, higher taxes and reduction of commuters' wages tallied with the demands of the Israeli economy. Within the waged class, the average salary in the West Bank was less than half that of Israel's. Given the low West Bank wage and the high level of economic integration, manifest in higher West Bank consumer prices, political and economic occupation necessarily drove down the West Bank's standard of living. The condition in Gaza, whose population is, namely, landless refugees, became even more inhumane as a result of its complete besiegement.

Land confiscation has had a dreadful impact on the economy. The shrinkage of agricultural land meant the relative contraction of the farmer's initial wealth and agricultural output in all types of crops excluding olives. Israel also frequently seized unused (i.e., *unplanted*) Palestinian land. Thus despite low profitability, farmers grew olive trees on land previously unused, or used for grazing, as a buffer against confiscation. Olive trees can grow on arid and marginal land. By 1993, the area of olive orchards grew 300% (UNCTAD 1993a). Although the olive-grown area constitutes 75% of all the fruit tree area in this territory, it only contributes 27% to total fruit output (UNCTAD 1993a). Despite occupying such huge land area, returns on olive-culture compared to other endeavours are low. On average, olive output constitutes 22% of agricultural output, and 7.5% of GDP (equivalent to manufacturing). Its sharp biennial fluctuations (the crop peaks once every 2 years) influence output variations. This explains the co-movement of different sectors in the economy with the

agricultural sector. Table 1.3 reveals the biannual cyclical amplitude in agricultural output and how it resonates with the other sectors – notice how GDP responds to olive culture. The sharp biannual fluctuations in the real rates of growth of the GDP in this territory depend on the cyclical nature of olive-bearing habits.

Even during the most stable period (1975–1987), the various sectors of the economy exhibit high year-on-year fluctuations in growth rates (Table 1.3). The suppressive impact of Israeli policy upon the indigenous economic sectors is discernible from the steadiness and slight decline of the shares of agriculture and manufacturing from the GDP (Table 1.4).

Except for construction and services, the shares of the remaining sectors from GDP tend downwards. It is not unusual under colonialism for the emphasis to be laid on consumer related activity, and not on the productive sectors of manufacturing and agriculture. A strong Palestinian economy may translate into a strong Palestinian national position. However, with such high ratio of income from abroad to GDP, the growth of the territorial economy is largely externally driven. Internally, the high rate of confiscation in land, and the curtailment of expansion in manufacturing, hamper the labour absorption capacity of this territorial economy. In this work, I will focus on and examine how much these policies of curtailment affect the labour market in the West Bank.

In keeping with migratory phenomena, this movement of Palestinian labour to Israel also affects the Israeli labour market. As Israel calibrates the flow of labour to its market, it can also hike or depress its own unemployment rate and, to a certain extent, its own wage rates in a given commuter's destination sector. By doing this, Israel *de facto* adds the commuting numbers as an additional regulatory mechanism

Table 1.3 Estimated real change relative to previous year in agriculture, industry, construction, water and electricity, and services including transport and trade and service and GDP listed in consecutive order

Real change relative to the previous year, by sector, 1975–1990							
Year	Olives	Agriculture	Industry	Construction	Water/electricity	Trade/services	GDP
1975	–86.4	–6.2	–4.2	29.2	–0.1	41.4	–4.4
1976	291.7	12.9	–5.4	7.9	0.5	17.2	17.5
1977	–66.7	–3.0	0.7	5.7	6.1	4.3	–3.3
1978	460.7	4.0	26.2	10.4	15.9	6.1	21.8
1979	–60.0	11.2	–4.8	17.2	–0.5	2.9	–2.5
1980	257.6	–4.8	11.1	–7.0	1.3	3.0	13.5
1981	–65.0	12.5	–11.1	2.0	16.4	–10.7	–10.4
1982	85.1	–18.4	11.1	17.8	6.6	22.2	11.9
1983	–73.6	25.0	4.9	–3.2	14.4	10.3	1.8
1984	–22.0	–16.2	13.7	12.7	27.7	20.9	10.0
1985	8.7	–10.6	–0.1	–5.0	–23.8	–1.4	–7.3
1986	658.3	58.8	39.5	24.5	–8.0	23.0	41.6
1987	–92.2	16.0	1.0	15.4	12.0	13.5	–0.2

Source: Selected National Accounts Series of the Occupied Palestinian Territory (1968–1987), Published by UNCTAD, November 1991

Table 1.4 The sectoral composition of GDP, 1974–1987 (percent). The share (percentage) of agriculture, industry, construction, public community services including electricity and water, and services including transport and trade, listed in consecutive order

	Olive-culture	Agriculture	Industry	Construction	Utilities	Services and Transport
1974	17.5	27.7	8.2	11.4	12.4	22.9
1975	2.5	27.1	8.2	15.4	12.9	33.9
1976	8.3	26.1	6.6	14.1	11	33.8
1977	2.9	26.2	6.9	15.5	12.1	36.5
1978	13.2	22.4	7.1	14	11.5	31.8
1979	5.4	25.5	6.9	16.9	11.8	33.5
1980	17	21.4	6.8	13.8	10.5	30.4
1981	6.7	26.9	6.7	15.7	13.6	30.3
1982	11	19.6	6.7	16.6	13	33.1
1983	2.9	24.1	6.9	15.7	14.6	35.9
1984	2	18.3	7.1	16.1	17	39.4
1985	2.4	17.6	7.7	16.5	13.9	41.9
1986	12.7	19.8	7.6	14.5	9	36.4
1987	1	23	7.7	16.8	10.2	41.4

Source: Selected National Accounts Series of the Occupied Palestinian Territory (1968–1987), Published by UNCTAD, November 1991

to the capacity of the state. Although the numbers of Palestinian migrants have declined considerably since the mid-1990s; they rise or fall depending on Israel's desire to invest in its ally, the Palestinian Authority. However, such an accounting approach pales in significance when compared to the role political manipulation of this dependency upon commuting in the territory can play against the Palestinians and the region. Unemployment and poverty were manipulated by Israeli capital to contribute and reshape the political process into the current state of Arab defeat.

During the study period and on different occasions, Israel barred Palestinians from commuting, driving territorial unemployment rate as high as 50%. It has created immense internal pressures on the Palestinian working-class emboldening the Palestinian bourgeoisie to popularise defeat, pursue its class proclivity and attempt a surrender of the nation's historical rights. In this work, I argue that the strategic dependency of the West Bank on commuting labour and donor aid was all along a weapon of the occupation force intended to erode resistance in the occupied Palestinian territory. A chapter by chapter synopsis is as follows.

1.8 Chapter 2. A Historical Background

This chapter represents a succinct introduction to the history of the West Bank, emphasising the movements of labour and the nature of its labour market. It is not a chronological account of the events; it is a summary of key processes of capitalist development. It represents a concise reading of the West Bank's relationship with

the different economic/political regimes that governed Palestine, especially the Jordanian regime. Highlighting the relationship with the Jordanian regime allows for a comparative assessment of the relationship of the West Bank with an equally developed economy – Jordan vis-a-vis what later became a relationship with a more developed economy – Israel. The findings show that the Jordanian regime has unequivocally drained the economy of the West Bank of its self-reliance mechanisms and with that its capacity to resist occupation by Israel at a later stage. This chapter situates the problem in an historical context for later analyses.

1.9 Chapter 3. Palestinian Labour Under Occupation from a Mainstream Perspective

In Chap. 3, I review the major tenets of the dual economy approach and the corresponding evolution in that literature. A discussion of this literature's relevance to the conditions in the West Bank follows. I emphasise how conditions in the West Bank depart from the suppositions of the reviewed models. The structural differences between modern and rural sectors are brought to light under the assumptions of the mainstream models. The findings are neoclassical reasoning over-generalises the concepts referring to facts and, subsequently, under-explains the case.

1.10 Chapter 4. The Gelatinous Neoclassical Paradigm

Although choices and choice theory in a war context are peculiar, I attempt to mathematically model this migration scenario, as I mentioned above, just to prove its utter inadequacy. The very concept of forcing people to migrate annuls choice. On the face of it, there is no apparent difference between the average wages offered in the West Bank and those offered in Israel for the migrants. Evidently, average wages of Israeli workers performing similar jobs are high in comparison. Because of that, I toy with the idea of introducing a subsistence income – to test for the difference between subsistence and the average market wage – into a behavioural model, which is then tested using macro data, the only available data. Data are generated by the Israeli Central Bureau of Statistics. The self-evident fact that people migrate to obtain the basic survival bundle is supported by the Israeli data. The model itself, however, does not inform why Israel sinks Palestinian subsistence income to such low levels, or why it rations the value outlays on the Palestinian working class forcing it to migrate. Formalism is ideological by its very logical being; its logic is purportedly removed from real processes. The formal model together with the macro data obscure the subject and the motive of the migration phenomenon or, altogether, the theory of labour migration.

1.11 Chapter 5. Structuralism and Migration

This chapter explores the tenets of structuralism and dependency theory in relation to migration. It is a theoretical summary to later inform whether Palestinian migration proceeds because the West Bank is a pre-capitalist mode of production rearticulated with the more modern Israeli formation. My hypothesis is anti-substantive. Capital is a social relation, and rationally as well as historically, there is no pre-capitalism or pre-capitalist relations in the historical period of capitalism; these are sublated relations. Eurocentrism is the reason why notions of pre and post capitalisms co-existing emerge. I also analyse how the interaction of different structures with different endowments and technology induce migration.

1.12 Chapter 6. Mild Dependency and West Bank Labour

This chapter finds that the rate of output in agriculture remained almost constant after more than a decade of occupation. Apart from the devastation of occupation inflicted upon the West Bank by superior Israeli weapons-technology, its agriculture benefited little from Israel's tech-spill over; accordingly, it did not shed labour because of modernisation in agriculture. A similar case could be made for industry. While, in scope, fewer Palestinian enterprises were springing up, the scale of national industry did not change. In short, the investment of Israel in the West Bank remains the immense security expense that enslaves Palestine. Facetiously, the returns of colonial rents exceed those on Hummus. Technology transfer from the superior technical structure, Israel, to West Bank industry and agriculture could not have been the cause of labour migration. The conclusion points the issue that migration cannot be explained by overlooking the primacy of the Israeli colonial-settler practices. Structures alone fail to explain why Israel continues to underdevelop the West Bank even as its demands for migrant labour are satisfied.

1.13 Chapter 7. The Practice of Occupation by Sector

Before addressing colonialism as the cause of migration, in this chapter, I examine the impact of Israeli policies on each sector of the West Bank's economy and its impact upon the labour market. This sector by sector survey is an economic history of the occupation's practices. Its findings are relevant as they lay bare the degradation to which the local economy has been subjected and show that infusing insecurity in Palestine serves as part of the broader imperialist offensive.

1.14 Chapter 8. The Marxian Perspective

As per the title, this chapter explores the political economy of migration from a Marxian perspective. That is a different method and methodology altogether. It concentrates on the dynamics of Israeli capital in relation to its dependent status on imperialism. Israeli occupation warps the path of its own capital accumulation to fit into the demands of imperialism. It only secondarily turns farmers into wage labourers because it has a vested interest in doing so. It principally immiserates and proletarianises because its historical mandate as an advanced imperialist post is to foment the conditions for accumulation *via* militarism. The violent Israeli practices, including the uprooting of Palestinians, are the manifestation of a global law of value, more appropriately, an imperialism fast at work to produce more of the waste that has already overwhelmed man and nature.

1.15 Chapter 9. Conclusion: The Future Has Already Happened

This chapter concludes and synthesises the results from the previous chapters. In parallel, I discuss the broader implications associated with this movement of labour. I will also reinterpret results from a survey conducted upon this labour in the early 1990s, which show that migrants were systemically subjected to land confiscation and pauperisation. Just as misery transformed European settlers into thingified soldiers furthering imperialist interests, the misery visited upon the Palestinians, including the stoppage of commuting breeding poverty, transformed many of its dispossessed labourer into guards of imperialism serving as police officers with the co-opted Palestinian Authority. However, the dynamics of capital cannot admit the submission or thingification of Palestinians. If it does, it ceases to be a capital in motion. Consequently, Israeli capital has no boundaries limiting the repression it visits upon Palestinians – Israel must intensify the repression to intensify the making of surplus value and the imperialist rents. The revolutionary Palestinian, George Habash, once commented on the Oslo negotiations by saying, ‘we do not count on Arafat’s commitment to Palestinian rights, we count on Zionist commitment to imperialist wars and its recalcitrant position against peace’. The process will not come to rest. Incessant oppression will remake the grounds for Arab revolutionary consciousness again and again.

Chapter 2

A Historical Background



This chapter is a succinct history of Palestine emphasising labour market conditions in the West Bank. A historical time frame brings into focus the continuity of colonial aggression against Palestine and the West Bank. Foremost, the British occupation of Palestine readied it for occupation by Zionist settlers (Sand 2009; Pappé 2006). The Zionist ethnic cleaning of Palestine is amply covered by many historians – including Jewish/non-Zionist sources (Rabkin 2016).

As to the current numbers of Palestinians, a Palestine Central Bureau of Statistics report (PCBS 2014) states 2.8 million Palestinians live in the West Bank, 1.8 million in Gaza, 1.5 million in occupied 1948 Palestine and 6 million abroad. The United Nations Relief and Works Agency (UNRWA), the world body's aid agency for Palestinian refugees, lists 5.49 million Palestinians as refugees (quoted from the PCBS 2014). The Palestinian refugee question is globally the most outstanding refugee question.

The term historic Palestine is sometimes used to indicate the boundaries of mandate Palestine. This terminology is laden with ideological bias because it presumes that the present-day state model or borders of mandate Palestine have somehow remained constant since the days of Ikhnaton and other mythical monotheistic parables. The Israeli's point of employing this terminology is to use pre-nationalist state historical myth to substantiate the rights of European settlers over those of the Arab population residing in Palestine prior to the 1948 Arab-Israeli war. No people or religion can transcend history. At any rate, it is not in the scope of this work to engage in mythological deconstruction. Myth will simply be treated as myth, and it is outside the scope of this work. The extensive engagement of Western intelligentsia in peddling monotheistic myth such as the historian for whom the monotheistic deity moonlights as a real estate agent or who presumes that the concoction of the collective memory of Israelis precedes that of Palestinians (Knauf 2014) and, therefore, European Jews have a right to expel Palestinians is just evidence that dominant ideology can spin any story to further imperialist goals and imperial rents.

The American-British, Zionist and Hashemite class alliance represents the historical subject responsible for the ethnic cleansing of Palestine. A more extensive

exploration of imperialism and commercial exploitation as significant contributors to surplus value creation will be taken at a later stage, Chap. 8. For now, and within the reasonable bounds of available historical evidence, this chapter will explore the economic and labour market conditions before Israel's occupation of the West Bank. Periodising history allows for an evaluation of the developmental conditions as they relate to past imperialist practice culminating in the 1967 Israeli occupation of the West Bank.

The consensus regarding the modern history of the Mashriq holds that significant capitalist changes to its socio-economic structure occurred in the early nineteenth century at the time of European penetration into the Ottoman provinces. The transformations to the mode of production and its labour process, with it the making of wage workers, occurred at the point the economy became steadily less subsistence farming oriented and more tied to the cash crop nexus. Prior to the early nineteenth century, tenant or subsistence farming, namely, through sharecropping, marked the basics of what is debatably called an Asiatic mode of production.

However, once capitalism as a historical stage dawns, no social formation can escape its reach. Pre-capitalist modes of production become feudal in appearance but capitalist in essence. Capitalism is not solely about the preponderance of production of commodities by commodities, the purchase of labour power in production; it is a stage in which capital as the social relationship, the historical relationship and *power* relationship rules and governs the pace of development. Its reason, the rationale of a commodity in its state of self-expansion, decides whether jobs for wage labour should engage the peasants or whether the peasants should just continue in their way of life until called into wage slavery. Actually, or potentially, as soon as Asiatic societies come under the immediate political hammer of European colonialism or whether they become structurally influenced by it, they cease to be feudal and become capitalist and tributaries of capitalism. These pre-capitalist modes of production retain the feudal traits only in proportion to the rate of central capital accumulation. The articulation of the modes of production is not about two distinct entities in oneness; it is about capital uniting, more often than not by force, two entities in an unequal exchange relationship.

A periodised summary of the West Bank's economic history will unfold in four stages. In the first three stages – Ottoman, British and Jordanian – each historical stage foregrounds the colonial policy of debilitating Palestine and readying it for Zionist colonisation. The fourth stage represents the developments occurring in the first quarter century under Israeli occupation and the topic of the subsequent chapters.

2.1 The First Stage: European Penetration *Circa* 1800 Until 1920

European penetration commences around the beginning of the nineteenth century and lasts up to the First World War, the onset of the British Mandate over Palestine, c. 1920. As of c. 1800, drained by wars and the inability of the Ottoman sultanate to

compete with Europe through indigenous resources and development effort had weakened it. Had they not feared each other, European powers would have heightened their interventions on the political and commercial levels in the Ottoman provinces to levels that would have spelled an earlier demise of the Ottoman empire (Duri 1969). Rather than sick as per the Eurocentric vernacular, the Ottoman sultanate survived as a *sickened* empire.

Palestine was a southern part of historical Syria whose map shifted grounds with the fluid boundaries of the various southern *vilayets* of the Sultanate. The major transformations to Syria in the nineteenth century followed the defeat of Napoleonic troops in Acre (1799), and the pressures exercised by the British since. Alterations to the socio-economic formation of Palestine reacted to two interrelated policies: the reformist policy of the Ottomans and the penetration of European capital (Sharif 1987). Sharif (1987) underscores the Ottoman tendency to reform the system such that it would not give in to all the surrounding pressures as a result of European demands to introduce speedy capitalist reforms in the *vilayets*. The Ottoman system of patents lowered the barriers for European goods to pour into the Mashriq market and to unevenly outcompete local family-type workshop or cottage-like industry (Sharif 1987).

Addressing the transition from feudalism to capitalism, Lutsky (1985) holds that the disintegration of the feudal social formation in the Near East occurred at a lethargic pace during the nineteenth century. The transition 'was proceeding at a very slow rate and in extraordinary circumstances', emphasising that European interventions sought to arrest all sorts of autonomous growth efforts. But inter-imperialist competition also enhanced the capacity of the Ottoman empire to upgrade its industrial base, especially due to its later rapprochement with Germany. The thrust of anti-German European involvement deflected the Ottoman potential and with it the potential for an indigenously growing industry, capable of withstanding more advanced Europe.

In the less developed underbelly of the Ottoman empire, such as Syria/Palestine, European intrusions, as elsewhere, targeted local production capacity and slowed the rates of modernisation. The incurred dislocation required a disciplining social policy that resurrected and strengthened the worst aspects of the feudal social order to comply with the European despotism of slavery and primitive accumulation. A selection of codes from Islamic culture, allegorically similar to burning witches in Europe, were introduced as the new code of conduct in the colonies. A culture, like any, as multifarious as life itself, Islam was later reduced by the racism of Europe to chopping hands and heads. There was not enough spare capacity to absorb the labour freed from subsistence, nor was there enough wealth to cushion the fall – adaptability to the capitalist measures that dispose or set aside excess labour. Europe's expansion relegated Syria/Palestine to a late developer position. European infiltration into the Mashriq market through manufacturing exports and the promotion of the cash crop economy isolated the modern sectors from the subsistence economy. As early forms of Zionist settler colonialism set foot in Palestine in the late nineteenth century, European colonialism walled off the whole of the Palestinian subsistence economy from the colonially spawned settler sectors. Palestine is no stranger to all sorts of walls.

As to other late nineteenth-century repercussions of changes in the global environment on the Palestinian social formation, Scholch (1982) observes two inseparable effects of European intrusion: first, the development of relatively large tracts of landed property in the coastal regions geared towards cash crop production and, second, the rise of an entrepreneurial class with vested interests in citriculture production. However, the new entrepreneurial class, groomed in commerce or ancillary industry in the shadow of colonial capital, was under pressure to keep only the most severe forms of repression alive from pre-capitalist social relations. There was also a wall erected to insulate the region from being inseminated with revolutionary thought and the advancement of civil liberties.

The acceleration of the sort of repressive capitalism growing within with colonial pressures from without overshadowed the momentum of Ottoman modernisation. The deficiency associated with the rise of a more independent national bourgeois class with a vested interest in developing an autonomous local industry mitigated the nexus of productivity growth and employment. Nothing at the scale of European primitive accumulation where the enclosed or dislocated peasant labour from the land would shift into higher productivity town-employment occurred. There were few new Palestinian industries that required more wage labour. Peasants remained tied to subsistence, now and then seeking seasonal wage work. Pre-capitalist forms of regimentation furthered the interest of the newly formed comprador class, a class that does not reproduce by reinvestment in national capital or a reskilling labour. Demand for wage labour mirrored the slow modernisation/industrialisation rate. Palestinian seasonal workers in the citrus plantations had no rights, but they still had the small farm holdings upon which they rely for subsistence (Shoufani 2002). The Palestinian notable and land-owning class metamorphosed into a comprador bourgeoisie. They consolidated their delegated political power as they mimicked the brutal European measures already deployed in other colonies.

The Palestinian transformation resembles that of the developing world under colonialism. As 'capitalism comes to the Third World from the outside, as foreign capitalism; and the extraversion thus created persists, defining the character of contemporary underdevelopment, viz. as an externally oriented, distorted and indeed disarticulated "part-economy" subordinated now as ever to metropolitan capital' (Foster-Carter 1978). Initially, the process of ushering the Near East into the world capitalist system changed the form of ownership in land from the *de facto* or conventional hold into the *de jure* or cadastral hold. As occurs after market induced changes to property laws, the forms of social production relations changed to accommodate higher rates of accumulation. Previous forms of production for subsistence were gradually replaced with production of marketable cash crops. Improvement of techniques in agriculture; a deepening of the division of labour alongside deskilling, setting aside enough land for marketable crops; and trade links with European markets were prerequisites for the transformation. The destruction of Mashriq silk manufacturing and the bolstering of cocoon culture for exports are the putative outcome. However, the shift from production for subsistence to production for exchange remained marginal until the beginning of the British Mandate c. 1920. Until then, most of Palestine's interior, especially the West Bank, depended on dryland subsistence farming. Unlike the less arid coast, West Bank mountainous land is unsuitable

for large-scale citriculture production for export. Furthermore, the inland's concentration in land ownership was thin, exhibiting minor variations among farmers because of earlier Ottoman land reforms of 1858, with only a few local and absentee landlords owning large tracts (Mundy and Saumarez Smith 2007). Moreover, the magnitude of changes involving higher concentration in landed property was not at a scale from which small farmers would be foreclosed or driven towards wage-earning situations. To re-emphasise, there was not any significant rearrangement in internal social articulation and no mass uprooting of the peasantry. The old bonding system of family clan, or provincial agglomeration, remained unshaken by the new capitalistic relationships. As to the relatively marginal number of tenant farmers working large tracts of cash crop or citrus plantations near the coast, for part of the year, seasonal wage workers were paid in money, supplementing their subsistence income. Although wage employment was marginal, its growth along with the global capitalist shifts necessarily sparked a transition, including emigration to the Americas. While most people remained on their farms and while no precipitous restructuring of society occurred, capitalism came bearing down upon Palestine once and for all as a result of its ethnic cleansing and occupation by European settlers. As elsewhere where the rate of accumulation was torpid, the peasants were wage workers in the waiting on the subsistence farm or until the dominant Western capital deemed – by its higher demand for labour – their transformation into fully fledged wage workers.

2.2 The Second Stage: The Mandate Era (1920–1948)

This is the stage of the British Mandate (1920–1948), which through massive repression fulfilled the pronouncements of the 1917 Balfour Declaration. The British occupation forces armed the Zionists and dispossessed the Palestinian Arabs in preparation for the massive massacres and ethnic cleansings of the 1948 Arab-Israeli war (Shoufani 2002; Sand 2009; Pappé 2006). That war, as other wars that Arabs fought with Israel, was a cakewalk for the much better-equipped Israeli army. Neumann (2002) equates Palestinians to the Native Americans, in the sense that given superior European weaponry, the Palestinians 'had no chance of defeating the whites by conventional military means'.

In the economic sphere, the coastal area's potential for citriculture was further exploited – in the late nineteenth century, Palestine as a major exporter of oranges to Europe. Higher cash crop production other than citriculture geared towards the local market emerged. Although limited in scope, since European-Jewish settlers owned only around 6% of the total land area of Palestine by 1948 (Ameri 1981), the Zionists created a parallel economy, more advanced and isolated from the national economy, unless of course there was a seasonal shortage of labour, which is then redressed by hiring Palestinians (Taqqu 1980).

Regarding the drive for higher concentration of land ownership, Graham-Brown (1983) remarks that family farm foreclosures were not significant during the mandate. However, around 30% of peasants owned very little land such that they had to

work for a wage in kind (sharecropping), namely, within the village (Carmi and Rosenfeld 1973). With respect to the integration of Jabal Nablus, the northern area of what is known now as the West Bank, into the world economy, Graham-Brown adds that the rate of evictions from the land was not so significant. The point here is that the social structure of the West Bank did not experience revolutionary change vis-a-vis its steady dependence on subsistence farming.

The dispossession of land was highest in the coastal areas where Zionist European settlements and economic concerns were also highest. Inland, the minimal interaction between the Palestinians and the incoming settlers reduced the effects of settler-induced barbarism on pre-existing social relations. The Zionist operations may have been informed by the idea that the estrangement of the Palestinian from their production processes limits their capacity for development and their ability for self-defence at a later stage – the typical colonial policy barring the colonised from access to guns or to gun making. Until 1947 the Arab population was the overwhelming majority; United Nation Resolution 181 of 1947 calling for the partition of Palestine recognised that the Arab population represented the majority. The inflow of Zionist settlers picked up speed due to heightened European anti-Semitism culminating in the genocide of European Jews. Still, by the Second World War, Zionists only composed around 30% of the total population (Ameri 1981).

Carmi and Rosenfeld (1973) estimate that at the peak of the mandate period, 100,000 workers were commuting within Palestine in pursuit of seasonal wage work. However, manufacturing in 1945 employed 13,000 men (Taqqu 1980). The remaining workers represented an age-old tradition of nearly landless farmers undertaking hired work, paid in kind, to buttress subsistence needs. The share of the West Bank from total wage employment was even lesser since it lies relatively further away from the more economically vibrant coast.

Carmi and Rosenfeld rather self-evidently note that there was massive underemployment in the countryside. By market standards, underemployment in developing world agriculture is ubiquitous. In relation to the imposed under-valorisation of agriculture, which entails both a below-subsistence reduction in necessary labour and an undermining of the support base of the working class, the effective units of labour in production meant for exchange can indeed be low. Underemployment exists only in relation to moneyed output, which does not mean that non-moneyed output in agriculture is insignificant and which also brings into question the biased perspective of measurement in employment. In any case, demand arising from an underdeveloped and colonially suppressed Palestinian industry could not engage the 'excess' labour – excess only to capitalist values and value relations. Another reason contributing to the low participation of Palestinians in the paid labour market is the previously mentioned notion of 'Hebrew labour for Hebrew industry and land', which separated the Zionist from the Arab economy in preparation for the emergence of Israel. With the certitude of hindsight, every colonial effort devastated the Palestinian economy in preparation for ethnic cleansing.

Although liberal Zionists trumpeted that introducing an advanced European branch plant economy into underdeveloped Palestine would uplift and socialise the Arabs, their position blanked out the fact that Israel was a colonial project extending imperialist reach and one that would later devastate much of the Arab world.

Liberals apart did not kill for a living, but together they constantly warred for living. Here as elsewhere, barbaric imperialism creeps in by the cant of liberalism. The faulty premise that advanced technology and modern forms of social relations are necessary for a transition to socialism still preoccupies the Western Marxist mind, and that remains proof of the damage western Marxism inflicted upon national liberation movements. The liberal coating of Zionism flaunted to draw the support of social democratic Europe also remains with us at the time of writing. As I have argued in Kadri (2016, 2019), this strand of Eurocentric thought is possibly the principal reason for the ideological crisis of socialism.

Just as happened under Israeli occupation of the West Bank, the cost for the maintenance of the labourer in mandate Palestine was borne by the village economy. As per the law of value whose practice ensures the making of surplus value through reducing the living conditions of labour, wages for Palestinians were low enough to ensure an existence below subsistence. If we exclude the European settler economy, the West Bank experienced the same meagre industrial and agricultural development as the rest of Palestine and surrounding region. Two points to keep in mind: first, there was no significant expropriation *or* dislocation of peasants and *or* significant transformation of peasants into wage labour in the West Bank, and, secondly, interconnectedly with the first point, without the retention of broadly based subsistence farming and small-scale industry, the population would have perished.

2.3 The Third Stage: Jordanian Stage (1948–1967)

The day Israel was declared a state on May 15, 1948, the West Bank fell under Jordanian rule. Although largely underdeveloped, the West Bank was more developed than Jordan. Kanovsky (1974) asserts that Jordan was underdeveloped not only with respect to the West Bank but in comparison with the surrounding region. The Jordanian economy experienced high rates of growth in the 1950s because of its integration with the more developed West Bank (Kanovsky 1974). The contribution of manufacturing to total output was marginal in the West Bank and insignificant in Jordan. These formations were largely rurally based. In addition, the tourist sector was minor in Jordan prior to 1948, and it is only because of tourism to the West Bank that a tourist sector came to exist for the joint economy. In terms of the number of large firms employing 50 people or more, and in services, the West Bank was initially the leading partner (Kanovsky 1974).

However, the Jordanian government has steadily equalised the level of development through resource diversion from the West to the East Bank. By the mid-1960s, Jordanian firms employing 50 people or more rose to twice the number of their counterparts in the West Bank – 19 firms in the West Bank and 38 in Jordan (Sahlieh 1982). A similar case could be made for the change in the number of small firms employing 5–10 persons. The numbers of these small firms in the East Bank nearly doubled the number of similar West Bank businesses (Sahlieh 1982). As to why the Jordanian government favoured the East Bank, Sharif (1987) weighs the question in terms of a long-term political strategy, where the Jordanian government ‘feared the

political consequences of a strong Palestinian economy in the West Bank'. In the milder opinion of Sahlieh (1982), the argument underlining the bias of the Jordanian development policy hinges on two interrelated issues:

- (a) The relative absence of West Bank representation in the Jordanian parliament.
- (b) It follows from the lack of parliamentary representation that there was a frequent if not systematic oversight of the problems faced by the West Bank.

Evidently, the proposition that a parliamentary democracy flourishing in a state presided over by an absolute monarch whose security is colonially provisioned, or on loan, is too credulous to be discussed. The building of the East Bank's economy and security apparatus in favour of the Jordanian population that staffs the army and other security institutions served to suppress the Palestinian refugee population desire to pursue its national liberation objectives across the Jordanian border. The policy of favouring Jordan was so pronounced that by 1967, 'almost all major industrial projects with a total capital of one Million Jordanian Dinars and above were set up in the East Bank (Sahlieh 1982)'. How did the West Bank relapse relative to the East Bank, and what were the effects on the West Bank's labour market, the subject at hand nonetheless?

In a developing economy, the drive for industrialisation may simply mean an overriding support of the larger more technology-prone firms. The smaller firms may belong to an earlier traditional structure such as the cottage-type industry. The justification for boosting the larger firms stresses their relatively larger-scale and modernisation effect and their potential for competitiveness (Amsden 1992). It could also be argued that it was the relatively larger West Bank firms, more adept and adapted to the capitalist market, which were more likely to form the nuclei of a modern industrial structure. This, moreover, may be supported by the standard 'specialisation' argument in trade and development policy – to concentrate on products in which the economy has an advantage. It is also preferable to encourage the larger structures instead of introducing or supporting relatively smaller size and outdated structures. However, for such investment to pay off, it should not appear at the expense of some other variable that undercuts the whole momentum of growth, like huge sunk costs into projects for which markets do not exist – white elephant projects. Another point of caution regarding reinvestment in big firms is that the impact on growth works best in undercapitalised formations. In developed economies already underusing their capital stocks, the decision to capitalise bigger firms corresponds to how new technology and organisational structures of production, through scale, generate higher profit rates. In a developed context, emphasis on small or big firms corresponds to how competition and new technology regulate the degree of oligopoly, the market power, to meet the requirements of expanding markets. Altogether, in developed, and more so, in developing countries, supporting bigger firms boosts development. Considering this generalising principle, the *a priori* critique that jumps to mind is: how could Jordanian industrial policy be self-defeating by consistently short-changing the advanced West Bank industrial structure and infrastructure?

One may counterfactually argue that had the further growth of these larger firms in the West Bank been supported by state policy, the whole of the economy, East and West Bank, would have proven more resilient and competitive. 'Industrialise where

it counts more' would have structurally shifted productive capacity and catalysed growth. It would through taxation, and transfers to the central government seat in Amman boosted Jordan. The East Bank would have gained more through its interaction, market and production linkages, from a more developed West Bank. The potential for growth is that growth level, which could have been realised had the Jordanians emphasised reinvestment in the West Bank. This begs the question, why did the political bias practised by Jordan inhibit the West Bank's industrial momentum or potential for growth?

As I will argue throughout this work, there is a primacy of politics that holds sway over the course of development in the region as a whole and, particularly, in relation to Palestine. Political considerations associated with maintaining US imperialist hegemony, and the channels of imperial rent flows, exceed the narrow consideration for the pittance in aid provided to this or that dependent state – not that aid really means aid in the last moment: aid under capital is that investment that divides the working class and decapitalises the national economy in proportion to the crisis of overproduction. Jordanian capital, the guardian of the buffer state, is not much different from its Zionist counterpart in obeisance to the demands of US-led imperialism. Jordan is the only British fabricated state concocted around a mercenary army still relatively standing amidst the regional rubble, which, apart from Palestine, includes almost every Arab and Muslim de-developed state in the neighbouring region.

The power drawn by the United States from the defeat of Arab states, and the ripple effect spun around the loss of the historical rights of Palestinians, foments further wars and better positions the US empire. With rents from militarism and the power restructuring arising therefrom being crucial to value transfers and capital accumulation, the US fares better. It is not just the military material profit rates accruing to capital that are of concern here; militarism as a domain of accumulation is the gyroscope steadying the global rate of profit. The defeat of the Palestinian national liberation war has been a lightning rod of instability and militarisation prior to 1948. It has thus far fuelled militarism, the domain by which US-led capital disposes of its huge economic surplus and revamps the social production grounds by violent value destruction cum creation across the globe. The economic surplus here is not only Baran's savings, as in output minus consumption, it is also the fictitious debt issued as financial instruments. When war is so relevant to accumulation, the whole notion that development for the sake of development imparting peace and security to such a war zone becomes simply ludicrous. One must look beyond the immediate salient commodity trade accounting framework because the sociological momentum driving war-making and accumulation by destruction is way more lucrative.

The Bias of Data Relying on data to assess the performance of the West Bank prior to 1967 depends on the source of data. Data here as elsewhere is part and parcel of propaganda. For Van Arkadie (1967), the numbers given by Israel about the West Bank prior to 1967 'have to be treated with some caution'. The same can be said for the quality of Jordanian data – not only because the capacity of any developing country in data gathering is limited but also the Jordanian ruling class is interested in showing that the West Bank prospered under Jordanian rule. The views of

anyone writing on this subject largely depend on the sets of data used in support of their thesis, and, as such, views are likely to diverge.

Assessed with Jordanian data, the macro figures indicate that biased policies may have only faintly dampened the potential for growth in the West Bank. The average yearly real GDP growth in the West Bank for the 1959–1966 period was 8.8%, only slightly lower than Jordanian growth at 9.2% (Gharaibeh 1985). Such figures suggest Jordanian policy bias or oversight was not systematic. Moreover, the slight East Bank advantage could be attributed to the usual capital city bias (Lipton 1977), favouring the capital, Amman. Capital city centripetalism, drawing in resources from the surrounding region, is the pronounced characteristic that appertains to much of the developing world. If such is the case, then the relapse in the West Bank has little to do with the premeditated politics of the Jordanian monarchy. To answer the questions, “Was there a biased policy?” and “Is this capital centrism responsible for the West Bank to lag behind its East Bank counterpart?”, depends on the provenance of data.

Table 2.1 shows the real growth in the GNP of the West Bank, 1959 to 1968; the GNP, or gross national product (GNP), has been replaced with the gross national income (GNI), although similar, the latter is a slightly broader category. The variability in the rates of growth underlines the sensitivity of a small regional economy to major aid packages. Official development assistance (ODA) and income receipts from abroad along with the total value added in the reference year influence variations in the GNP. On average, these Jordanian-produced figures do not imply any systematic neglect of this regional economy. Had the oversight been systematic, or based on a political strategy that feared the evolution of an anti-Hashemite and strong Palestinian economy, any drop in the rates would have presented a downward trend sustained over time. Let us, for now, accept these data at face value, although these figures were East Bank guesstimates produced 12 years after the annexation of the West Bank by Jordan.

Let us further examine the sectoral data to determine the sources of West Bank growth. Table 2.2 discloses the real growth rate by sector. The sectors are construction, manufacturing and agriculture. Manufacturing, including mining, exhibits a rising trend, albeit at a quite modest rate. A similar case can be made for construction. Agricultural output increased steadily and at high rates to boot. The share of

Table 2.1 Real GNP: West Bank, 1959–1966

Year	JD million	% change
1959	36.1	–
1960	38.6	6.9
1961	46.5	20.5
1962	48.2	3.7
1963	49.9	3.5
1964	57.9	16.0
1965	63.7	10.0
1966	64.5	1.3
Annual average growth 8.8%		

Source: Department of Statistics, Amman, Jordan, The National Accounts, 1959–1967

Table 2.2 Real growth by sector in the West Bank, percentages

Year	Agriculture	Manufacturing	Construction
1960	4.5	1.3	1.5
1961	9.4	1.7	1.5
1962	7.7	1.5	2.0
1963	8.2	2.0	2.0
1964	12.6	2.4	1.8
1965	12.6	3.1	2.6
1966	10.2	3.3	3.0

Source: Department of Statistics, Amman, Jordan, The National Accounts, 1959–1967

the West Bank from the combined West Bank-Jordanian GNP for the 1960–1966 period hovered at about 40% (Gharaibeh 1985). The figures from Gharaibeh (1985) for 1966 put the share of the West Bank at 53% of combined mining and manufacturing in Jordan, 49% of trade and services and 80–90% of Jordan's tourism income. Growth rates in the major economic sectors of the West Bank are slightly below growth rates in the same sectors to the East throughout this period (Gharaibeh 1985). Because of the high share of services in West Bank income and through a process of exclusion, it was the growth of the service sector, supported by tourism and aid, which accounts for most of its variations in growth. As can be seen in Table 2.2, these three sectors exhibit steady growth, while the overall growth rate of the West Bank exhibits acute deviation reflecting the impact of aid upon consumption and the service sector.

In contrast with growth in the other sectors of the economy, Mansour (1985) and Bahiri (1987) posit that West Bank infrastructure was stagnating. Infrastructural development is pivotal for the take-off of an industrial process. It is this particular low rate of investment in the infrastructure of the West Bank that informs of bias towards the East Bank. Investment in infrastructure is state-led, and, as such, this could easily be interpreted as a political strategy aimed at curbing the potential for a strong Palestinian politico-economic order.

To further decipher whether it was this centrist inclination which is common to Third World development practice, or a political drive aligned with imperialist objectives, which caused the infrastructure of the West Bank to stagnate, let us draw on the opinions of the very few others who addressed this topic.

According to Van Arkadie (1967), the West Bank's growth was not undermined by the Jordanian authorities. In this regard, he suggests that the West Bank benefited from the high Jordanian growth rates. Oddly and despite the comparatively shrinking Palestinian industry, Van Arkadie includes benefits in the area of industrial development. By the mid-1960s, the growth of the centre (Amman) doubled the Jordanian economy to twice its pre-1948 size. For Van Arkadie, that the West Bank had come under Amman's jurisdiction implied that Palestinians wrought a windfall from Jordanian growth that otherwise they would have not experienced on their own.

However, Amman was quite underdeveloped in comparison to the principal cities of the West Bank, Jerusalem and Nablus. The hitching of the West Bank to the Hashemite Kingdom expanded industry and commerce and broadened Jordan's

agricultural base. Moreover, the infusion of the more educated West Bankers' know-how in industry contributed to improvements across the board in output. *Prima facie*, Van Arkadie exaggerates the gains of the West Bank. Van Arkadie used the same Jordanian data sources as Gharaibeh, and that is why the West Bank appears to have nicely fared under Jordanian rule.

Relying on different data sources, Bahiri (1987) notes that 'little was done to promote industrial development in the West Bank, especially anything that might compete with the East Bank'. Addressing this issue at an earlier date, Frisch (1983) claims that initially the West Bank was the industrial centre of Jordan, but by 1967 the value added of the industrial sector in the East was three times that of the West's. The data in Table 2.3 from the West Bank Database Project shows that by 1965 the industrial development of the East Bank surpassed that of the West Bank. Here, once more the source of data discloses different results.

Starting at a much higher plateau in 1948, the 1965 figures demonstrate that the West Bank later trailed the East Bank in every category except in output per unit of assets, a measure of returns to capital. The West Bank led the East Bank by a high margin. It is difficult to guess the reason for the high output per unit of assets in the West Bank, but a higher efficiency ratio in tourism may be the culprit. Recalling, tourism in the East Bank was minimal in comparison. The lower West Bank output per employee underscores the falsehood of the neoclassical measure of labour productivity, the revenues per worker, because the labour exodus from the West Bank should have raised not lowered its output per worker. The fewer surviving West Bank enterprises as compared to those of the East Bank are leaner and more specialised. Their products cannot be easily replicated in the East Bank, which dents the value of the comparison in Table 2.3. However, in terms of assets, average fixed assets and asset per employed person, and that is what matters, the industry of the West Bank lags far behind. The Jordanian ruling class in charge of resource allocation, the class that decides the quantity and the destination of investment, displays a flagrant East Bank bias.

Looking back at the West Bank's performance under Jordanian rule, Hillal (1974) observes that between 1948 and 1967, out of 19 large firms receiving Jordanian government capital, only 2 were in the West Bank. In parallel with this position, Graham-Brown (1983) notes that under Jordanian rule, industrial expansion was limited by the fact that the government as a matter of policy directed public investment in industry towards the East Bank, particularly Amman.

Table 2.3 Industrial Indicators in the West and East Banks, 1965

	West Bank	East Bank
Number of firms	3716.0	3122.0
Average fixed assets (JD)	2544.2	9257.5
Average output per employee (JD)	4.6	6.4
Asset per employed person (JD)	553.0	1446.0
Output per unit asset (JD)	20.9	1.9

Source: West Bank Database Project; the data here are also estimates

JD Jordanian dinar

Academically, the case may be argued that just because the East Bank grew at a higher rate relative to the West Bank in terms of the one sector, industry, does not necessarily prove partiality. It may be that the relative factor endowment of the two areas account for differences in growth rates. The East Bank could have had more unused capital assets to begin with, which, when redeployed, account for the high rate of industrial growth. However, in terms of both idle and active resources, the West Bank was leading in natural, human and tech-related capital (Bahiri 1987). In manufacturing, even the Jordanian figures (the Jordanian national accounts) reveal that the West Bank's manufacturing sector was three times the size of its counterpart in 1948.

For the argument that the East Bank has deployed more of its slack and unused resources to hold should not translate into the West Bank using less of its already mobilised resources. These are not mutually exclusive. Shifts in relative endowments kick in and enhance the performance of the sector with abundant resources under the fiction of full employment – I say fiction because these models assume that as people lose jobs in one sector, they usually are re-employed in the booming sector. However, the stagnation/dereliction of the infrastructure, the diminishing of industry and the shedding of labour were all experienced by the West Bank. The West Bank in 1966 exhibited a manufacturing contribution to output nearly equal to that of Jordan, whereas Jordan had little manufacturing to begin with in 1948 (Bahiri 1987). The comparative contraction of West Bank manufacturing supports the argument that the Jordanian monarchy has purposefully de-capitalised the West Bank.

Where the case for purposeful economic deconstruction under Jordanian rule comes to light is in relation to labour movement. As per the standard dual models, labour has to move from the less developed Jordan into the more developed West Bank. Hypothetically, as soon as the West Bank came under the jurisdiction of Jordan, Jordanians should have flocked to work in its industries. But with the West Bank's economy coming under a barrage of restraints and defunding, the migration of skilled labour from the West Bank to Jordan and later to the Gulf and elsewhere occurred at high rates. During the 20-year period of Jordanian rule, until June 1967, approximately 400,000 West Bank inhabitants crossed the Jordan River to the East Bank (Gabriel and Levy 1988). And although such migration may not have been the harsh forced migration imposed by Israel through repression and land confiscation, it also reflected the East Bank's orientation to strangle the West Bank and force people out. Investment, both social and economic, moved to the Amman-Zurqa zone. Gabriel and Levy (1988) add that most public projects were carried out in the East Bank and that outmigration of especially skilled labour from the West Bank followed.

Many West Bankers did not cross to stay in Jordan. The present-day large number of Palestinians in the Arabian Peninsula and elsewhere in the diaspora indicates that those leaving the West Bank prior to the large exodus of the Six-Day War did not cross merely to work in Jordan (for an indication of the breakdown of emigration by destination, refer to UNCTAD [1994]). Gabriel and Levy's study is concerned with demographic changes in the West Bank and not with the destination of migrants. For Israel, depopulating Palestine correlates with imperialist war objectives more so than the apparent building of state for Jews. Nevertheless, there was a

substantial movement of skilled labour from the West Bank to Jordan for the purpose of employment. West Bank labour supply exceeded its labour demand as its productive economy shrank, wealth build-up declined and policy autonomy was lost. Meanwhile, the numbers of the West Bank's skilled workers rose – its educational system had the capacity to form professionals – as the economy lost real assets. The skilling of the labour force benefitted from the positive role of the United Nations Relief and Works Agency (UNRWA) as it partially offset the losses to the educational infrastructure incurred by refugees from 1948 Palestine.

Van Arkadie (1977) suggests that it was not Jordan's deliberate debilitation that squeezed the West Bank to the point of ejecting 400,000 migrants within a period of 20 years. Yet, the total population in 1949 was 710,200 people (UNCTAD 1994). Despite its high demographic growth, in 1967 and on the eve of the occupation, West Bank population was estimated at around 850,000. It lost nearly 180,000 on the day of the occupation in 1967; the population was estimated at 661,757 few months after occupation in 1967 (UNCTAD 1994). The fact remains that the population and the economy of the West Bank were thinned down by the Jordanian monarchy prior to Israeli occupation and that 400,000 migrated to Jordan under such pressures.

It is difficult to posit, as did Van Arkadie, that the West Bank developed prior to 1967, yet it lost a significant portion of its labour force to migration. Van Arkadie reasoned that 'the inter-industry connections reveal a simple trade pattern which is typical to that level of development in a traditional economy, except in the area of labour movement where this could have been more complex'. The author convolutes his explanation with the remark 'more complex'. Indeed, it is more complex because the Hashemite monarchy has always been a not so discrete ally of Zionism. The relative depopulation of the West Bank was a 'to the letter' fulfilment of colonial settler depopulation politics. The history of Zionist/Hashemite collusion is amply documented (see Sayigh 1966; Shlaim 1988). Even *The Washington Post* revealed that King Hussein was on the CIA payroll.¹ That alone suffices as proof that Jordan purposefully ransacked the economic capabilities of the West Bank.

2.4 Concluding Remarks

Based on the foregoing, the principal points associated with the history of the labour market are as follows.

1. Under Hashemite rule, there was much drainage of skilled West Bank labour through the biased policies of the Hashemite Kingdom. The Hashemites carried on as proxy Zionists in the West Bank, undermining the territorial economy and depopulating the area.

¹ CIA Paid Millions to Jordan's King Hussein, by Bob Woodward, 1977, https://www.washingtonpost.com/archive/politics/1977/02/18/cia-paid-millions-to-jordans-king-hussein/97cf8566-18b6-4991-a7f8-18273a3ca553/?utm_term=.2d45ebfee0c8 (viewed 19 March 2017).

2. At the time Israel occupied the West Bank in 1967, two-thirds of the population was rurally based.
3. Wages for similar jobs in the East and West Bank were practically on par, but the exhaustion of the indigenous economy reduced the jobs available for locals in the West Bank, which then had forced them to migrate.

In summary, forced labour movements and the ethnic cleansing or depopulation of Palestine are a subset of imperialist policy. The British and the Hashemites prepared the grounds or assisted in the expulsion of Palestinians from the land (Pappe 2006; Samara 2017). In 1948, the British provided the Zionist settler gangs with enough backing to build an army that easily won the first Arab-Israeli war (Shoufani 2002). Myths such as the creation of Israel and its wars to fulfil godly designs inflame the Arab-Israeli conflict and the conditions for militarism, the key domain of accumulation for global capital. Ideas borrowed from liturgy boost the global profit rates. Whatever the pretext, real or unreal, the colonial practice of Zionism in Palestine instigates the wars necessary for massive regional depopulation and growth by militarism. However, the Israeli-incited destruction of Libya, Syria, Iraq, Lebanon, Palestine, Yemen and other nearby states, with death tolls in the millions and expulsions in the tens of millions, is not about the necro-politics of a society yearning to see God soon nor about a sexually repressed population finding salvation in death. The thesis here is more straightforward. Israel encroaches or is reason for war of encroachment to expropriate the masses, socialise them, and expunge their resources. It is, as we shall see in Chap. 8, a necrotrophic settler community that kills and feeds off the dead matter.

Chapter 3

Palestinian Labour Under Occupation from a Mainstream Perspective



In 1967, Israel occupied the West Bank and the Gaza Strip. In line with the designated periodisation outlined in the previous chapter, thus began the fourth stage. It commences in late 1967 and ends in c. 1992. Past policies of ethnic cleansing resume by more involved and complex means. The same social and political forces that depopulated Palestine in 1948 were now fully in charge of the rest of Mandate Palestine. However, in the late 1960s, the Soviet Union had acquired significant sway, and the United Nations had become ‘a talk shop’ between two superpowers, no longer totally under the thumb of the United States, as would happen after the fall of the Berlin Wall. Still, with a more balanced international background, Israel could not fully flout international law to achieve its goal of Palestinian uprooting. It could win a war by vicariously learnt blitzkrieg, but now it could not effect European-learned mass transfer of the population. Its efficiency in ethnic cleansing, the rate of people killed or displaced by war effort, declined. Although violence and communal punishment of Palestinians would remain the mainstay of Israeli politics, under the Cold War climate it had to appear to abide by Articles 73 and 74 of the Charter of the United Nations addressing the rights of indigenous populations in non-self-governing territories.

As to our main subject, proletarianisation, heightened economic constraints upon the economy of the West Bank meant that it had to disengage more of its working people. While industry was being snuffed and land confiscated, much of the new positions for Gazan and West Bank Palestinians were created abroad, particularly in Israel. The issue before us is whether, in relation to the totality of capital accumulation, the migrant was choosing to leave, as per the mainstream, or forced to leave, as per the Marxian approach. Put differently, can migration be explained by the phenomena of prices of labour inducing labour supply or demand, or is the reproduction of labour by the diktat of the law of the value more adequate to understand migration as a symptom of the labour process?

As mentioned in the introduction, I will address this case employing both theories: the mainstream-neoclassical and the Marxian. Though impossible for any social scientist, I will, in as much as self-discipline allows, venture into the subject

with the initial naiveté of the scientist and will begin without preconceived prejudice against the mainstream approach. I will drop critique of its transhistorical generalisation and reliance on formalistic models and allow its concepts on their own to expose the one-sided or quantitative aspects of the labour market, albeit, based on available data. After accepting the conceptual armature of such an approach, I find that the insight it has provided does not suffice to pierce beyond the façade of numbers or given quantities. Relegating a social process to its quantitative aspects is reification meant to absolve the class of absentee owners of the means of production by concealing its role as agent of history:

The use of those concepts of neoclassicism, and the marginal-utility and productivity schools, as aspects of an emerged absentee-ownership interest in economic problems, their mathematical tools began to be used pragmatically for the direct purposes of special-interest groups, rather than for the discovery of the economic dynamics of society as a whole. The special interest of these groups veiled the increase in the margin of error if applied to the whole of economic society, and actually emphasized the character of this procedure as one of rationalization or of ideology formation. (Niebyl 1946)

Sophisticated quantification of social life erases the subject of history and reduces the social relation to an equation of symbols devoid of quality and social content. As will be seen in the next chapter, mathematical modelling and the statistical measurements only make partial sense when the assumptions and/or explanations of the neoclassical method are interspersed with historically determined or real observations. Even as we try to add more realistic assumptions to neoclassical *a priori* ideas, the *a priori* synthesis without referent to organic society and its history would be equivalent to entertaining a noumenon, an idea further removed from reality and from the stage of action:

The character of quantity depended not only on the measurability of an assumedly given particle but also on the relation of different quantities to one another, one cannot perceive these quantities statically, not realizing that changes in their relative positions may be indicative of a change in the character of the whole of which the observed quantities are not merely parts selected and determined by what is supposed to be theoretical analysis. In other words, insistence upon the relative lesser importance of exact quantitative measurement and emphasis on the use of mathematics for the establishment and description of existing relationships between quantities does not extricate one or those who work on the same basis from the difficulty, nay contradiction, *of wanting to present a moving scene with a static slide-camera (my emphasis)*. No fundamental departure from the basic assumptions of quantitative theory has been accomplished. Reality has been only removed by one more stage from theoretical perception and analysis. (Niebyl 1946)

Mathematics in mainstream economics has become the Trojan Horse of capitalist ideology. Although the economy is real and its concepts are *a posteriori* by definition, the *a priori* concepts of mathematics, even with logical synthesis, refer to something unreal. To be clear, I am fully aware that one can make anything correspond to an *a priori* symbol. To rephrase an adage, all that is logical is not real, but all that is real must be rationalised. However, even in the loose approach of mathematising a social reality, mistakenly dubbed rigorous by the mainstream, it can be shown that it is not the price, as in the wage rate, or difference in the wages with which the individual is confronted, which will allocate the labour resource. It all depends on how the researcher formulates the assumptions. After all is said and

done, it is the law of value, the law pertaining to capital, earmarked social production or the totality, which proceeds by qualitative self-differentiation or by its underside, the labour process, the way the working class and its stock of labour power are conditioned by capital's outright violence and dispossession, which allocate labour.

3.1 Situating the Issue in the Mainstream Argument

In moving from the Jordanian stage to the Israeli stage, the West Bank moved from a relationship with an equally, or maybe less developed economy – Jordan – to a relationship with a highly developed economy: Israel. This latter step fused together a largely traditional rural economy with a rapidly developing modern economy. The labour exodus from the West Bank to Israel was its pronounced manifestation.

In view of the nature of the above relationship, the integration of a less developed economy with a developed economy, and its consequence, daily commuting labour from the former to the latter, the literature to be employed must address this existing preliminary structural difference or duality. Among the mainstream models dealing with labour allocation and labour markets, dual economy models may provide an explanation of the conditions in the less developed sectors in relation to modern sector wages. In this chapter, I briefly review the original models that fall under the dual economy heading.

Later in Chap. 5, I will explore the issue of commuting labour from a dependency theory perspective. There, it is no longer prices that allocate resources. It will be either the discrepancy in development between different formations, the mild dependency approach, or the imperialisation qua pauperisation of the periphery that is generally followed by an outflow of labour – the Marxian approach. For now, I pay particular emphasis to the influential work of Arthur Lewis and the permutation thereof known as the Harris-Todaro model, the basis of received economic theory on migration.

It is hard to do justice to the amount of literature on the topic. I will only choose prototypical literature that covers some issues, which parallel the Palestinian case. As a mental exercise and no more, I will follow neoclassical reasoning to its logical end. In the next chapter, I model commuting from the West Bank to Israel based on price relationships. But first, here, below, is a snapshot of the conventional theoretical foundations of labour migration as they relate to the case of the occupied West Bank.

3.2 Neoclassical Dual Economy Models

The leading theory in the explanation of the cause and function of migrant labour is that of W.A. Lewis (Lewis 1954). Although Lewis does not address this question directly in his analysis of underdevelopment, G. Fei and G. Ranis (1961), relying on his conceptualisation of development with unlimited supply of labour, introduced a

formalised model of rural-urban migration. A summary reinterpretation of which by Todaro (1981) reads as follows:

In the Lewis model, the economy consists of two sectors: (a) a traditional, rural subsistence sector characterized by zero or very low productivity surplus labour and (b) a high productivity modern urban industrial sector into which labour from the subsistence sector is gradually transferred. ... Both labour transfer and urban employment grows by an expansion in the modern sector. The speed by which they occur is given by the rate of industrial capital accumulation in the modern sector.

The other assumptions of the model are investment of all profits in the modern sector, higher constant wages in the modern sector vis-a-vis subsistence in the rural area, and perfect elasticity of the supply of rural labour to the modern sector. Obviously, the Lewis model is demand determined and contains the quintessential assumption of the Harrod-Domar model that national savings are not divested or hoarded but reinvested in the national economy. As such investments in the modern sector create jobs that lure those in lesser productivity and wage areas. Subject to these obligations, an expansion in the modern sector is reciprocated with higher employment until the excess labour of the countryside is absorbed. Subsequently, rural real wages rise in response to an increase in labour demand.

A caveat is in order here. When Lewis wrote, price determined models in which open and liberal markets were unperturbed by government intervention, the Austrian school's presumptions, had not yet come into fashion. Lewis's concern was to analyse the specific condition of an enclave driven by modern technology and surrounded by traditional structures (Lewis 1954). Later, Lewis compared the aims and character of 'such growth poles' and stressed 'the failures of traditional sectors to respond swiftly or significantly to economic opportunities (Lewis 1976)'. He conclusively added that economic growth in a modern enclave can promote development and enrichment of the more traditional sectors.

The assumptions of negligible marginal productivity in farming and full employment in the modern sector of the Lewis model later reworked by Fei and Ranis (1961) stretched reality beyond the real. To be sure, there is no zero marginal productivity in the countryside and no full employment in the city. At a subsequent stage, the Todaro model attempted a departure from these assumptions by rooting migration in the decision of a utility maximising migrant. The 'rational' individual with an insatiable love of consumption-based happiness migrates to higher wage areas, always subject to available information; if he or she chooses not to migrate or to remain unemployed, then that is voluntary unemployment. The migrant's rationality is conditioned by access to information, which anecdotally means under the dominant ideology by which self-consumption became the principal feature of the social order, each and all are addle-minded. Anecdotes aside, once the abstract individual becomes the unit of analysis, as opposed to social man, then misery with all its trappings becomes the choice of one and many men. Not a hint of the adding up or any other fallacy; for the mainstream, formal logic never meets its contradictory end.

Todaro reinterpreted the Fei-Ranis story of migration by considering the continued migration behaviour in the presence of persisting unemployment in the manufacturing or modern sector as initial conditions. In addition to voluntary unemployment, he explained urban unemployment in terms of false expectations

leading to excess labour supply relative to current demand, but with the possibility of conjoint rural and urban growth to bring about prosperity for all – as per the drivers of the logical model as opposed to structural difficulties afflicting the real world. In this hypothetical context, a worker behaves as a maximiser of expected utility. As workers move to the urban centre, they might just find themselves unemployed as a result of being misled by their faulty expectations and not as a result of tight demand for labour. There are no explanations of why demand for labour is tight or, unthinkable, that a developing market may be imperialistically aggressed and unable to pursue an independent development strategy. In the logic of algebraic history, that is fictional time, there is just the non-existing present in time: history is a slide show of various still instances as per Niebyl above. In the present or at any other dissection of time, there are always too many people and not enough jobs. The Todaro solution to the mathematics of utility maximisation yields migration as a positive function of the urban-rural expected wage difference. The movement of labour to the modern sector continues so long as the expected income difference between the modern and the rural sectors is greater than zero and, more importantly, irrespective of the presence of unemployment – because of false information (Todaro 1969). As typical of conventional economics, prices lead to the optimal allocation of resources.

The story boils down to the fact that the less informed *homo economicus*, the generic villager, is unaware of the employment probability in the urban centres, and such unawareness causes unemployment. Figuratively, the country cousin moves to the city expecting to find a job, but he ends up swelling the ranks of the reserve army of labour.

Unlike Todaro, Lewis bases his model on exaggerated assumptions of zero marginal productivity and full employment, yet he did not forfeit a very realistic assumption, which is labour demand is derived demand. In typical Keynesian fashion, the labour market is formally articulated with the product market. That is, as growth recedes because of inflexible prices, no matter the expectations, jobs will be scarce but not on account of choice. Among many drawbacks, the Keynesian approach overlooks the agency of class, the ancillary role of firms in labour markets and the notion that not only labour demand is derived demand, but also wages are derived from the product market, and that the creation of unemployment supersedes the creation of employment. To his credit however, Lewis had known the theoretical limitations of behavioural modelling, and his assumptions may have been overblown for the purpose of logical illustration. His proposition that development proceeds with unlimited supplies of labour does not explain the crucial issue of why there is an unlimited supply of labour and why, no matter the capitalist development, there is always an unlimited supply of labour.

As for Todaro, although the rural wage rises, the continued flow of migrants to the urban sector will raise urban unemployment which, in turn, should depress the urban wage to the level of its counterpart – the rural wage. As a result, the expected rural-urban wage difference goes to zero, and rural-urban migration ceases. That there is an end to a social process, which grows by the misery of the law of value, is rationally an unsupportable paradox. In contrast, urban wages in developing countries may remain rigid downwards while the wage bill sinks and unemployment rises, all in the presence of migration into the urban areas. As to the real causes of unemployment, it trails from the private profits criterion as opposed to the social criterion. The world

produces for profits and must cut costs by raising technology and reducing variable labour costs. Until the world changes its criteria from private to social and valorises social work, the organic composition of capital, the ratio of dead to living labour or workers to machines will continue to rise, and unemployment will stay with us.

In the Keynesian argument, the not so flexible wage rate may fail to clear the labour market or equalise the rural-urban wage difference. Subsequently, the price of labour service (labour power in Marxian terminology), the wage rate, may not follow Say's law and society ends up with uncleared excess people. The ever-growing number of the unemployed in the metropolises of the Third World and the associated growth in the shanty towns are reminders of that process. As ludicrous as it sounds, for Todaro wages must fall for unemployment to be resolved; however, they could fall to levels below subsistence as wage shares fall by imperialist assault, as is indeed the case for much of the developing world.

Just to highlight the difference of the mainstream, Keynes included, with the Marxian school of thought, let us note the following. Although labour power is a commodity, it differs from other commodities because it is inseparable from a self-conscious being, and its price in wage must reproduce society (Prasch 2003). On the dynamic side, Kalecki (1976) rephrasing Marx holds that nominal wages are determined simultaneously by monopoly power and resource leakage abroad, whereas real wages are determined by the negotiating power of the working class. Real wages are the outcome of the product market, while the share of wages is the product of class struggle (Kalecki 1976; Fine 1998). Employment creation in a developmental context is not only demand derived (just growth) but development derived (Kadri 2012), that is, growth with rising wages and productivity, plus an emphasis on redistribution and a social criterion for allocating labour. Growth, as in just growth without development, in a developing country can often be either poverty employment with poverty wages or rents from raw material export that do not raise productivity and wealth, which, through the imperialist controlled state, filter to a comprador bourgeoisie. Without public oversight in the product and labour markets, decent jobs dwindle (Berg 2011). To be sure, a rentier class liquidating national assets for divestment abroad, in addition to very low-paying jobs that circularly generate low demand, engender jobless growth or poverty wages.

The 1969 Todaro model was followed by a more mathematically sophisticated version, the Harris-Todaro model (Harris and Todaro 1970). Although this is a two-sector trade model, the idea that the individual maximises utility by migrating is verbal acrobatics of the notion that people are commodities produced in ample amounts, for the purpose of export. The model is composed of two standard sectors, the more productive urban and the less productive rural, each defined in terms of production and income. The trade between these sectors takes place in one of two areas: first, the modern sector generates remitted wages and sells manufactured goods to the rural sector; second, the rural sector sends part of its agricultural goods and labour to the modern sector. It is a seven-equation model whose result tallies with the earlier Todaro model. However, it has the advantage that it gauges policy instruments and to measure the welfare implications for the rural sector as a result of remittances. It remains influential in mainstream policy studies (Fields 2007). The most absurd part of the model is that somehow remitted wages redress the costs

of rural labour lost to the modern sector. For a discipline that prides itself on its ethic of neutrality and non-ideology to normatively imply that capital rejuvenates a rural sector that it has historically condemned into poverty in order to get its cheap labour is rather outlandish.

At a sedimentary level, the model regards rural people as less valuable because they require less money to reproduce. There is no history of why poor people are cheap to hire. On the flip side, it regards capital as a benevolent enterprise developing the underdeveloped parts of the world. Every other conventional model since the Harris-Todaro model follows its tenets of a reaction to price signals by behavioural migration (Standing 2006). Neoclassical migration studies have been, admittedly or not, a sort of justification of this model. None of the mainstream literati questioned things in terms of imperialist power requiring the disengagement and dislocation of resources for its expansion or exploitation theory. The pervasive dynamic is that to produce commodities, capital must cheapen, dislocate and overconsume man and nature. The sort of banality that reigns in the mainstream scholastically argues minute statistical deviations in measurement about symbols that do not reference the reality of which they speak. Even the World Bank acknowledges the incoherence of data (Bardasi et al. 2010). A social theory along with its quantitative measures is partial and insufficient without assessment of the primacy of imperialist wars and policies that decisively drain the surplus from the Third World (Amin 1957, 1976; Chossudovsky 2006).

Let us take things at face value and refer to some of the developments in this literature. Of the often-cited works, Corden and Findlay's (1975) is of relevance to the case of the West Bank since it allows for simultaneous variability in more than one factor of production; for later work on the impact of capital mobility, see Marjit and Kar (2009). There has been a transfer of some cycles of labour-intensive production processes from Israel to the West Bank, like clothing. The model may capture the idea of mobile capital, but the amounts of capital transferred to the West Bank are not significant.

The production function of the agricultural and manufacturing sectors in the Harris-Todaro model comprises three factors: labour, capital, and land. Capital and land are assumed constant, while labour could vary. Corden and Findley additionally allow for capital's variability and mobility. The results from this model tend to largely support the Harris-Todaro model, especially regarding the crucial issue of the wage differential being a determinant of labour supply to the urban sector; however, not a word as to why the respective productivity differences gape wide and the wage share of the rural sector often plummets. Varying an additional symbol in the equation representative of capital in the production function adds little in meaning to the real movement of labour which is determined by the social structure governing the development of commodity as expanding value. For the mainstream, capital and labour are two different things inhabiting different worlds, fallaciously dichotomous. Even its more realistic strands, the product life cycle theory (Vernon 1966) reallocates only capital without mention of labour; the generic individual, the *homo economicus* or labour, reallocates himself. Oddly, man is independent of capital under capitalism. He responds to a difference in the price of labour by moving, while the price of labour itself is a product of capital's accumulation. The higher

central wage rate signals the move, while the automaton-like *homo economicus* of neoclassical economics, deficient in real subjectivity, undertakes the move without questioning, for instance, why the capital reigning in his or her country of origin lacks the ability to create more jobs and pay higher wages. Mainstream models neglect the domineering social power structure, the capital relationship. The history of social relations and the identity of the social type are not different things; they are self-reinforcing or self-negating contingently upon revolutionary consciousness, but never apart. Capital, the substance/subject, is the labour differentiation attendant upon the labour process. The prevailing wage rates are symptomatic of that differentiation in that labour process.

Another expansion of the Harris-Todaro includes a choice of migration to more than two sectors. There are very few agricultural sectors, which do not contain either some branch plant of the modern sector or small-scale cottage industry, and that altogether add to measurement problems (Oya 2013). An early work to introduce such distinction was that of Steel and Takagie (1976). They assume an intermediate urban sector using little capital and being labour intensive, a non-productive informal urban sector and a rural nonagricultural sector. They hold that 'the presence of an intermediate sector, which produces manufactured goods in small-scale establishments combining moderate amounts of capital with labour, substantially alters the two-sector analysis of the urban unemployment problem. When labour can choose between agriculture, manufacturing and unemployment, any attempt to reduce urban unemployment by expanding job opportunities is likely to aggravate it, through increased rural-urban migration' (Steel and Takagie 1976). Colloquially, the villagers get news of more jobs and migrate at higher rates, a sort of overshooting of labour supply due to misread signals.

Although fundamentally there is no departure from Todaro, the price system reigns; he (Todaro) has taken issue with this. He commented that in order to derive these results, Steel and Takagie had to assume that the products of the intermediate sector and those of the large-scale modern sector are perfectly substitutable. And he adds, (1976), 'unfortunately, it is difficult to think of many examples of "perfectly substitutable" goods and services between the intermediate and the modern sector, especially when account is taken of the demonstration effect of foreign products on local consumers' preference patterns'. However, the issue of whether different industrial sectors produce the same or a different commodity or whether the urban commodity demonstrates more glitz than the local commodity is irrelevant because labour demand in an open market context depends on output. The development of a complementary downstream or equivalent manufacturing sector in the rural areas cannot proceed outside a hierarchy of power determination.

There is a degree of political dependency in the least developed formation on central capital. In reference to the West Bank, it barely subsists. The demonstration effect can do little to nudge consumption because income is low. The West Bank may produce a substitute for the commodity of the foreign sector, Israel and others, but it is constrained by market access, land confiscations and other violent and non-violent measures prohibiting its industrial expansion. The local economy lodges into small-scale industry of the traditional (un-substitutable) type. Total demand and demand for labour, arising upon domestic consumption, are both compressed.

3.3 Other Extensions of the Harris-Todaro Model

The work of Bhagwati and Srinivasan (1974) concludes that within the partial equilibrium framework of the Harris-Todaro model, it is possible to achieve an efficient allocational level in the economy – neoclassical marginal conditions holding – without resort to the imposition of quotas on migration and the number of migrants or second-best solutions, which incidentally remain pareto optimal. In their view, certain tax and subsidy scenarios can allocate resources efficiently without recourse to limiting the number of migrants to the urban areas. Paying potential migrants to stay where they are is less socially costly than migration into urban poverty. Not that developing nations can afford such schemes under austerity imposed by neoliberally generated deficits in the capital and trade accounts, but the point conventional policy viscerally avoids the necessity to reinvest in the rural areas (Byres 1999; Breman 2003). That would allegedly ‘dis-equilibrate’ the thrust of capital and create a distortion to an otherwise pristine and pareto optimal capital accumulation process. For the mainstream, capital is just things/commodities without subject; the discipline is yet to come to terms that capital, by its internal predisposition, as opposed to the constructed externality/internality, produces waste and more poisonous commodities than useful commodities. In the trade-off between higher rural incomes and the debilitation of the rural structure, which disempowers the peasantry, it is the delegated comprador in relation to strategic interests of central capital that decides on the degree of rural misery.

The work of Stiglitz (1982) tackles certain concrete issues peculiar to a developing labour market and reassesses policy scenarios in that light. It is generally supposed that the amount of subsidy required for the efficient allocation of labour would have to be the difference between the ‘true marginal productivity of labour’, the shadow price and the market wage. These differ substantially by the degree of imperfections in the market, such as efficiency wages, contracts, insider-outsider problems, transaction costs, etc. According to Stiglitz, the shadow price or the real price of labour is sensitive to certain factors in the developing countries, and this issue may put at risk the whole idea of optimal policy. The sensitive factors he names are (1) whether the efficiency wage holds in the rural sector, and whether the current wage is below the efficiency wage; (2) the contingent reasons for the high wage in the urban sector, whether rent or productivity induced; and (3) the magnitude of the response of the labour supplied to the urban sector to a change in the expected urban wage. Here one notices the economist whose purpose is to relieve poverty by passing over a numerical poverty line, but without consideration of reproduction by immiseration (Breman 2015). There is mention of all price phenomena involved but not the actual hours of labour it takes to reproduce rural migrants, the income in kind and the lost potential resulting from the suppression of rural development. The shadow price or the real price of labour cannot be fitted in a logical worker’s marginal productivity; it is definitively social productivity and the social cost of labour reproduction.

An earlier work of Fields (1975) further explores the Harris-Todaro model and follows with three additional policy instruments for manipulating migratory tides.

These are (1) the designation of labour exchange offices to reduce job search activity and therefore reduce the informal sector in the urban centres; (2) upping demand for high-skilled labour and the overeducation of the labour force so that the number of potential migrants is limited to the highly educated only; and (3) a policy favouring a rapid rate of urban employment. These rather ‘passionate’ policies follow from restricting the quantity of labour and not the manipulation of wages to adjust markets. However, the real macroeconomic trend of informal labour is the reproduction of absolute poverty (Davis 2004). Davis as well as many others on the Western left avoid the negative dialectic of capital. They avoid the real process restricting the number of additional workers, the inexorable demographic growth rate, which is imperialist austerity and violence. The encroachment war and its associated politics lower the wage share and/or depopulate over the life cycle of society. As will be discussed in Chap. 8, these are the crux of the value relations making for the optimal policies pursued by capital to induce higher profits.

The above-mentioned policy issues rest on price and quota consideration outside of socio-political or value relations, the real costs of rural social reproduction. The disempowered countryside does not enjoy enough ‘power’ in the market to enable it to price its output. The real product of the rural areas requires more labour and life exhausting efforts. Its productivity is real and positive – in actual output terms – and quite low in price terms. None of the policy implications discussed above examined whether it is the disturbingly low prices of rural output or low rural incomes are valid for a study of policy in that social structure. To investigate the social determinants of this migratory phenomenon, they depart from a price that has been concocted as a result of years of rural suppression. In its foremost facet, a price is a symbol of power. If they consider the price to be low, they propose a subsidy to that price, but never levelling the playing field by considering land reform and other measures or reinvesting in the rural areas; discuss circulation but never levelling the production conditions. The history of classes and their power relations are the analytics that should precede proposing policy alternatives. Is there not a story, save history, to how policy serves as instrument of class? It is only after such considerations that policy-related matters can rest on adequate conceptual grounds.

3.4 A Hint of the Marxist Critique

The dual sector approach to migration rests on the premise of the expected wage channelling the labour resource – in its simplest form, the wage times the probability of employment equals the expected wage. The dual model scarcely mentions the social forces that influence migration or the social context in which prices, including wages, form. Ironically, it is these unmentioned conditions, the class relations, which critically determined migration, including the decision to migrate, if there was ever room for individuals to take decisions.

Although Muller (1982) introduces observable and unobservable factors such as personal and place attributes into the migrant’s utility function as explanatory variables and finds them to be significant, these variables remain surrogate prices that

augment the impact of the expected wage in the destination sector. In another work, Stark (1991) finds the presence of imperfect financial markets in the rural areas, such as the paucity of credit extended to farmers, to be conducive to urging the farmer to migrate; here, too, lack of credit reduces the expected income in the home country. Later literature, such as De Haan (1999), attempts to prove the failure of price-based empirical research to arrive at a consistent theoretical pattern explaining migration or its effects. Even the inclusion of the question of quality of information and search costs would still manifest in an epiphenomenal price, the measure of the contradiction in the value relation. These do not broach the underlying reasons or the social agency forming the condition for migration. Just in passing, framing the issue in a broader choice theoretic framework, suggesting that people like the city lights or other vulgar pursuits, would still not address the underlying historical conditions promoting migration. Prices and wages are themselves epiphenomenal conditions that require an explanation.

Prices or wages are a money form of value – wages in effect feed and clothe the family. People must move because of the *value* contained in the money wage in order to fulfil actual or perceived needs. They pay for the bread and butter with the wage. Bread is both substance and social subject. That is, bread is presupposed by a social relationship before it becomes the commodity it is. Bread, the metaphor for income, as value is a historical and power relationship obtained from class struggle. The concept of value qua bread should not be reified. It is not ahistorical. Conceptualised as such, bread, the living wage or the consumption bundle, becomes the social wage share that requires delinking from imperialism and the Western hemisphere to grow; working class solidarity and, necessarily but not exclusively, armed struggle against imperialism are the road to prosperity. The issue of value as a social relation, a substance with a subject, a definitive historical power and class relations, is primary and cannot be relegated to the background.

In contrast, the individual decision to migrate in the mainstream models is a logical identity of quantity with price or a formal system of accounts serving as cause for migration. Migration is a reflex-like response to higher expected wages or other variables that add to or reduce the wage rate. However, wage formation is a historical process; the share of wages is working class power derived. The instantaneous time of the reflex, the individual decision to migrate captured in micro or macro accounts, is *incongruous* with the time it takes to materialise the historical strategies of social production, which include the immiseration that imposes migration as the only choice. Ontologically or historywise, the instance of migration trading for wages in economic accounts is non-existent. It is a hypothetical point in a time continuum charged with qualitative change by auto-negation. The point in time, the moment a decision to migrate is taken, which is a product of historical forces or social time, cannot be identified with any other point in time because each point at any time will differ from any other point. The *incongruity* arises because one can compare things that hold the elusive potential for identity – things can be the same only as logical forms or as quantities. In the case of migration, it is even hypothetically impossible to reference the number of migrants to an equal or unequal amount of wages, because both are epiphenomena of different substances and histories. At any other point, the decision to migrate would be the fruit of another historical time and, therefore,

different in quality in relation to a living wage whose impelling forces and quality also shift over time. For that reason, for a stark absence of mediation, it is theoretically insufficient to investigate migration with formal tools. We must stick to historical analysis and to an accounting system that obeys historicism.

A corollary result of the mainstream theory is that the expected wage difference 'efficiently' allocates labour to the urban areas. Neoclassical efficiency is a condition in which the abstract migrant feels satisfied with the any wage that he or she may receive – rising marginal utility satisfied with an income that affords personal consumables at an equilibrium price that is lower than that the migrant was willing to pay for. It is sort of the fully employed labourer pays one dollar for the apple that otherwise he was willing to pay two dollars for because he liked it. That is a make-believe world of choice-making under full employment and a far cry from a social efficiency criterion. Social labour, the social migrant being part of that, is paid a share of the social product, for his social or class productivity, which would under social ownership enhance all round development. The social labourer or migrant who produces is a product of his society, and the pay he receives should address the needs of his society. Under the rule of capital, there is a contradiction between this personal or abstract utility pursuit and social welfare. Each constructed or abstract migrant should not be paid enough to fully compensate society for his or her reproduction. As the social wage tallies with social productivity, there will be nothing left for profits. Because all inputs other than labour pass on only the value contained in them, the social labourer must be paid below his social cost of reproduction for surplus value and profits to emerge. Capital reduces necessary labour and raises surplus labour. Dominant ideology fabricates the abstract labourer, the labourer who is form without social content, as an ideological weapon to oppose the social labourer and impoverish society. Things are far worse in relation to contemporary reproduction; the consumables do not reproduce the consumer and the social labourer indivisible from class, because modern consumption patterns consume the consumer by the degree of waste associated with modern consumption.

Another run-of-the-mill area of concern is the irreconcilability between the micro and the macro levels in neoclassical analysis. The mainstream slots this issue under the rubric 'micro foundation of macroeconomics'. In addition to the inherent heterogeneity of utility and the impossibility of drawing a uniform definition of an individual's utility function and attitude to risk, it is formulaically impossible to leap from the micro to the macro level. Regarding this, Russell (1938) addressing reconciliation of dynamic issues, issues related to the topology of quality and qualitative change, says that they cannot be 'satisfactorily solved' and the discussion is best resumed by philosophy. To deduce the movement of a migrant cohort from the ordering of tastes and decision of an individual is only feasible if all individuals are the same, which is impossible. Such idea, the impossibility of summation upon different orderings or quality, cannot be attributed to dominant ideology theorists such as Kenneth Arrow or Amartya Sen; the point is common sense in all cultures, and it is found in Aristotle and later in Hegel (1830):

But the universal of the notion is not a mere sum of features common to several things, confronted by a particular which enjoys an existence of its own. It is, on the contrary, self-particularising or self-specifying, and with undimmed clearness finds itself at home in its

antithesis. For the sake both of cognition and of our practical conduct, it is of the utmost importance that the real universal should not be confused with what is merely held in common.

Social man creates the conditions for movement and change in a manner that becomes alien to his or her very person. These conditions, say migrations, are not the *sum of features common to several migrants*, because each feature is a reduction or one-sided abstraction from quality. Moreover, to depart from a particular (the migrant), which must be conceived of as a part of a whole (society), though this particular himself may in turn be conceived of as a sub-whole, makes the case for preferences-explained migration impossible (drawing on Niebyl 1940a, b). To capture how change in any part changes every other part as well as the whole requires a study of the social and power relations in command of the system: in short, the historical moment.

However, mathematics deals with quantity or the one-sided feature of the subject. It homogenises the quality of its subject. Consider the macroeconomic equation for migration:

$$\frac{\delta N}{\delta t} = E(w^u) - E(w^r)$$

The notation is conventional, with w being the wage, t time, N labour and the superscripts u and r signifying urban and rural, respectively. Labour stands for the total effective units required for production. The equation states that the migration of homogenous labourers, reduced to effective labour units, rises as a result of the difference in expected wages. The real labourers that migrate are different from the quantity of effective labour units supplied in the equation above.

Some labourers migrate and work for extremely low wages, while others remain unemployed. The unemployed impart no effective units of labour in production. In addition to the impossibility of integrating over heterogeneous individuals, theoretical inconsistencies between the macro and micro levels could still arise as a result of formalism. For example, consider the case of an agent (labourer) who decides to participate and moves to the urban labour market. This agent is maximising utility. The outcome of this individual labour supply lets the marginal productivity meet the price of labour; along with other marginal conditions holding, the decision is pareto optimal. That is so on the micro level.

However, this very move can also take place at a time of recession, and it would still be pareto optimal for received theory because it fulfils rational choice. The unemployed are either willingly unemployed or their misinformation could be costed with a risk premium. In times of stagnation, however, the unemployed migrant in the urban centre adds to the underutilisation of labour resources. Although pareto efficient from the micro perspective, it would contribute to idle human resources. For received theory, whatever is idled in a recession is decided by choice, and on the whole, the economy would still tend to equilibrium and be pareto optimal. Yet, idle resources are costly, and by logical and real implications, they necessarily make others worse off. It is not because of normative criteria that the juxtaposition of micro to macro hypotheses falter, it is because capital's bent is to

systemically make others, many others, worse off. Not that it ever existed, Pareto efficiency is not only lost on account of the incident where some migrate into unemployment; it is lost because the dominant power structure, capital, metabolises man and nature at an increasing rate to create surplus value.

According to most micro-based business cycle theory, be they expectation based, or real business cycle based, the free market is always optimally performing (Long and Plosser 1983) – even in a recession. Their basic argument posits that in a recession the level of technology is relatively lower vis-a-vis the last period, and it follows that the marginal product of labour and the real wage is lower. Consequently, because people do not get what they desire in wages, they substitute leisure for work and reduce consumption. It may be ludicrous to ponder that immiserated workers choose leisure, but in the time of reference or in the choice between eking a living by digging into trash, for instance, or remaining without work, the latter choice was leisure. For positive science, by being unemployed the worker chose leisure and possibly reduced his or her caloric intake to below the minimal threshold. The positivists also believe that because the level of technological development in society relatively recedes in a recession – say as a result of a negative technological shock or because machinery ages – it only allows the employment of something less than what is available to society in current resources. So long as the utilisation of resources corresponds to the level of technology or to mobilised capacity, the economy is always in a pareto optimal condition, even in a recession.

As logically true as this may seem, the ideas are so emphatic about the patronising nature of bourgeois science such that it embarrassed even Greg Mankiw, a conventional economist. He retorted that the demand-driven American economy during the Second World War grew at a higher rate than any other time, and so government intervention corrects market performance and creates jobs (Mankiw 1989). Although that was war effort, the economy responded almost exclusively to massive government intervention and not the endogenous whirring of the market. To screen the avarice of the commodity-inspired free market, he added that ‘of all the implications of real business cycle theory, the optimality of economic fluctuations is perhaps the most shocking’. Mankiw’s position that dominant ideology does not reduce people to things and that wages and prices do not adjust quickly enough to clear all markets – and therefore, a recession is not pareto optimal – is specious. The state, the instrument of capital, only intervenes to redress transaction costs and other hurdles that delay the tatonnement, the auction effect that the commodity desires to quickly self-realise in exchange.

In a formal space, in which there is not a dynamic of quality and change, the formal logician, the mathematician, prevails. Under capital, the demands for a free market are the demands of a commodity whose rising velocity of exchange must shorten time to overcome space. Capital’s neoclassical economics omits quality, social type and history, practically all of reality, to justify the fact that it has to immiserate, disempower and cut costs to raise profits. As the world divides into separate facts to be reasoned logically, ideology severs the social process and the international fabric of power, the cross-border class and ideological relationships, from the economic process. Ironically, these too can be construed as separate facts.

3.5 Facts Against Assumptions

So far, I have presented a summary of the dual economy literature, emphasising the seminal contribution of the Lewis and Harris-Todaro model. Modelling Palestinian daily migration to Israel requires consistency between the micro and macro analysis, integration over homogeneous individuals and amenability to macro-level testing. These hurdles are insurmountable, but in modelling and statistical tools, approximation tames the impossible. For the remainder of this chapter, I will address the relevance of dual models to the dual economies of the West Bank and Israel. In particular, I ask: are the determinants of migration in the Harris-Todaro model compatible with the realities of this migratory situation?

Let us counterpoise the case of commuting labour from the West Bank to Israel to the schema of the dual economy models. Set against the degradation in the West Bank contrasted with Israel's modern economy and its high average rates of growth, the case for outmigration from the West Bank appears straightforward. It broadly falls in line with the simpleton's assumptions: traditional *versus* modern and low *versus* high productivity. However, formal assumptions unfold on contradictions once models are operationalised – or the fullness of reality is brought into the picture. In what follows, I introduce additional aspects of this commuting phenomenon in view of the overall objective, which is to provide the background for the employment of mathematical modelling in the examination of the subject.

As already mentioned in the introduction, dual economy models study permanent relocation scenarios in which the risk and costs of moving are quite high. However, the similarities between this case of commuting and permanent migration may justify the use of dual economy models. Actual patterns such as the political volatility and successive border closures that translate into migrant income loss, the high risk of detention for the 'security' of Israel and the possibility of not finding a job after commuting all underscore the risk assumed in dual economy models. The shift in resources mimics permanent labour migration scenarios. Migrants remit their remuneration to the West Bank. Consumption actualises in the home economy, and the West Bank bears the social costs of labour's reproduction.

One area, however, where these models depart from the commuting case is the magnitude of allocated resources. In a migratory situation, only part of the remuneration from wages gets diverted to the home sector. In the West Bank, consumption takes place in the home economy, and apart from taxes paid into the Israeli treasury, and transport costs, the net wages are remitted. Such a difference remains very much in accordance with Todaro (1976) because 'the income that he or she (the migrant) earns is assumed for analytical purposes to accrue to the rural sector'.

The strong tie of the migrant to the home base is a crucial assumption in Harris-Todaro's framework. This, however, pertains to some, but not all, cases of migration (Standing 2009). Hence, the assumption diminishes the model's universal application, but not so in the case of the West Bank. The urban sector, here proxied by the Israeli economy, sells manufactured items to the rural sector. The facts perfectly

match Harris-Todaro’s outline; however, it is a perfection that casts doubt on the realism of such models. Once the historical agency comes into focus, or once one asks who the real commuter is, the perfection of the formal story line collapses.

For the sake of modelling in the next chapter, the following assumptions will be upheld:

- (a) The West Bank is the poorer rural sector. It carries on traditional and agricultural production with a low level of technical development. Most of the population barely subsists.
- (b) Israel is the richer urban sector. It is modern sector, employing modern techniques, developing rapidly, broadening its links with foreign markets and yielding profits on investment.

With economic integration and the incentive of higher expected wages in the modern sector (Israel), labour moves from the West Bank to Israel. Occupation integrates the West Bank with Israel *via* the Israeli-imposed common market. For the steady period between 1973 and 1987, about a quarter of West Bank’s income was derived from remittances of commuters to Israel (SAI various years).

At the outset of Israeli colonisation, the West Bank exhibited the general economic characteristics of a developing region with two thirds of the population, about 65% rurally based (Gharaibeh 1985). Farming was for subsistence, while agriculture was characterised by rudimentary levels of mechanisation/technology. Agriculture was dependent on intensive labour. As shown in Table 3.1, concentration in landed property was thinly distributed. Initially agriculture employed much of the labour force, about 45% of the active labour force. However, the share of agricultural employment steeply declined as of 1967 (see Table 3.2).

Israel’s colonial settler formation was an extension of European society into the Near East. In the 1948 war, Israel used an air force against under-equipped Arab armies and continued with technological military superiority throughout its history (Kadri 2016). The Israeli average monthly wage was severalfold higher than its West Bank counterpart (SAI various years; Syrquin 1986). The United Nations Conference on Trade and Development (UNCTAD) classifies Israel as a developed nation. Recent Israeli GDP per capita is slightly over 34,000 US\$ (WDI 2012). That Israel is developed in an underdeveloped region does not defy the course of history. Israel is a colonial formation with a European industrial culture grafted onto the region.

Table 3.1 Farm size distribution in the West Bank in dunums^a

Year	1965	1978
Less than 10	49.7	40.5
20–49	21.0	31.0
50–200	7.0	7.0

Source: Department of Statistics, Census of Agriculture, Amman, 1982
^aThe remainder share is for large public tracts of land. A dunum is a measure unit for land. It is equal to 1000 square metres

Table 3.2 Proportion of West Bank labour force in agriculture

1969	1971	1973	1975	1981	1987	1990
44.8	34.2	26.5	27.4	24.1	16.7	19.6

Source: Statistical abstract of Israel

The notion that Israel is a miraculous metamorphosis of an underdeveloped Palestine because Zionism is superior to Arabism imbues European discourse. Van Nieuwenhuijze's convoluted caption from his *Sociology of the Middle East* best captures the gist of such platitudes: 'the specificity of Israel tends to be presented to public opinion, virtually everywhere in such manner, that it seems to defy, *a priori*, any presentation comparative and otherwise, within an encompassing Middle Eastern framework. Indeed the opinion that Israel is perhaps in the Middle East but for all that not of the Middle East, is so widely spread that any inclusion of this country in the present framework (the Middle East) of presentation may seem to beg the question in many regards' (Van Nieuwenhuijze 1971). The author wants to tell us that Israel is either the Schrodinger's cat of Sociology, developed and undeveloped at the same time, or God's labour towards Armageddon. Israel's development is no anomaly in the history of settler colonialism. Whites in Canada and Australia or apartheid South Africa were more developed than indigenous formations.

As to how developed Israel was in relation to the region, data for the year 1975 from the journal of *Oil and Development* as it appeared in its number 12 issue of 1982 notes that the Israeli network of industries ranges from the highly technical computer and military production to the commonplace consumable commodity. Koor corporation ranks 218 among the biggest 500 enterprises in the world. It employs one sixth of the labour force and accounts for 17% of total exports (1975 figures). In addition to the rising energy sector, the above industries compose the core of the Israeli economy and some of its major employers. The major undertakings of Israeli industry are as follows:

- (a) An advanced chemical industry with exports of US\$400 million in 1975. One third of its raw materials are imported and reprocessed for sales abroad.
- (b) Metallic work remains dependent on foreign sources for raw materials. Its imports are in the range of US\$500 million.
- (c) The military industry exports US\$1 billion yearly in equipment (1980 figures).
- (d) Consumer goods range from auto sales (US\$100 million) to canned foods and textiles (US\$400 million).

From 1968 until the 1980s, the flow of labour from the West Bank to Israel constituted about 6% of the total Israeli labour force and over one third of the labour force in the West Bank (SAI various years). This proportion of Palestinian labour only accounts for registered labour. In 1982, the Israeli census added another 20% over and above the quoted figure for the West Bank in irregular (unregistered) labour. Irregulars evade taxes by not registering with the Israeli Labour Exchange Office. Unlike low-income Israeli workers, Palestinians from the West Bank were flat taxed even as they earned the lowest salaries. By the mid-1980s, the Statistical Abstract of

Israel quoted a figure of about 50% as irregulars (SAI 1986). The International Labour Organisation (ILO) measure differs with nearly 65% of all commuting workers listed as irregulars (ILO 1991). The Israeli authorities may have overlooked irregulars because it capitalises on cheaper labour, but more so on the growing dependency of the West Bank. Ten percent of the total Israeli labour force are from the West Bank and Gaza (so 6% and 4%, respectively, as per the ILO 1991). This figure varies in proportion to the high influx of seasonal work in Israeli agriculture.

As to the type of work held by Arab workers in Israel, skilled or unskilled, it comes as no surprise that ‘until then (1968), the lowest ranks of the employment structure had been filled almost entirely by Jews who had come from Oriental lands (namely Arab and African states), or else by the second generation of these immigrants. Now these positions were given almost entirely to workers from the occupied territories’ (Kimmerling 1983). A breakdown of Palestinians employed in Israel sector for selected years is provided in Table 3.3.

The percentage in services rose steadily during the early commuting years, steadying by 1988. The construction sector experienced a decline up to 1980 and thereafter held steady at 51%. The proportion in industry increased up to 1980. The proportion of agriculture decreased sharply up to 1975 and remained steady thereafter. The data in Table 3.3 indicates these percentages remained at about the same level as of the 1980s. The major changes occurred in the early stages of commuting, before 1980, in terms of a jump in the percentage of industry and a fall in that of agriculture. In 1988, commuters from the West Bank represented 73% of all employed persons in the Israeli construction sector, 25% of agriculture, and 5% of industry (by employed person, I mean self-employed artisans and wage earners). The percentage of West Bank wage earners in Israeli construction is 94% for the year 1990, as per ILO (1991).

Inside Israel, Israelis of Arab or African origin, the majority of whom occupied the lowest-income ranks of society, relinquished unskilled and physically demanding tasks to West Bank or Gazan migrant labour. Unsurprisingly, Israelis performing similar unskilled tasks as those of the Palestinians were paid higher wages. The income-defined class structure in Israel was transformed, and the higher incomes of Israelis reinforced the interworking class rift with Palestinians. As per the run-of-the-mill case, capital’s power exercises discrimination based on race or ethnicity and imposes a culture of interworking class discrimination. The struggle of the

Table 3.3 Distribution of West Bank employees working in Israel by selected economic branch, %

Year	Construction	Industry	Agriculture	Services
1970	57	13	18	12
1975	56	19	11	14
1980	51	21	10	18
1986	51	18	11	20
1988	51	17	11	21

Source: Statistical abstract of Israel, various years

anti-systemic strata for liberation, the Palestinians, is labelled hate, racism or terror. Equating anti-Semitism with anti-Zionism foregrounds Israel's continued ethnic cleansing of Palestine (Finkelstein 2000).

Given the significant number of migrants, a dependency on commuting labour is likely to emerge in both Israel and the West Bank. By the end of the first Intifada (mid-1990s), Israel slashed the numbers of Palestinian labour and imported cheaply waged foreign labour to perform the Palestinian jobs. Poorer Israelis did not return to perform the hard-work tasks that were earlier taken up by Palestinians. A mild degree of dependency on Palestinian labour could be said to have emerged in Israel; however, it is minimal in comparison to that arising in the West Bank and Gaza.

By 1988 Israel subjected commuters' incomes to higher tax rates than their Israeli counterparts (ILO 1991). Income gaps between Palestinian and Israeli workers in the unskilled category widened (Semyonov and Lewin-Epstein 1987). Taxes of Palestinian commuters fund an Israeli as opposed to Palestinian social insurance fund. These may range from 5.5% to 6% in the worker's case to 12.5% and 37.33% in the employer's case (ILO 1991). The evasion of these deductions by Israeli employers is partly the reason there are such high numbers of unregistered Palestinians or irregulars working in Israel. Forty percent of taxes paid by West Bank and Gaza workers finance the military costs of administering the West Bank (ILO 1991). The ILO remarks that commuters pay into a social insurance fund of little benefit to them but of much benefit to Israelis. Commuters from the territories working in Israel cannot enjoy the benefits of union representation. When their numbers exceed 20 or more in a firm, they acquire observer status; they can neither vote nor be elected to a national post (ILO 1991). In contrast to the lack of social security coverage endured by commuters working in Israel, Palestinians employed at home in the West Bank are covered by social insurance against sickness, invalidity or work-related accidents.

Table 3.4 compares incomes of Palestinian migrants with Israeli workers. The incomes of Israeli wage workers are, on average, two and a half times greater. As noted in Table 3.3, most commuting workers are employed in jobs requiring low skills but high physical intensity, such as construction. A clear idea of the difference in the wages of people working in similar jobs cannot be inferred from Table 3.4. However, Mansour (1985) indicates that a comfortable margin exists in favour of the Israeli workers employed in similar jobs. According to Semyonov and Lewis-Epstein (1987), 'a comparison of gross and net wages in a number of industrial firms and service organizations revealed that in some cases the wages of Israeli workers were 30% higher than the wages of non-citizen Arabs in the same jobs... these figures should be taken as conservative estimates'. The difference can be greater once one adds the value of indirect benefits from social security, subsidised health and education, amenities and services accrued by the Israeli worker as result of their own contributions or the reinvested commuter's taxes. Hence, the wages and benefits amassed by the Israeli workers in the same group are likely to be above the observed level in Table 3.4.

Table 3.4 Nominal average monthly income in Israeli Shekels (IS), selected years, Israeli Shekels

Year	1. Israeli worker	2. Commuting worker	Ratio (1)/(2)
1974	1564	691	2.3
1975	2205	981	2.2
1976	2920	1354	2.2
1977	4342	1757	2.5
1978	6693	2743	2.4
1979	12,730	5518	2.3
1980	28,700	12,677	2.3

Source: Statistical abstract of Israel

As to the difference between the wages of Palestinians employed in the West Bank and commuters, for Semyonov and Lewis-Epstein (1987) ‘overall, as well as within economic sectors, the wages of non-citizen Arabs employed in Israel are considerably higher than those of Arabs who are employed in the administered territories’. The authors rely on data disclosed by regular workers, which are higher than irregulars. However, the data from the Statistical Abstract of Israel does not show that a broad difference exists, as shown in Table 3.5. With taxes and transport fees deducted from average commuting wages, the net wages of commuters to Israel may be comparable to those remaining home or working in the West Bank, if not less. In fact, the unpublished results from a representative survey I conducted in the mid-1990s show that most commuters were unemployed before commuting, and average daily commuting income was \$23 US, slightly below incomes for similar jobs in the West Bank.

The reason for why Israel appears to pay higher wages emerges, as everything else does, for political motives. There is a tendency on the Israeli side to vocalise that the Palestinian workers have improved their lot in life by working in Israel. The typical colonial settler stance that their capitalism heralds progresses at a cost – possibly a re-enactment of the monotheist myth of salvation that requires the death of millions. However, Palestinian workers were dispossessed or unemployed because Israel and in earlier times the British exercised measures that strangle the Palestinian economy’s capacity to produce jobs. An unemployed/dispossessed commuter absolutely benefits from a job in Israel, while a commuter who already held a job in the West bank but commuted relatively benefits from employment in Israel.

Although Table 3.5 shows that the home and destination wage differences are immaterial to commuting, still in the next chapter, I model and test whether the effect of the difference in wages on the decision to commute is relative or absolute. The mainstream’s sophistry argues that it could be the minute variations in the wages that capture unobserved subtleties of choice, which explain labour market participation (Fox et al. 2013; Sender et al. 2005). I will drop the self-evident truth that for a proletarianised worker wages are about survival and academically entertain the subject. I will allow the statistical test to inform if discrete variations in wages influence migration. Whether it is the absolute factors, the need to survive as opposed to the relative factors, the luxury of choosing between wage markets, which push labour out of the homeland, will only reassert the blatant fact that Israel’s colonialism

Table 3.5 Nominal average daily wage of West Bankers employed in Israel or the West Bank, selected years, Israeli Shekels

Year	Israel	West bank
1974	28.7	25.3
1975	44.6	39.6
1976	53.5	50.0
1977	72.0	68.0
1978	112.1	105.5
1979	198.7	181.7
1980	394.0	364.0
1981	1121.0	1040.0
1982	2480.0	2310.0

Source: Statistical abstract of Israel

demolishes the Palestinian social formation. Indeed, I find that it is absolute difference between a below-subsistence farming and non-employment wage and the Israeli wage that shows statistical significance. However, the real reasons for migration are not about the contemporaneous statistical significance but about the historical context. Within a strategic context overdetermined by imperialism on display by the politics of the Arab/Israeli conflict, the cause of proletarianisation in the West Bank is best investigated as part of the all-encompassing imperialist assault visited upon the region. In other words, the objectives of proletarianising Palestinians correspond to imperialist objectives that set alight a strategic region rather than simply to provision cheap labour to restaurant and construction in Israel.

3.6 Conclusion

This chapter examined the commonalities and differences of this commuting case against the assumptions of the dual economy models. At a formal level of abstraction, this proletarianisation of migrants resembles the migration scenarios treated by neoclassical economics. In the next chapter, I will proceed to model this commuting case using the same framework of the dual economy model.

Often neoclassical precepts are so removed from reality that they fail to capture any of the real processes. Because of their overgeneralisations, they might vacuously correspond to any real situation, be it migration or, facetiously, going around the corner to do laundry. After all, there is utility in both. Anecdotes aside, two issues spring to mind as specific to this case and which may contravene neoclassical assumptions. First, the steady rise of West Bank wages implies that the assumption of negligible marginal product of labour in the West Bank does not hold. Second, remittances to the developing West Bank cover only ephemeral consumption needs and are not reinvested in production that reproduces society; hence, West Bank wages are not rising on account of productivity gains, but definitively as a result of growing dependency on aid. The next chapter involves some algebraic casuistry; however, for ease of elucidation, the reader may not be required to decipher the equations because my comments simplify the formulae.

3.7 Postscript and Aide Memoire

The measurement of rural incomes is problematic (Oya 2013; Bardasi et al. 2010; Reardon 1997). Can an average estimate of rural wages, which includes income in kind, be discerned and calculated? Can surveys of incomes in micro communities be adduced and compiled to shed light on movements in rural wages? On the macro level, the published data on wages in the rural areas cite only the wages associated with small industry or wage workers in the rural sector. These do not factor in on-farm income in kind or self-employed activity. The rural money wages are offered by an industry which has survived the impact of integration with the more developed economy. In the West Bank, as shown in Table 3.5, wages in the West Bank and Israel are pretty much the same. Moreover, small Palestinian industry had survived and supported the rising costs of labour. Its wages could count as modern sector as well as rural sector wages. In the West Bank, there is a modern sector within the rural sector. Such a sector may be downstream complimentary to industry in Israel. The case may be that in the West Bank, there exists an intermediate sector of small-scale industry producing a different class of un-substitutable products. Hence, there are three broad categories of incomes in the West bank: income from work in Israel, income from salaried or waged work in the West Bank and non-employment or subsistence income on the farm or in the refugee camp. Each income is associated with its own market for labour.

Chapter 4

The Gelatinous Neoclassical Paradigm



In this chapter, I will analyse commuting from the West Bank to Israel using the formal guidelines of the neoclassical *paradigm*. Before I begin, a note: the very paradigm of neoclassical economics rooted in logical positivism is ideologically constructed to conceal social agency and class. Its knack for measurement unhumanises social life and reifies, as in thingifies, social processes, so much so that quantities emerge from quantities without a subject or a real history. As paradigmatic social science, it begins with a set of truisms displayed as assumptions represented in mathematical symbols. These, in turn, become the conceptual tools with which received theory self-promotes as the dominant ideology. In a fantasy world where all other things remain equal, in which there are no incongruities between the part and the whole, and where causality and preferences must be unilinear and additive, the math employed to manipulate the transhistorical assumptions produces the capital-desired results by tautology. Because the assumptions are logical forms, hypothetical genera, under which anything could be slotted, the ideologically laden math works its way to highlight only the results where social ownership and intervention are undesirable.

Nowhere is this clearer than the idea of *homo economicus*, neoclassical economics' utility maximising agent. Here is an individual who stands not as a real social being but as a logical entity. He is hedonistic. However, his state of ataraxia, unlike the socially responsible Epicurean state, is auto-destructive. It is not because of increasing or decreasing returns that this logical being self-harms; it is because the real human being, the social man of the social class, is alienated and does not control the basis of his own reproduction. So, by the power of capital's ideology, which circularly builds upon the fallacies of neoclassical economics, the hollow forms, including the idea that endless consumption is welfare enhancing, fantastically transmute into reality. The social type in command of society, capital, makes profits by ensuring that the real *homo sapiens*, not the fictitious *homo economicus*, the social being mediated in the social class, auto-consumes at a rate which lessens the value outlays on the quality of his life and longevity. The mainstream's diffusion of the idea that consumption under capitalism engenders happiness conceals the

self-evident fact that the commodity consumes man. The historical end of capitalist consumption under the rule of commodities is the acceleration of the autophagias drive of capitalist society.

The ideological power of capital is such that it can suppose that insatiable consumption produces endless happiness and then it can pursue this logical consideration into its real end, which is exorbitant self-consumption. The horror of turning the logical into the real has already been materialised in the existentialist crisis afoot. The point wryly made by the astute socialist activist Darrell Rankin that humanity is faced with a choice between barbarism and extinction has been more than borne out; we now have barbarism and extinction side by side.

Yet the idea of economic action, the act of consumption generating happiness or migrating, for instance, appears right because at that time the action was taken, the expanding economy gave a phenomenistic verity to the illusion about the causes behind the results of the actions, happiness from consumption or better jobs from migration (Niebyl 1940b). For example, simply because there are too many jobs, a person is very likely to find a job, and he or she may attribute success to their individual decision rather than the tide that has lifted all boats – the phenomenistic verity. In such an illusory world, I can choose my own symbols representing a sort of happiness associated with migration to argue my point. In a symbolic world of *a priori* forms, which may or may not reference anything real, the formal generalisations explain all there is to explain. The neoclassical paradigm moulds a selection of vacuous or quasi-biological characterisations of life to its theory, such as transitivity, diminishing returns or decreasing marginal utility, instead of theorising from real life.

If such is the case, then I will sway the mathematical symbols with more realistic techniques to prove that migration appertains to the Marxian labour process. I will show that choice is ludicrous in immiserated regions and that colonial or imperialist aggression dislocates and socialises labour, albeit, at the epiphenomenal level of statistics. In what follows I will model migration and test whether it arises by imposed poverty or choice between different markets offering wages. The point is to formally demonstrate the practice of the Israeli occupation *statistically causes* migration. This will only show statistical causality or a relationship between symbols constructed by a specific account of reality. What is required to argue the causes of proletarianisation and migration is a reading of the inherent tendencies of the labour process and the broader imperialist objectives they serve.

On the labour demand side, I first address why it makes sense from the neoclassical perspective for Israeli industry to hire West Bank labour. Simply, Palestinian labour is cheaply waged. On the supply side, I would like to investigate whether it is the absolute reduction in income, colonial immiseration or variation in income that motivates the commuting labour force. For that, I will follow the mainstream route as I model the decision to commute in the context of a neoclassical utility function. I will add a variable that captures the absolute reduction to wealth and income, such as the effect of land confiscations and other repressive Israeli measures to the constraints facing the migrant. In purely academic terms, although there are plenty of data to confirm that it is the practices of occupation that shape the

social conditions of the West Bank to correspond to Israel's economic and political objectives, the discrete variations in prices, specifically wages, may be signalling a story in which a West Banker Palestinian makes a choice out of his or her own volition to commute. This statistical co-variability between wage differences and migration may be worth exploring because the rationale for commuting, although far-fetched, can be a momentary whim that raises utility.

However, there is a rift between the symbolism of neoclassical modelling and historical realities – the practice of immiseration by the diktat of the law of value. Supply and demand at the level of prices signify the same quantity: what is demanded is also supplied. But production and consumption, the real counterparts of supply and demand, are social processes involving the implementation of the exigencies of capital by its political agency, the subjugation of the conditions for social production and the cheapening of inputs, often by egregious violence. In this sense, the supposed 'rigour' of the math associated with neoclassical symbolism is not only reductionist, it can also prove wholly inapposite. At a dissected level of prices and quantities, a symbol outside of real time could have many, as opposed to a specific referent and many different interpretations as well. As time and qualitative change stand still, sameness reigns and a symbol of one thing is also a symbol of all other things.

For Russell (1938) 'problems belonging to the philosophy of dynamics, that is when a particle is subject to several forces, such that no one of the component accelerations actually occurs, but only the resultant acceleration of which they are not parts; this fact rendered illusory such causation of particulars by particulars as is affirmed, at first sight... the difficulty in regard to absolute motion is insoluble on a relational theory of space and almost all the problems of dynamics appear .. empirical, and therefore outside the scope of such a work as the present'. It takes a certain humility to concede the limitations of formalism vis-à-vis a fast pacing reality. The key point is that a particle subject to several forces cannot be caused by any one force, but by the resultant of all forces. Such is the essence of the concept historical overdetermination. Insofar as this work is concerned, that resultant as we shall find after thorough investigation is the concomitant of the class struggle, an auto-differentiating, objective, and impersonal process in command of the law of value.

Although I would have preferred an input-output data table earmarking the social cost of reproduction and/or reproduction schema, the hedonic-based national accounts data from the Israeli bureau of statistics is all we have. Here the method and the raw material are based on faulty considerations, or to invert Vigotsky (1929) the method is a simultaneously faulty prerequisite and product. I remain unconvinced of the scientificity of such a measurement approach; however, for lack of alternatives, I will attempt to capture the specifications of this labour transfer with neoclassical modelling. In one respect, the effort will not be wasted since the empirical analysis of the data may clarify or reassert the constructed fallacies about socio-economic processes. Here I have in mind two fallacious notions: that unemployment in the West Bank was extremely low and Palestinians chose to migrate. Under a more constructive methodological approach, the object of study and the method of

study are practical as opposed to 'useful', that is they are practical-critical activity or revolutionary activity in a world, which is both spatially and temporally seamless and qualitative, not quantitative that is comprehended by a scientific practice free of interpretive assumptions, or premises (Marx 1845). Unlike the neoclassical method, the Marxian subject is real people, 'not in any fantastic isolation and rigidity, but in their actual, empirically perceptible process of development under definite conditions' (Marx 1845).

At any rate, reasoned or reasonable manipulation of the utility function will guide the analysis towards the specification of a model to be tested empirically. As always, an analytical breakdown, the ahistorical approach without reversion to how the whole reshapes the development of parts, will be lacking. In the case of neoclassical economics, it is doubly lacking because it explains what has happened, what exists before us, by other things that concomitantly exist before us, from selected assumptions attributed to a rational actor who does not historically exist. Not only is historical mediation missing, the agent or actor is neo-platonically logical, ahistorical and only corresponds to his or her own formal rules. To re-emphasise, instead of the actual social man, neoclassicals speak of isolated, fantastic and rigid man. Niebyl (1940b) asserts that there is absence of awareness that mathematics as a science cannot have any relation to social reality and if such relations are established, we are conscious of the fact that they would be hotly contended by many mathematicians. One cannot also argue with empiricists because there is an element of truth in each of their observations. In an uncategorical world separated into different facts, every fact on its own is theoretical truth. To draw on Marx (1845), method is to be practised as opposed to being applied. It is the discovery of practical-critical, revolutionary activity, the method of practice and the practice of the method; it is neither a means to an end nor a tool for achieving results; it is simultaneously pre-requisite and product (Marx 1845; Vigotsky 1929). The development of the historical materialist category, the reversion to class or to theory as history, is what is at stake. The process by which a concept (the abstract) moves from productive labour to living labour to social labour and then to class, this interchange of concrete with abstract referenced against real historical development, a process by which the class struggle is a production sphere just as a factory, is the practice of theory that informs the theory of practice. It informs, for instance, that without the necessity of internationalism, class struggle reinforces capital and its imperialism, and/or, social democratic reforms in central formations breed soldiers for empire.

The accounting system of neoclassical economics is methodically a means to an end. Accordingly, it is specifically the investigation of the bias in the data, which may provide a reference point that leads us into the next stage, the stage of history as theory. In what follows I will adopt the language of the neoclassicals, a vulgar vernacular, a discussion of the obvious from a selection of unmediated observations, in which half-truth is constructed as intuitive, heuristic and sufficient to penetrate the depth of phenomena. A word of caution to the reader: the chapter includes mathematical equations, which may not prove easy for the non-expert. I recommend the reader skip the math and read my interpretation of it. I have tried to facilitate its mystery in as much as possible.

4.1 Israeli Demand for Palestinian Labour from the West Bank

Supposing higher wages in Israel, a wage differential in favour of the more advanced economy or the manufacturing sector, hiring equally qualified commuting labour is an immediate cost-cutting measure. Factually and demand-wise, Palestinian labour is competitively remunerated. In the lowest ranks, the cost of hiring underage Palestinian workers and women in seasonal crop cultivation is minimal. More to the point, the practice of hiring underpaid children is standard in Israeli agriculture (Hiltermann 1985). As stated in the previous chapter, many workers are irregulars and Israeli employers evade paying the social security premiums, which can climb to 30% of the migrant's wage.

Shellby (1993) likens the market for Arab labour in Israel to a slave market. Irregular workers gather at dawn and are picked in an auction fashion bidding the wages down by labour market middlemen. Shellby also alludes to the growing dependence and demand for commuting labour as a result of continued growth in sectors employing West Bank and Gazan labour. In one instance, the *Jerusalem Post* described the Palestinian labour shortage as follows.

The Hadara-samaria labour exchange cannot find enough applicants to fill employer's requests, the state employment service said yesterday. It said the director of the exchange, Avraham Bechar, has had to make special recruitment trips to Samaria (the West Bank), and local Arab villages to find the 5000 hands urgently by metalworking, food, wood products, and produce processing and packing plants applying to his office for workers.¹

Also, in relation to labour shortages, a segment of Israeli Government correspondence with the ILO remarks that in 1986 and in 1987, the demand for labour from the territories – as expressed through the requests put to the regional employment offices – still exceeded the supply of manpower (ILO 1991).

A contradiction emerges between the implications of growing dependency on West Bank labour in Israel and the auction market for labour. The auction effect implies that wages vary on the spot or are frictionless to move down. The dependency effect means that wages may be sticky downwards as a result of labour imposing its terms through implicit or informal contracts. It may not be possible to assess with enough accuracy whether the market is frictionless, and wages are free to move (the auction effect), or if it is resistant, and wages are sticky (the dependency effect). True, shortages or increased dependency on labour promote labour rights. Fearing loss of jobs or a cut in pay at times of business slow-down; risk averse workers demand a fixed wage in boom or bust times. This does not have to be a formal contract; the colonial structure abolishes the colonised subjects' formal rights. It may, however, be an implicit contract resulting from the *de facto* dependency of the firm on labour. Wages are then said to be inflexible downwards because they contain an insurance premium hedging against the risk of job loss in bad times

¹The *Jerusalem Post*, 3 October, 1984.

(Rosen 1981). Momentarily or as Israel demands Palestinian labour, the rising or relative stability in commuters' wages indicates the combined effect of integration and dependency may be stronger than the auction effect. No matter the logic in this, it is superficial because in the broader context, deepening West Bank dependency on remittances is the overarching purpose of Israeli capital.

A formal assessment of the situation reads as follows. Given the existence of demand for commuting labour in Israel, then in the presence of some degree of substitutability between cheaper West Bank labour and dearer Israeli labour, Israeli firms are likely to opt for the least costly input. A necessary condition of this rests on the relative absence of frictions in the market for immigrant labour, such as additional transaction costs as in high social insurance or high frequency of labour unrest. From the demand side, the Israeli firms represent the short-run cost-minimising firm. For the sake of perspicuity, I assume the firm decides only on its labour input in the short run and that it may hire a combination of Israeli and West Bank labour in varying proportions – that is, we have a firm with two types of labour inputs. The firm's objective cost function in the short term, using standard notation, is given below.

$$c(w_i, w_b, y) = \min_{l_i, l_b} w_i * l_i + w_b * l_b \mid f[l_i, l_b] \leq \bar{y}$$

$$\text{where, } f'_{(l_i)} > 0, f'_{(l_b)} > 0, f''_{(l_i)} < 0, f''_{(l_b)} < 0, f''_{(l_i, l_b)} \neq 0$$

w_i = wages of Israeli worker

w_b = wages of West Bank worker

l_i = Israeli labour

l_b = West Bank labour

y = output

where $c(w_i, w_b, y)$ is a cost function which is concave in wages, linearly homogeneous in wages and increasing in wages, which simply says costs increase at a decreasing rate as wages rise. These assumptions are to ensure that reality conforms to the mathematics of maximisation or that costs are not explosive or do not grow exponentially over time. The ratio of the two first-order conditions is given in 4.1.

$$w_i / w_b = f_{l_i} / f_{l_b}; \quad (4.1)$$

This is standard in neoclassical economics where the ratio of the price of factors corresponds to the ratio of their respective productivities (as per any standard textbook including [Varian 1984]). The left-hand side represents the economic rate of substitution, while the right hand represents the technical rate of substitution. At these rates, labour from the West Bank can be substituted for labour from Israel while maintaining constant costs. However, as Israeli labour becomes costly in comparison to the labour from the West Bank, then by reducing Israeli labour and

hiring West Bank labour, the costs go down while output remains unchanged. This latter remark follows from the fact that the technical rate of substitution has also stayed unchanged; the two labours are of the same skill and intensity. As already discussed, one is dealing with a physically demanding industry that requires low skills.

$$\text{The elasticity of substitution} = \sigma = \frac{\delta(l_i / l_b) w_i / w_b}{\delta(w_i / w_b) l_i / l_b}$$

The degree to which this process works depends on the elasticity of substitution between these two labour inputs; it requires an elasticity of substitution between labour from Israel and labour from the West Bank different from zero. As the percentage change in the ratio of l_i and l_b responds to the percentage change in the ratio of their respective wages, and as wages in the West Bank sink lower than those in Israel, the demand for West Bank labour, *ceteris paribus*, is likely to grow relative to that of similarly skilled Israeli labour. As to the re-equilibration (equating the wage ratio with the labour productivity ratio) of Eq. (4.1), it can be achieved by any one of two factors. First, by either an increase in the wages of West Bank labour so that the equality resulting from the two first-order conditions is satisfied. Secondly, by a higher degree of substitution between l_i and l_b , an outcome favourable to the firm. This principle will not be affected by attributing decreasing returns to scale to the firm. Thus, on the demand side, the need for commuters in Israel is formally achieved.

4.2 A Short Critique of Neoclassical Labour Demand

Realistically, West Bank wages are unlikely to rise and catch up with productivity without a political force enforcing the adjustment process. Recalling, the real wage is determined in the product market (Kalecki 1943). If the real wage falls as a result of monopolistic competition and rising prices (inflation), or as a result of leakages, as in capital and trade imbalances favouring foreign markets and depressing local demand, unions demand wage indexation. The real wage, in turn, is determined by the political power of labour. As argued in the previous chapter, in a developing context, labour demand is not demand derived, but development derived. Demand, in the presence of low wages and an absence of labour in the state, does not support employment growth. It is not because the wage rate or the price of labour falls that firms hire more labour; it is because there is a developmental national project that fuels demand for all sorts of labour. Real wages are little influenced by the conditions in the labour market and are effectively determined by the macroeconomic environment and the degree to which organised labour compels capital to forfeit part of its profits for a higher labour share from the social product.

For Marx (1867), the wage bill is not the sum of the wage of each worker, which is in neoclassical economics determined by the corresponding productivity.

Productivity increases wealth but does not determine the share of income. Incomes of all sorts in the Marxian sense, profits or wage bills, are rents whose share from the total social product is determined by political power amidst the class struggle. Nonetheless, productivity presupposes the abundance of wealth/waste in its commodity form. The difference in the wage share between various social structures depends on labour differentiation, on the symbolism attached to job or profession or on how different constructed identities/sectarianism pit one section of the working class against another. Productivity, the culture of knowledge applied to industry, is a sociohistorical product whose predicate/subject is the most oppressed nations, kept down to abide by the rule of resource underutilisation necessary and to dodge the permanent crisis of overproduction. Realistically, the subject of wealth is the contribution of nations and social classes disengaged by capital. The machine, the thing, does not make a thing. People who make things are living labour, otherwise, the process known as the international working class subjected to the repression of the labour process. Conversely, variations in the wage or in the share of labour income depend on revolutionary consciousness, the solidarity or cohesiveness of labour. Residually, even the individual wage of each worker is social because man is social. He or she is a product of society and a social relationship to society, while the wage is his or her share from the share of social wages of the working class.

In this respect, I reassert two key points: one, the Palestinians are colonised, and their social structure has been ethnically cleansed or mostly decimated; and, two, the wages of the Israeli working class are geopolitical rents, the product of the continued decimation of Palestine and the Palestinian working class. Neither the development and/or demand component of the Palestinian social structure is there to be noticed, nor sufficient working-class cohesiveness ensures rising wages. The depletion of the West Bank from its wealth upholds the Israeli wealth and wage shares. The wages earned by Palestinians are rents emanating from the liquidation of their human and physical assets and/or the pillars of their social formation.

For neoclassical economics to achieve the smooth working of its accounting framework, one must suppose that the wages offered to the commuting worker in Israel are higher than the wages in the West Bank. Indeed, we saw in the previous chapter that Israeli wages were slightly higher – before imputing taxes and transport costs. However, that is not why Israeli firms hired Palestinian labour. The elaborate math of neoclassical economics exploits the obvious, the phenomenal, with the obvious or the perceived *notion* of what is obvious. The Hegelian assertion ‘there is nothing, nothing in heaven, or in nature or in mind or anywhere else, which does not equally contain both immediacy and mediation’, is quite apropos. The low immediate wages, the immediacy, have to be explained in terms of mediation, or in terms of what cheapened them. Cheapness of labour is not the trigger of labour demand. In this case, the colonials lift the ban on commuting for an almost starving population in the West Bank, a workforce that has no working possibilities other than Israel, and workers pour into Israel. The political decision momentarily, and only fleetingly, corresponds to a macro policy that avails itself at the service of the profit

hungry Israeli firm. However, the historical trigger is the occupation-induced hunger or poverty, hence, the mediation of broader imperialist objectives.

4.3 The Supply of West Bank Labour to Israel

Reverting to the neoclassical jargon, given the presence of demand for commuting labour, and an actual or expected wage difference between the higher Israeli wages and the lower native ones, any Palestinian worker seeking an employment opportunity may consider the migration alternative in the set of possibilities available in unemployment/employment at home or the job options available in the Israeli market. For the neoclassicals, the migration decision-making process is an individual's prerogative. As unusual as this may seem in a developing context, the positive side of the positive philosophy behind this reasoning neglects the history-worsening living conditions and posits that when the individual is presented with a choice between death and misery, that is, still a choice. In such partitioned logic, how can the choice to migrate be assessed in the West Bank? In the following, I will leave aside the true meaning of neoclassical equilibrium, whose function is to clear the market by depopulating excessive labour and labour power. However, I will still model my point that immiseration causes migration, which means I have to introduce a mathematical symbol for misery. The choices are to live with reduced initial wealth, income and unemployment at home, to find employment at home or to daily migrate to Israel.

The received theory postulates that a potential migrant coming from conditions of unemployment or underemployment in subsistence farming chooses to migrate because the actual or expected wage in the modern sector is higher. In contrast, the structuralist/dependency view on migration relegates the wage difference to the background. It is instead the structural difference between a modern centre and a rural periphery and their relationship of unequal exchange which encapsulates the reason for migration. In this holistic social framework, the worsening economic conditions in the rural sector foreshadow the individual's prerogative to migrate. Personal choice is secondary to a capital, which creates the demand as well as the conditions for supply.

As the rate of integration between the rural and urban economies rises, so does the economic process, which disengages uncompetitive business entities in the less developed areas. As discussed in the previous chapter, what remains in the rural area, after its permeation with the scale produced commodity of the modern Israeli sector, is a remnant of cottage-type or home industries able to support costs and survive no matter the changing economic environment. The wages generally taken to represent rural wages in empirical tests of migratory cases are the wages paid by this surviving cottage industry and the likes of it, such as wages of agricultural hired hands, repair and service shops employees, small family handicraft enterprises, etc. (Oya 2013; Rozenweig 1989; Colman and Nixon 1986). However, these are the wages of an industry continuously adapting and keeping pace with the new capitalistic condition, and in conjunction with this, these are indigenous wages paid and redistributed

within subsistence farming communities. These small industries are unlike the intermediate sector of Steel and Takagie (1976) because the product of the West Bank industry is not substitutable for that of the modern Israeli sector. It is this characteristic that establishes the survivability or continuity of small-scale industry.

In the context of the wage-pull theory, these West Bank industries and their corresponding wages are wedged between a quasi-subsistence farming structure and a modern Israeli structure. Thus, the wages that should characterise the real rural wages are those of the eroded subsistence farming entities and the underemployed, or people who can barely survive as a result of colonial land confiscation and integration between the mainly rural West Bank and the urban Israeli economy. Dislocations necessitate a move to the distant modern sector. Migration becomes an imperative as opposed to 'choice', especially in the absence of jobs nearer to home in the West Bank.

The decision to transfer from subsistence farming into a wage-paying sector involves a choice with more than one modern sector, Israel and what remains of the private industry or the public sector in the West Bank. The abstract rational agent, here parading as the historical agency, may decide to work in an industry closer to home in the West Bank for lower pay, lower transaction or transportation cost and lower risk, rather than travel daily to the modern sector, Israel, with its high pay, high transaction costs and high risk. The labourer could also eke out a living on charity or what remains from his reduced stock of wealth and savings. Three income choices are presented to the worker or potential migrant.

The purpose in this wage-sectoral breakdown is to formally and statistically examine the decisions of Palestinians residing the occupied West Bank, an agriculturally based economy, to seek employment in the relatively modern economy of Israel, all the while, in the presence of a local industrial base and its corresponding wage. The question, as per the dominant ideology, is one of labour supply by choice. The formal or mathematical modelling to follow supposedly adds 'rigour' of proof, albeit, logical rigour whose assumptions apply more to fantasy than reality. Here, all I have added here is a third sector, the sector of people who are unemployed or who had land confiscated. There is no doubt that mathematics is logically rigorous. However, applied to a sociohistorical process, an auto-differentiating process, it is pure noumenon, eloquent in form with little or no relation to the substance of the object being postulated. Still, I will indulge such methodology by reinterpreting an earlier mathematical model (Kadri 1998) as follows. The reader may skip the equations and refer to the interpretation of the constraints and results.

Formally, I will assume a rational decision-maker whose preferences depend on one perfectly divisible homogeneous 'good' and on labour supply. In view of the existentialist crisis, pollution and war associated with these so-called goods of neo-classical jargon, it would be more appropriate to label them 'bads'. At any rate, apart from the monetary gain of working, there are only disutilities associated with labour if supplied. The decision-maker could be a family diversifying the employment of its labour resources by letting an individual leave the farm and join the wage paying sector (Stark 1991; Luebker 2008). In the social context of the West Bank, the extended and interdependent family system survives with difficulty as

atomisation develops sluggishly alongside the slow rate of capital accumulation and its attendant modernisation. It may be reasonable in this setting to assume that the family represents a decision-maker whose role is, for convenience's sake, limited to that of choosing only one of its members to leave the farm. As I explain below, at the level of modelling, it is difficult to assume the family as agent because the family is a set of many agents.

The utility function is additive so that there are no cross effects between labour and the consumption good. It is also strictly concave and twice differentiable; it has a maximum. The outcome of that will emit by derivation the convex indifference map, so that to consume more of good things is better, and it will also ensure risk averseness on the decision-making level or a potential migrant level who is unwilling to engage in risky ventures. All these assumptions are carried out to warrant a non-explosive system, a system amenable to algebraic maximisation. Realistically, all this formal eloquence is in contradiction with an overly entropic world system. The world's real history, invariably marred by contradictions and violence, increasingly develops or underdevelops by leaps and bounds.

The possibility of being unemployed either at home or in the destination economy introduces the element of uncertainty, not historical uncertainty, rather actuarial risk assessed with some evidence from recurrent events. Although the agent will be self-reproducing or consuming at home, the choice of a place of work in the home or destination economy will materialise subject to a probability of being employed or unemployed in either place. Hence, utility is expected utility. It depends on a perishable consumption item associated with one state of nature, and labour supplied by the discrete amounts of unity if employed, or zero when unemployed. This describes a threshold for labour supply, which assumes the values of zero or one and which kicks in as the perceived benefits from migration rise and the agent chooses between the home and the Israeli economy. Because all our agents or potential migrants act with the same rationality or love of wages, and because we already know the number of migrants that corresponds to the variation in the related wage levels, a projection of the individual case to aggregation onto the macro level becomes possible – we can add individual cases to arrive at the broad picture, the rate of participation or migration. There are no yearly longitudinal work surveys or broader surveys in the West Bank that query the decision of each commuter to commute. Because I only have access to macro data, this is a heuristic shortcut to be able to employ the market labour participation levels instead of individual labour supply as I empirically test labour supply.

I will assume the presence of frictional unemployment in the wage-paying sectors of the destination and in the home economy. This frictional unemployment represents a case of incoherence in timing between the supply and demand for labour. The prospect of finding or not finding a job is thus associated with four independent outcomes into the state of the world set. The individual can be employed or not employed at home and employed or not employed in the destination economy.

I will further suppose that the agent has foreknowledge about the probability of employment in the home market prior to undertaking a job search in that market. This is an acceptable assumption given the proximity of the destination market. The probability of employment in the destination market, Israel, is a subjective

probability which is formed based on the probability associated with the mean of the search period distribution at home, and hence, it is subject to error. There is better accessibility to information at home in the West bank and a lack thereof about the destination sector. The potential entrant into the wage-paying market would have to assess the situation given the different states of the world and their associated probabilities.

The probability of employment in the West Bank is a linear combination of that of Israel's. Integration between the two markets justifies this supposition. Both economies share the migrant labour pool. For instance, if it takes longer to find a job in the West Bank, it should take longer to find a job in Israel. Because commuters are not being employed in Israel, the pressures on the West Bank economy to provide jobs rise. In a one period model, the probability associated with the mean of the search activity distribution lies within a single period.

The problem for the one period commuting decision follows. However, note that the solution to maximising the same problem in discrete time over an infinite horizon using dynamic programming yields the same result, as in Kadri (1998). The result is clear-cut. Pauperising people, stripping them from land and assets, forces them to migrate. Not that this is unusual, later statistical findings such as Winters et al. (2008) also show that high-productivity wage employment co-relates to the underlying assets of the household and its individual members.

The non-linear programming problem with an interior solution reduces to

$$\max_{c,i} E_{t-1} [u_i(c_{it}) - v_i(l_{it})] \quad (4.2)$$

$$(i) \in n;$$

where C_i and l_i are individual i 's consumption and labour; n is number of participants; E is expectation operator; $u(c)$ is utility of consumption; $v(l)$ is disutility of labour; $u'(c) > 0$, $u'' < 0$. The constraints are

$$E_{t-1} [(\omega_t, l_{it})] - c_{it} \geq q_t \quad (4.3)$$

$$E_{t-1} [(l_{it})] w_{dt} \geq E_{t-1} [(l_{it})] w_{ht} \quad (4.4)$$

$$E_{t-1} (l_{it} | h) = l_{it} \pi_t; E_{t-1} [\pi_t | \Omega_t] = \pi_t \quad (4.5)$$

$$E_{t-1} (l_{it} | d) = \pi_t \xi_t^{-1} l_{it}; E_{t-1} [\pi_t | \Omega_d] = \pi_t \xi_t^{-1} \quad (4.5')$$

$$0 \leq \pi_t \leq 1; 0 \leq \pi_t \xi_t^{-1} \leq 1; \xi_t > 0, \xi_t \sim i.i.d.$$

\bar{w} = the expected wage of the contingent markets

w_d = destination wage

w_h = home wage

q = subsistence income

c = consumption

l = labour

π = probability of entering job at home

π^{-1} = probability of entering job at destination

Ω = information set

d and h subscripts designate the destination and home sectors, respectively. The expected wage in the contingent labour markets represents the wages in these markets multiplied by the respective probability of finding a job in either market.

I did not assume that the above utility function is that of the family. If the utility function includes the utility of other members of the family, the welfare of that family becomes partially dependent on the consumption and labour of the migrant. Expanding on that logic, the welfare of the community becomes dependent on the family utility; subsequently, utility transmutes into social welfare and the decision-making process comes to rest in the dominant political order. Factually, the migrant's labour is social labour. It is also the labour of society that has gone into the making of the labourer or migrant labourer. As such, the decision to migrate has been preset by the choices made by society in historical time. This intermediation of various agencies, families and communities, into a power concomitant ascribe determinacy in decision-making to a history emerging from an interdependent process. That dialectical reality cannot adequately be modelled, and, as per Bertrand Russell in the previous chapter, the dynamics of qualitative change are intractable with mathematics.

A reading of migration requires a reading of its development within its own historical context and in real time. The math of the model leaves reality by the wayside. Instead of history or some historical force causing migration, the mathematical subject of migration shrinks to a transhistorical and wholly abstract being who follows price signals. That only such a paradigmatic subject lends himself to mathematical modelling is not because we have not good enough mathematics to mirror reality; although that is always the case, one could always approximate. Formalism and mathematics are inapposite by the falsity of the law of identity, or because in practice, the forms have ceased to exist, at least since Aristotle's categories. The neoclassical use of math over and above the instrument of illustration has as objective more than just the pursuit of parsimony: its main function is to distort, mystify and conceal the historical agency of capital.

4.4 Meaning of Constraints

Equation (4.1), the objective function says that the expected happiness of the potential migrant depends on consuming more and working less, albeit, if he or she could overcome several hurdles. In Eq. (4.3), the first constraint, prior to entering the job market, a potential migrant has a subsistence income q which satisfies the basic consumption needs. The decision to enter the wage-paying job market occurs when the expected net gains from wage employment surpass, in the least, the subsistence income. This first constraint resembles the salient individual rationality condition in principal agent problems (Grossman and Hart 1983). Here it is employed in an

agent-to-agent setting; the migrant self-supervises and self-oppresses. There are variable costs associated with searching and not finding work. However, since utility is maximised conditionally upon labour supply, this is synonymous to two states of nature taking place, be that of working at the home in the West Bank or in the destination sector, Israel. If unemployment occurs after searching, the daily income falls to minimum subsistence, q , without additional variable costs. This first constraint basically defines the rationale behind an individual's decision to work in the wage-paying market. It brings into question the viability of the subsistence farming choice in the presence of alternative sources of income such as the participation in any of the available job markets. Adding migration to countries outside of historical Palestine simply adds more markets, but it does not change the basic premise, which is the wage in any destination market must be higher than the income associated with underemployment or idleness.

The second constraint (4.4) defines the threshold why an agent chooses to work in the Israeli economy when he or she had already decided to leave subsistence farming and opted for Israel rather than the West Bank. A decision in favour of entering any of the wage-paying markets has two implications: firstly, constraint number one must be binding, and secondly, the agent becomes involved in search activity armed with job information about unemployment rates in the last period. Expectations about the wages in either the home or the destination sectors form subject to error.

Equations (4.5) and (4.5') define the realisation of labour resources, its sale on the market for a wage. The binary specification of labour supply as zero when unemployment occurs implies that labour is only spent as employment takes place. The supply of labour depends upon an agent's expectation in the last period about the actual probability of finding work for higher wages in the present. Since the probability associated with finding a job in the home market is known, so is the expected value of labour if realised at home, as the local finds a job in the local economy. The expected value of labour in the Israeli market is subject to a random component created by a lapse between the objective real chance occurrence and the individually formed subjective probability about finding employment in the Israeli market. The interior solution for the one period problem is the same as the discrete continuous time solution.

$$v'(l_{it}) = \lambda E_{t-1} (1 - u)_t \overline{w_t} \left[\frac{w_{dt}}{w_{ht}} \right]$$

In the equation above, three components determine the supply of Palestinian labour to the destination sector (Israel). First, labour supply is a positive function of the mean expected wage. As such it captures the general decision to participate in any of the wage-paying economies due to poverty, land confiscation or the declining assets of the migrant. Second, the choice of the Israeli economy protrudes in the

ratio of the expected wages. The ratio rises as Israeli wages rise subject to lapses in information or miscalculations. Third is the employment rate in the West Bank, which is also the probability of acquiring a job. The rate of employment, conversely unemployment, signals to the potential migrant job unavailability at home. If unemployment is high in the West Bank, the migrant chooses Israel.

4.5 Empirical Test

As we have seen in the previous chapter, the difference in the average wages between Israel and the West Bank is minor. As noted above, variations in wages, no matter how minor, could still egg on migration, especially if expectations regarding future wages and employment are of a rather exaggerated nature. To empirically identify the determinants of commuting from the West Bank to Israel, I use macro data on employment and average wages in several sectors of the home and the destination economy. The data is pooled cross-sectionally from time series. Pooled data provides more information by the degree of variations between sectors, especially given the short time series for the aggregate economy and the limitation on the degrees of freedom. The sectoral variables introduced in this investigation are participation levels in the Israeli economy (labour supply), wages in the West Bank, wages in Israel and unemployment.

Replacing the Expectation Operator in the Model: Let the expectation by the representative individual in period $t-1$ about the wages in period t be formed rationally and conditionally upon the set of available information Ω at $t-1$. The linearisation of the labour supply of migrants yields the following:

$$\begin{aligned} \log l_d^s = & \eta \log \lambda + \eta \tau + \eta \beta \log(\omega_{t-1}) + \eta \gamma \log\left(\frac{w_{dt-1}}{w_{ht-1}}\right) \\ & + \eta \log \pi_t + e_t \end{aligned}$$

Here e is the stochastic disturbance term associated with the rational expectation hypothesis, hence white noise. The logarithmic transformation of the labour supply function implies that on the test level, there are four variables to estimate in equation above. Recalling, labour is specified as a binary variable taking the values zero or one. This means leisure has zero costs. If labour assumes the values of one or negative one, the cost of leisure is greater than zero, and the opportunity cost of unemployment would have to be introduced in the equation an explanatory variable. Proxies for the cost of leisure were introduced during the tests with little change in explanatory power. Hence, I will stick to my original presumption.

The object of the test is to check primarily for the effect of the expected wage on participation in any of the wage markets, which is to say is non-employment income low enough to prompt labour market participation? Secondly, I examine the Israeli-Palestinian wage difference's effect on the choice to commute and participate in the

Israeli economy. I will assume that the marginal utility of consumption is constant. This is a case of consumption smoothing between periods. It is implausible to hold this assumption in a developing formation whose consumption levels vary with the rate of colonial oppression. For this assumption to hold, we require perfect foresight on the part of the agent regarding the inter-temporal consumption pattern, and easy accessibility to capital markets to make consumption depends on a stream of permanent income. The Euler condition relating present to future consumption, which can be derived from our maximisation problem above, is $(BR)^{-1} uN(c_t) = E_t uN(c_{t+1})$; B represents the discount factor, or how one values the future in respect to the present. R is the rate of return, usually proxied by the available interest rate. For the consumption smoothing argument to hold, two conditions should be met: (1) the discount rate should be at par with the rate of return (proxied for the world's long-term interest rate plus country risk); and (2) the expectations about the marginal utility of next period have to be known. In the risky West Bank, none of these conditions are possible. It was difficult to have access to borrowing, and consumption is prone to depend on the one period disposable income. Unlike what happened after the Oslo accords, personal indebtedness was permitted to deepen the bondage of the population to the occupation forces (Rickard 2020). Be that as it may, as consumption follows the variation in disposable income, the error in the regression will exhibit a nonspherical distribution, for which we will correct.

Constructing our Variables: Let labour supply to Israel be given by West Bank labour employed in Israel over the total participating labour force in the West Bank. By participating I mean employed and unemployed but actively seeking employment, which in the case of a developing formation means nearly all the able-bodied labour force. This aggregation is possible because the individual here is representative of all individuals and because post facto the migrant appears as equivalent to the numerical value of one in the aggregate migrant data.

The proportions of employment in either the West Bank or the Israeli economy from the total active labour force in the West Bank will represent the actual probabilities of choosing a place of employment, be it P for choosing to work in Israel and $(1-P)$ for choosing to work in the West Bank.

The probability of finding a job is proxied by the employment rate $(I-u)$, which is a ratio of people employed to the active labour force. This may not correspond to the probability of finding a job since it is an arithmetic mean from the wrong sample of people, mainly those who have been employed in previous periods and not the people who are seeking work at present. Heuristically, it assumes the same probability of finding a job for each individual, now or in the past. In fact, there might arise new structural and informational elements that skew the peak probability of entry into a job towards the latter part of the search period and as such lower the mean probability of finding a job for the group looking for work at present, a left skewed distribution of search activity. If such occurs, then the mean probability of finding a job in this period is likely to be different from that of the last period. This proposed estimate of the probability of finding work given in the average employment rate is likely to be a rough estimate of the probability. This difference between the actual probability of finding a job and my proposed measure of it, the employment rate,

will be reflected in an inequality between the coefficients of the employment rate and that of the expected wage. The expected market wage is an average of the two wages weighted by the joint probability of their realisation.

The choice of the regression model is based on the linearised equation above. The independent variables are the expected wage, the employment rate and the difference in the natural logs of wages in the Israeli and West Bank economies, always sector-wise. The dependent variable is represented by the participation levels in the Israeli economy. The data is annual from 1975 until 1988, and cross-sectional for four sectors, industry, agriculture, construction and services. The data originates in the Statistical Abstract of Israel. I provide the data in the appendix to serve as an additional archival repository because data about Palestine may be erased from records. The full cross-sectionally correlated and timewise autoregressive model with variable intercepts is chosen using the method described in Kmenta (1986).

4.6 Results and Comments

The results listed in Table 4.1 are associated with the income differences without multiplication by the respective probabilities of employment (the mathematical calculation of expected income is the probability of employment times the income). The residuals obtained prior to correction were nonspherically distributed; these were corrected for; the coefficient of determination is about 50% prior to correction (Buse 1973). The serially autocorrelated errors counter the neoclassical *fantasy* and suggest that the marginal utility of consumption is not constant.

The expected wage, the variable that signifies whether people are eager to work in any wage-paying sector, is the determinant of participation as a result of poverty, land confiscation or low household assets. It exhibits a positive and statistically significant coefficient. This result underlines the relationship between the pauperised labour and any of the wage markets. In the context of the model, this means that an agent is willing to work in either Israel or the West Bank wage economies because the expected remuneration surpasses his or her *subsistence income* q . The coefficient of the expected wage, or the elasticity of labour supply, appears low, implying a not so elastic labour supply. A low level of responsiveness of labour supply to wages in the modern sector is not anomalous (Finn 2015; Devereux 2005). However, it is inconsistent with the regnant framework of unlimited labour supply, the Lewis

Table 4.1 Results from the regression of log participation in Israel on expected wages, difference in log of respective wages and employment rate

Variable	Coefficient
Constant	Significant
Expected wage	Significant
Difference in wages	Insignificant
Employment	Significant
Time	Significant

thesis. It is conventional to suppose that an agriculturally based economy is characterised by elastic supplies of labour and near-zero marginal productivities (Lewis 1954).

For Stiglitz (1982), the presence of rural industry may influence the agricultural sector's marginal/average productivity of labour to remain nearer to low levels, particularly as reallocation of labour from the rurally based industry back to farming offsets labour loss to the modern sector. In the West Bank, the absence of labour transfer from the local industry back to farming may not be possible partly because of the loss of farmland to Israeli settlement policies and partly because of higher returns from rising wages in local industries or in Israel. Apart from aid and remittances accounting for productivity, the initial post-war exodus is significant. Nearly a third of the population were forced to leave the West Bank in 1967, and labour outflux to Jordan and the Gulf persisted later. Outmigration of youth from farms lowers the number of people working overall, as well as the number of people working per reduced plot of land as a result of confiscation.

This result is not anomalous. Inelastic labour supply in an agriculturally based economy is not limited to this area. A similar result is reached by Barenjee and Kanbur (1981). However, inasmuch as this result differs from the supposition of totally elastic pools of labour occurring in rural developing economies, it resembles the results of inelastic labour supplies in developed economies. In the presence of long-term contracts, downward inflexible wages, the supply of labour may vary, while wages remain inflexible (Altonji 1986). The market for West Bank wage labour in Israel is more of an auction on the spot market than a *de jure* contract one. However, in spot markets the job turnover is likely to be high. Contrariwise, a 1984 survey conducted by the Israeli Bureau of Statistics revealed that a sizeable 52.2% of Palestinian workers employed in Israel for over 10 years claimed to have been working with the same employer for over 4 years (SAI 1984). The demand for Palestinian labour resulting from growth in the Israeli capital follows a set of implicit contracts between Israeli employers and West Bank employees. Hence, wages are rigid, and there is a corresponding inelasticity of the supply of labour to Israel.

For Rosen (1981), the existence of a risk neutral employer and a risk averse worker underlay an implicit contract upon which workers demand fixed but low wages subject to different states of nature or outcomes. The absence of contracts and full unionisation rights for colonised labour may translate into wages remaining slightly lower than they should be because of a deducted insurance premium covering the costs of job stability tacitly agreed upon between workers and firms. In terms of game theory payoff, the return functions of the migrant and the firm, their payoffs over the long run, would permit the evolution of a cooperative game, lower wage pay for workers, lower rehiring or transaction costs for the firm reciprocated by employment stability. The risks of detention, abuse and other unsightly measures by the colonial forces shape risk averseness. The decision to migrate may often be independent of variations in wages. The reasons Palestinians work for the enemy are not related to risk premia or contracts. There cannot be a risk premium high enough to cover settler colonialism, and a contract with the Israel is unachievable

Table 4.2 Consumer Price Index (CPI) and unemployment rates in the West Bank, 1975–1988

1975	90	1.2
1976	114.9	1.2
1977	156.3	1.2
1978	235.1	1.2
1979	395.3	1
1980	946.2	1
1981	2,025	1.6
1982	4,199.5	1.4
1983	10,069	1.3
1984	46,384.2	2
1985	195,080	3.7
1986	292,710	3.8
1987	330,930	2.5
1988	359,770	2.7

Source: Statistical Abstract of Israel, various years

because Zionism does not recognise the humanity of the Arabs in Palestine as its equal. The only contract is the imposition of colonial policies that undermine the basis for decent livelihoods in the occupied territory.

Let us assume for the sake of argument that the imperfection in the West Bank labour market represented by some implicit contract, in addition to a positive marginal product of labour and an unusually low unemployment rate, places the interim demand for West Bank labour in Israel relatively ahead of supply and drives up wages. Just in passing, in the West Bank the official unemployment rate vacillates between 1% and 3.8%. The figures in Table 4.2 are for the period 1975–1988 drawn from the Statistical Abstract of Israel [various years]; the West Bank Consumer Price Index (CPI), on average slightly higher than its Israeli counterpart, rises sharply. The reported low unemployment rate as measured by ILO standards is faulty; there is no account of poverty and incarceration. As I have argued in Kadri (2012), unemployment in a developing formation is better assessed by the rate of indigency. In the absence of alternative waged markets, people engage in any below subsistence work.

Complete economic integration/subjugation of the West Bank equalises commodity prices and wages for similarly skilled jobs. The mainstream's factor price equalisation theorem argues that equally productive labour earns equal wages (Samuelson 1948). Classical political economy sees that the market has a tendency to homogenise labour, as value whose substance is concrete labour (Ricardian) has a tendency to converge to prices of production or natural prices; Marx departs from the classical political economists because for him, labour and labour power are two different categories and capital's *raison d'être* is to socially counteract this tendency (the homogenisation of labour) and divide labour. For Marx, the definitive role of the subject in value relations emerges in the dynamic that labour and labour power must be alienated from one another. Still, left on its own, the workings of the capitalist market, its classical political economy precepts, equalise or homogenise labour's

wages and contribute to socialisation and the objective grounds for the unity of labour and, contingently, socialism. For that reason, the Marxian law of value is about arresting, and preferably reversing, a process that equalises production conditions and wage rates for labour, in that order because the determinacy lies in the production sphere. For the classical and neoclassical political economists alike, producing similar commodities with equal skills in an integrated market bridges the wage gap. Such an arithmetic-position is furthest from the Marxian perspective, for whom capital's strength depends on dividing labour by the machination of the labour process.

The intermittent rise in demand for West Bank labour in Israel allegedly creates the conditions by which commuters' wages in the West Bank and in Israel rise and unemployment rates fall. However, for an occupation force to which economic concerns in the occupied territory, such as lowering input costs, is auxiliary to the more strategic objectives of dismantling Palestinian autonomy, these market pressures that raise wages in the occupied territory should be doubly stopped. Even the slightest improvement in Arab development and autonomy threatens broader imperialist ambitions. Moreover, for a settler colonial state to preside over a regional accumulation process, it must undermine any potentially rising opposing power. Zionism is clear on this. That Israel subjected Arabs to overwhelming military power is a realisation of the 'iron wall' as envisioned by Vladimir Jabotinsky (1923).

As to the circuit of wages, Israel confiscates and liquidates the assets of the Palestinians and pays them part of the proceeds in ways that divide them. The market equalises wages. It supposedly raises West Bank wages to the poverty level wages of the Israeli formation. However, what is at stake for Israel is the extirpation of all means of auto-subsistence for Palestinians. At the time of writing in 2019, the Palestinians remain powerless, while the imprisonment of a whole population in Gaza imparted untold misery (UNCTAD 2018 report on poverty in the Occupied Territories). The notions of implicit contracts and non-voting representation in Israeli trade unions give the semblance of free agency and may undermine adequate Palestinian subsistence. Hypothetically, the economics of labour shortages calls for *de facto* contracts to be translated into *de jure* ones. However, Zionist politics deter such an intermediation. By the Histadrut's ploy, the general union of Israeli workers, affording West Bank workers equal rights as their Israeli counterparts violates the tenet of only Jewish labour on Jewish land.

The employment rate, the rate at which Israel hires Palestinians, exhibits a statistically significant and positive coefficient. The lower rates of unemployment in Israel signal demand for workers and egg on the participant's decision to commute. During the sample period, the unemployment rate in the West Bank fell to a low median value of 1.2% (Table 4.2). Not counting poverty, despondency and outmigration to places other than historical Palestine, the low unemployment rate signals the high probability of getting a job in the wage-paying markets, especially Israel. Since a wage-paying job at home is no different than a wage in Israel, as denoted by the insignificance of the wage difference coefficient, and since workers migrate to Israel, it so follows that the West Bank cannot absorb its impoverished labour in search of jobs. There is little truth in the officially published low Palestinian unemployment rate.

In the model's context, the relatively higher probability associated with the mean of the search period distribution in Israel signals to the actively searching to move to Israel to have a better chance of employment. The average waiting period for employment in the West Bank is longer than Israel's. Argumentatively, it is still possible for an agent to wait longer for a working opportunity in the West Bank. The length of the waiting period is determined by how much the low cost of search activity nearer to home offsets some of the length of the search period in Israel. Because the number of commuters is steadily increasing, one may discern that the waiting period at home is too long and too costly.

The wage difference is statistically insignificant. As a reminder, the gap is small because these are the Israeli wages of the lowliest jobs in Israel. The average wage of Israelis in Israel is at least twice higher. That the regression fails to pick up the wage difference coefficient as a significant component in the explanation of the movement of West Bank labour to Israel is not an anomaly. Similar results for migration around the same period are found for migration from south to north Italy (Salvatore 1981), for internal migration in Mexico (Garrison 1982) and in India (Barenjee and Kanbur 1981).

Small workshop-type operations employing, on average, just over four people typify the state of industry in the West Bank (Bahiri 1987). Save few sub-contracted sewing shops, there is practically no foreign physical industrial capital of the foreign direct investment (FDI) type invested in the occupied area. Integration thwarts the indigenous development of local industry and raises its input costs and the corresponding wages it pays out. However, if at high wages the local industry manages to survive, then it is doing so *via* its versatility and internal resources. Because industrial wages in the West Bank count as part of the less developed structure, then the marginal propensity to migrate from the rural West Bank to the modern Israel due to differences in wages is literally non-existent.

Positing that the wages of employees in the West Bank represent the incomes of the rural sector annuls the wage-pull factor in migration theory. For the received theory, it is possible for an individual to move into the sector that pays just a little extra or maybe less (Stark 1991). This would involve some added assumptions, one of which is that the migrants' income goes into investment activity and that returns are increasing proportionally with the size of the investment (Stark 1991). The presence of a developed capital market is required. The other elementary assumption that is needed to explain this peculiar move requires an individual who is generally risk loving – one who is willing to embark on an unfair bet. For a small part of his utility curve, the curvature is convex, so that the agent becomes momentarily risk loving given that a possible sizeable lottery may exist at the destination. Another assumption is 'migration may be used to improve rank in the rural-origin reference group by more than would have been possible by staying behind' (Stark 1991). As is palpable from this when the facts contradicts the formal theory of a rational agent in neoclassical economics, eccentricity replaces the rationality criteria to justify the result – the individual becomes something unlike his old-self or beside himself momentarily. Because the mainstream reads the epiphenomenon without its history,

selective conditions from infinite and multifarious reality can be introduced at any time to justify the formal setup.

These added assumptions are unlikely to correspond to the situation in the West Bank. The idea that the commuter's income may at one point represent a sizeable lottery, and that it goes into investment back on the farm or in another capital market, is far-flung. Arguably, let the agent have decreasing relative risk aversion or a risk-loving attitude over some space of the utility curve, the decision 'to' or 'to not' migrate would remain the same because the low Israeli wage obtains with certainty. There are no lotteries in Israel and commuters work for low wages in low status jobs. Moreover, the indigency and personal indebtedness rates of migrants void financial investments options. Even if sizeable savings were possible, the commuter will have no access to the more developed Israeli capital market. The assumptions underpinning Stark's explanation of the move to the destination economy where the wages are lower do not hold in the case of migration from the West Bank to Israel.

During the early period of migration, wages of West Bank employees, under pressure from Israeli inflation, rose steadily either to form only a small margin with the Israeli wages or in some outlier-years to become slightly lesser. Add any cost, such as transportation cost and others to the wages that commuters earn in Israel, and it appears that for every year the local West Bank wage became higher than its Israeli counterpart. This is mainly the case for wages across most sectors of the economy, although as a rule it applies less rigorously to agriculture. As mentioned above, Israeli agriculture employs underpaid women and children (Hiltermann 1985). Had the regression showed a significant coefficient for the wage difference, the result would have been counterintuitive. Assuming the fantastical consideration that the migrant 'chooses', he or she would prefer to work in a home economy whose wages are slightly higher; however, *the local jobs are really scarce*.

It is not possible to assess the difference between subsistence income, the monetary and non-monetary farm income or non-employment income permitting the survival of the individual in rural or semirural areas vis-à-vis the low wages offered in Israel. However, in order to further reassert the statistical finding, let the lowest sectoral wage, the agricultural wage, stand for subsistence incomes in the West Bank. This difference between the agricultural wages in the West Bank, here serving as a proxy for subsistence income, and the relatively higher wages in the other Israeli sectors strengthens the incentive by which an agent may choose to move to Israel. This difference in wages within the context of the model represents the difference between the agricultural wage serving as a proxy for q and the expected wages in Israel in the near-absence of unemployment prospects. The results using the gap between subsistence income and the Israeli wage as an explanatory variable appear in Table 4.3.

The manipulation above, although superfluous, bears proof of what is apparent. The marginal propensity to migrate, the coefficient of the difference in wages variable, exhibits weak statistical significance, further supporting the proposition that migrant labour is indigent labour. Migrants are mostly previous farm labour who lost assets to Israeli confiscations and settlement or people becoming working age and not being able to find work at home – as will be shown in the concluding

Table 4.3 Results of the regression of log participation in Israel on expected wages, difference in log between Israeli wages and a proxy for subsistence income in West Bank and the unemployment rate

Variable	Coefficient
Constant	Significant
Expected wage	Significant
Difference in wages	<i>Significant</i>
Unemployment	Significant
Time	Significant

chapter. Just as Bertell Ollman (2003) remarked in respect to enclosures and primitive accumulation, it is not about the goose taken from the commons, it is about who took the commons from the goose, or who confiscated the farmland of the migrant. Laterally, more settlement expansion at the expense of subsistence farming replenishes the labour reserve pool in the West Bank.

Apart from re-asserting phenomenon, the formal-statistical exercises exposed the falsity of the luxury of choice between jobs and showed that the low unemployment rate in the West Bank is a flagrant lie. It unmiraculously showed that wage slave labour does not have a choice between different wages offered in different markets and leisure. Leisure here is an insult to anyone’s intelligence except obtuse mainstream science. No matter the methodology one pursues in the investigation, once some of the facts are held as assumptions, such as the gap between Israeli wages and falling subsistence income in the West Bank, *the choice of migration becomes a necessity for survival*. At a further remove, it is possible to have movements in between the West Bank and Israel from people already engaged in wage paying activity in either location; however, these moves will be taking place on the margin and not significantly contributing to increased growth in migration. Verifying the exact proportions of migrant labour from the source group of people will require unavailable longitudinal work history survey.

4.7 Summary and Unanswered Questions

The labour supply function included the wage difference, the employment rate, the expected wage and the marginal utility of consumption at home. The test of this result was conducted based on the rational expectation hypothesis using macro data on commuting labour from the West Bank to Israel. The results from the empirical test in Table 4.1 verified the significance of all independent variables except the putative wage difference coefficient. For reasons of penury, a potential migrant preferred to work in the wage-paying sector of the home economy rather than commute. The shrinkage of subsistence income, high unemployment and wealth statistically cause migration. Put differently, Palestinians preferred to work at home; however, home-job growth retreated while the labour force grew.

Two neo-classically touted implications emerged. First, the high demand for West Bank labour in Israel and its growing dependence on it may have resulted in a set of implicit labour contracts. Such a concept is so gelatinous that indeed the

implicit contract exists, but it does so in the negative sense. Israel has put out a contract on the livelihood of the Palestinians, so most would starve if it was not for aid or migratory jobs that ensure bare survival. Secondly, as Israel wields outright political authority over the territory, it is possible for the growing dependence of Israeli capital to induce Israel to reproduce cheap labour by immiseration. As true as this may seem, the very act of immiseration itself, because it induces greater regional wars, is the source of Israel's share of imperial rents and the true or historical reason for migration, to be explored in Chap. 8.

The investigation imparted information regarding that nuanced difference between what appears as labour supply levels moving in tandem with higher Israeli wages. The variations in the gap between the Israeli wage and the subsistence income *statistically cause* labour to move. There is a relation between the number of commuters and the price system, but everything is related with everything when the market commands social life, especially as subsistence income sinks relative to all other incomes. The findings offer little insight because it analyses the *phenomenalistic verity* or what appeared in the form of migration relates to what appeared in the form of prices. It treated appearance with appearance or analysed symptoms with symptoms. Through formal sophistry, mathematics, I was able to introduce a symbol for subsistence income for which there is no corresponding monetary measure in the data – capital is not going to produce much data about the people it is going to oppress and consume. However, with a bit of casuistry manipulating logical forms masquerading as rigorous objects, when in reality they only camouflage the class social agency, I was able to expose the real unemployment, the indispensability of the reserve army of labour to imperialism. The social dynamic of capital, to pauperise and reproduce labour cheaply, is also symptomatic. The findings reassert the banality that under the capitalist wage system, the proletarianised wage earner is a wage slave because survival is impossible without paid work. However, there are the machinations of the law of value, which remain undisclosed in the background.

Of the labour process, the production and reproduction of human beings occurs at a cost to society. Labour power that sells for wages signals a share of the value that offsets the costs to society. When the share of wages is too low to maintain minimum subsistence, people live poorer quality lives and experience shorter life expectancy. As the share of value outlaid on labour's reproduction diminishes, the real wealth signified in the money form grows in the share of profits. At a sedimentary level, capital would appreciate a labourer whose costs are minimal over her life cycle. As a reminder, she is born and starts all-ready to assume working life at 18 years of age, spends little and croaks by the day of retirement. Arithmetically, capital would like to shift all the costs that have gone into making labour power onto society and pay a token amount in return. However, surplus value making requires both an objectification and a re-subjectification of the working class. Without labour as the social other of capital, the dialectical measure of the price system, the symbolic ranking of value by power, ceases to exist. Ironically, and that is the historical necessity of revolution, labour must rise against a capital that consistently short-changes society, while by dialectical inversion, a crushed labour is a source of profit.

As it is the living labour of society which creates value as opposed to the past value invested in the machines, a convertibility of all labour into dead labour, a world of machines, produces no surplus value and profits. Value is a category specific to capitalism, the age in which commodification prevails and all comes to depend on the market. It is a self-expanding relationship of objectified socially necessary labour, value proper, contradicting use value and mediated by exchange value, the measure of the dialectical relation as it assumes a money form, the universal equivalent, in the market. To be sure, all that is produced by capital including the pollution and the war deaths are arrayed against a price system in social time and are also value relationships mediated by the market. The kindergarten story from capital volume one about a productive English factory worker who works 8 h and gets paid 4 h has long represented a Marxian veneer of white supremacy. To make more profits, capital must not only reduce the wages at the point of hiring, it should also reduce and mask over the costs of reproducing labour over its lifetime. It should reduce the value that builds labour power, necessary labour, which it does through systemic oppression and depopulation. That is why there is a straightforward relationship between immiseration and the rate of profit.

Regarding migration, what is really being consumed, or metabolised, by capital in social production, is the migrant's labour power as well as life. The migrant consumes over his or her life cycle below what is necessary to reproduce and expand his community. This reduction of the historical necessary labour is the basis of historical surplus value. The fact remains that to reproduce the migrant labour, capital must remake the conditions that omit from the wage equation all the efforts that have been put into the making of the labourer. The work of reproducing and rearing human beings must be unpaid or underpriced. Colonialism, the imperialism sponsoring obscurantism always impoverishes; however, the issue is complicated in how Israel, as an arm of US imperialism, plays the Palestinian migrant case more as bait to entice the war industry and augment the rate accumulation by waste, militarism and its industry of war. For now, this chapter explored the relation of one epiphenomenon, price, with another, the number of migrants. That is not science. Science explores the reasons for the appearance of each epiphenomenon. It looks into the social forces, the classes qua ideas or ideologies that let spring the epiphenomenon into existence. The search for answers begins in the next chapter.

Chapter 5

Structuralism and Migration



This chapter examines the theory of migration as a result of interaction between two systems with differing dynamics and structure. It addresses the tenets of the structural approach to development in relation to migration. Because of its Eurocentrism the mainstream fills libraries with discussions of cultural traditions inhibiting local development, which in turn causes it to spew out excess or less productive labour. Accordingly, the chapter chiefly discusses whether pre-capitalism as a mode of organising life persists under capitalism. Although older traditions linger in the present, in essence, the only mode of production prevailing under capitalism is capitalist. This chapter adumbrates the structural theories of development and argues that migration cannot be attributed to static structural differences or to precapitalist traditions alive in the present. It prepares the groundwork for the next chapter, which studies the Palestinian case within the context of dependency literature.

5.1 The Different Schools of Structural Dependency

The structural approach to development does not comprise a distinct model of labour migration. There are no Lewis or Todaro models that envisage migrants following wages of one sort or another. How the conditions of labour transfers germinate represents an undercurrent in the structuralist treatise on economic development, underdevelopment or, another variant thereof, lumpen development – Lumpen development was how Andre Gunder-Frank conceptualised de-development. The loci of these holistic studies are not deductively inferred from personal behaviour or the internal mechanics of the developmental processes; they arise upon a comparative analysis of the underdeveloped coordinates of a developing formation relating with a more developed formation. By reading the context-specific causes and characteristics of underdevelopment, an approach to development that addresses labour allocation emerges. Such an approach does not draw its precepts from universal qua metaphysical or mechanistic forms as does neoclassical formalisation. Its method

captures and rationalises the systemic symptoms that capital generates in the various forms of underdevelopment, migration being a part of that. It categorises diversity from an historical optic. It situates the particular laws within the general, more abstract, laws of development whose powers shape the different structures of the different social formations.

Each social entity has its own *content*, or its own laws of development. However, these laws are not independent of the general laws of capital, of which the recessive trait of private appropriation stands out. The general law acts as incubator of the many particular cases corresponding to the various superstructures. But before I proceed further, here is a quick note on the loose usage of the categories 'form and content'. Often the categories of form and content are confused for the categories of appearance and essence. However, the content may be defined here as the set of social relations, or class relations, which are specific to a historical process. The form, originating from the Platonic form of thought, as opposed to the shape perceived by the senses, represents the universal relation, which is the general law of development of social formations undergoing a process of self-particularisation, that is, form and content together in their state of becoming manifest as many different processes in relation to other systemic pressures. The renaissance of Hellenistic categories, essence and appearance, form and content, etc., is an accomplishment of German idealism. 'Form in its most concrete signification is reason as speculative knowing, and content is reason as the substantial essence of actuality, whether ethical or natural' (Hegel 1952 [1821]). In today's common usage, these are understood in inverse fashion. To further elucidate brings out the intractability of Hegel, but I try will cut short the mystifications.

Content and form intermediate each other. They are an identity; however, as categories of idealism and subjective dialectics, they precede essence and appearance because content exhibits a lesser correspondence with actuality than appearance. For Hegel, their transformation, their state of becoming, is a process determined in the last instance by the struggle cum development of spirit in time. Their history is subject to the logic, whereas their continuity is recaptured in thought by speculation (Stace [1984] best illustrates the point). These idealist categories are *a priori*. They exist as pure logical entities or as self-reasoned concepts. Marxism shares them only in name because for historical materialism no concept can be justified as reason for itself. Neither concept nor thing self-reasons its own existence outside of practice. The Marxist chasm with idealism is un-bridgeable. The same critique could be said of positive philosophy because it is idealism in reverse. Through a relationship to themselves shaped by a consciousness developed upon materialist circumstances, Marxist categories such as form and content, unlike Hegel's, are historical relationships reflecting the contradictions of development.

Back to structuralism, in the broader picture of global development, a structural divide emerges, and it may be tersely put as follows.

The development of a world capitalist economy has led to its division into a centre specialising in the production of modern industrial goods and technical innovations and a periphery engaged in the production of raw materials and low value-added products. Over the long run, the barter terms of trade, the ratio of export to import

prices worsens for the developing world. Developed countries lock the underdeveloped countries into a specific orbit of low value-added exports, raw materials, while they develop high value-added manufacturing products whose monopoly-induced prices rise over time. In addition to the power of the centre exercised upon capital accounts and exchange prices, the latter is the price of all prices in import-dependent economies, more of the wealth drains from the less developed to the more developed formation. Technological discrepancy or imperialist hegemony represents the structural preconditions that undergird the surplus usurpation process.

First, there is the ‘without much imperialism’ or mild school of dependency, a sort of discrepancy that stems from the unevenness in the technological bases of development between the developing and the developed worlds (Kay 1989; Prebisch 1950). However, the reduction of social structure to a technical apparatus, its narrowing to technological advance influencing barter terms of trade, overlooks the development of dominant ideology as means of imperialist expansion and *obviates* the historical subject in the suppressed or imperialised formations. Logically and historically, the masses of the developing world have to be subdued for the additional surplus value wrought by the Western world to rise. Although these masses can be self-blaming for their defeat or could have internalised the aphorisms of capital by means of the dominant ideology, for ontological reasons they cannot be removed from the equation of development. The very act of vanquishing the masses to generate underdevelopment predicates development elsewhere. This is just another way of stating the absolute general law of capitalist accumulation (Marx 1867).

Second, hegemonic imperialism, or loosely, the politico-technical condition, which posits that, in addition, to the structural-technical disparity between the developing and developed countries, there is a primal accent on the parallel motive in the developed countries to engineer the necessary political environment in the developing countries to promote vested corporate interests.

Although both strands part ways in terms of analysis and degree of socialisation required for development, land reforms and nationalisations, they agree, policy-wise, on delinking with the centre (Amin 1990; Larrain 1989; Kitching 1989). The initial stages of development require relative autarky, so that an infant industry can be protected as per the List thesis, as per economist Friedrich List (Preston 1996). In the technical approach, a structuralist strand of dependency – mild dependency – Prebisch (1963) and (Furtado 1970) stress protection of local industry through import substitution. The infiltration of mature capital from the developed world, in foreign direct investments or through the import/dumping of scale-produced, cheaper and more competitive commodities, hinders the growth of local industries (Dos Santos 1970). The industries in developing countries are assumed to produce substitutes of lower quality goods, exhibit lower scale economies and use inferior technology. The degree of integration with the advanced economy pushes the incomes of its affiliates, a narrow elite, in the host economy upward, while profits or rent repatriation drains the weaker sectors of the national economy accentuating the disparity between delinked and linked sectors to foreign capital and its integrated concerns (Martinussen 1997). The rural areas that have not yet been invaded by agribusiness represent the least capitalised or under-valorised sectors.

Proponents of the more radical dependency strands, A.G. Frank (1966), S. Amin (1976) and P. Baran (1952), additionally underscore the comprador role, which catalyses the peripheralisation of the less modern sectors, especially small-scale industry and rural areas. Contradictions arising in the sphere of production, such as taming rebellious labour or twisting environmental regulations, and other repressive measures related to increasing the rate of exploitation, are resolved in the sphere of politics, or in the realm of the class struggle. The objective conditions foreign capital confronts in the host country are social relations developing independently of its immediate control, such as revolutionary consciousness, working-class organisations and or lingering communal relations strengthening labour; foreign capital must counter socialist ideology and the unwelcome vestiges from the past by strengthening the hand of comprador elements. The economics proper, the *doux commerce* of contract between free agents, does not bear upon the resolution of such contradictions. For the degree of unequal exchange to taper down, the political independence of the satellite state must grow, and, hence, it is compulsory to restrict the comprador.

A corollary: Ricardian comparative advantage, the notion that countries produce exportable goods, which comparatively consume less of the inefficient resource and in which they specialise, is unlikely to materialise as a result of 'free trade' relationships. The postulate proposes that factors of production are fully employed in each of the trading economies, which is impossible, though not necessarily certain. In such an illusory world, there will be no deindustrialisation, since the displaced workers would, by assumption, get re-absorbed in the flourishing export sector, in which the less developed economy specialises, rather than remaining underemployed or voluntarily unemployed (Patnaik and Patnaik 2016). However, unequal exchange necessitates the prevalence of absolute as opposed to comparative advantage. Poorer countries export products that cannot be produced in the developed world whose cost prices must be reduced by the politics of imperialism. For that, imperialist intervention supports the comprador, the contingents that decapitalise the social and physical assets in the host economy. Imperialism also crushes/mobilises production in sectors that support either production for surplus-drain purposes or the power that captures value in the process of circulation through finance.

To capture the differences between the radical and the mild structural schools, the mild dependency and the radical dependency approaches part ways on the issue of the sociopolitical environment in the peripheral economy. The former school (mild dependency) posits the relative political independence of the satellite country. Its national bourgeoisie, interested in protecting its own national production, commits to its national base. The radical dependency school regards the drive on the part the industrial/financial capital in the centre to invest and repatriate profits from the periphery as an economic manoeuvre, which progresses only through co-opting the national bourgeoisie and transforming it into a comprador. The infiltration of foreign capital does not result in the decline of parts of local industries; it stimulates the rise of a subservient social class whose interests are tied with the continuation of divestment to the centre. The centre glues the comprador at the heart of state power apparatus. Together they foment unrest and bash trade unions, as per the typical cases,

while wavering taxes on capital and reducing environmental standards, etc. The cross-national ruling class, comprador and central-corporate, can only operate under the clout of imperialism. For Baran (1970, 1973) and Amin (1977), the historical tendency is for the socially constructive role of the national bourgeoisie to be superseded. Continuously cornered by the size and power of foreign capital, the nationalist class, fated to perform a marginal role, disappears from the political scene.

5.2 Eurocentrism and the Mode of Production

A point of contention arises as to how the modern capitalist mode of production has come to dominate a supposedly traditional mode of production prevailing in peripheral formations. The question is then put is there one or many modes of production characterising developing formations. Althusser and Balibar (1975) posit the articulation of the modes of production as ‘the co-existence of limbs and their relations to the whole as governed by the order of a dominant structure which introduces a specific order into the articulation (*Gliederung*) of the limbs and their relations’. The whole in this instance is the overdetermined history ruled over by the amorphous structure of the class struggle. In such a fluid state, the definition of the class subject is as nebulous as the characterisation of specific ideological forms.

For most structuralists, foremost Wallerstein (1974, 1986), some precapitalist modes of production linger into the current era and diverse modes of production co-exist, with the capitalist mode dominating other noncapitalist modes. Do degrees in the underdevelopment of a nation or a sector, including its technological backwardness, warrant its specification as noncapitalist? Is such a condition possible under capital, the seminal relationship in the historical stage known as capitalism? I suggest these classifications are arbitrary, drawn from empirical generalisations and miss the nature of the concepts of class and capital as objective and impersonal historical relationships.

The literature on these matters is copious (Freund 1985). As I have argued in Kadri (2019), capital is a social relationship of dominance, and no social formation falls outside the reach of imperialist ideology and guns; allegorically, the former is a more potent weapon than the latter. There are different capitalist formations with different degrees of development, all under the thumb of imperialism, the intensified form of capital whose law of value implements and regulates the degree of repression. There are not good or bad forms of capitalist development; there is just the objective current of social forces, a concomitant of the class struggle as history levelling the social conditions for exploitation and private appropriation. And just to restate an obvious point, one cannot attribute an ethic to an impersonal history. History does what it does under the reign of the commodity and its fetishism. Apart from resistance to capital, all that exists is unethical and ugly (Lukács 1952). Capitalism is a universal world system that commodifies or holds in suspended animation resources to be consumed subject to the degree that overproduction imposes underutilisation.

Expectedly, one may still find pashas or cases of slavery and serfdom trailing from the past. Be it the traditional type of surplus appropriation or the command structure over reproduction prevailing in a developing community, these dim in significance against the quasi-immutable structure of history commanded by the imperialism of Western civilisation; however and more importantly, traditional modes are struck out by the power of dominant ideology. That women account for the production of home surplus in less developed formations aggressed by imperialist armies is as relevant a historical event to shaping or resisting imperialist aggression as someone getting hit by a car in London at the zero-hour of the Iraqi invasion. That a minor accident coincides with the invasion is not the cause of the war (a permutation upon Carr's [1961] example of what is relevant in history). The acts of the disempowered, no matter in which way they articulate with the power structure, do not dent history. What purposes serve mainstream anthropological studies of foregone ways of life unrelated to colonialism or to the current American or French drones, other than blame old traditions, lack of machinery and exonerate imperialist aggressions. The technological power of imperialist guns is the mark of civilisation. However, the drones reaping the lives of men and women in tribes or less developed countries, are the instruments that also reap the real surplus by the degree to which they waste lives and undermine the autonomy of the masses.

Figuratively, the dominant anthropological current emphasises what could serve as cultural support for the American drone (Price 2011). To study a portion of a problem, the social man of the community transcendent into the class agency of only the small community is a valuable discovery on its own, but of countervalue unless it addresses the relation to the dominant power structure. Science for the sake of science may just be an American intelligence asset as was art for art's sake. If it is of no consequence to negating capital's aircraft carriers supported ideology and its consumerism, it is also unscientific because it detaches from the development of theory the repudiation of dominant ideology. So far, the country with the bigger gun has the better ideas. A pillar of capital is the synergy between the ideological soldier and the fetish of the better guns. The well-meaning ideologue with focus on the minute but irrelevant detail of a social process, the isolated fact, true in itself, is also an unwitting soldier of empire. His or her analysis skips the transference between military might and ideological power and with that the necessity of *violence* in anti-imperialist struggle. The case of the hired anthropologist can be generalised to most social science. Assessed in terms of returns to knowledge, the current existentialist crisis has invalidated much of humanity's theoretical insights, except perhaps theological eschatology, which accidentally has proven more science than myth.

In retrospect, for Rey (1978) or Meillassoux (1981), to explore the foundations of the precapitalist labour process or social division of labour in microcosmic social settings or as a result of the inner workings of a defunct mode of production is informative; however, that scientific content hinges on how the findings align ideologically against imperialism. To have adequately situated the genesis of the class social order in the subject of value, the decision-making associated with prolonging the repressive traditions, rather than the underdeveloped material substance, relays the reproduction of the traditional social order to broader capital. Traditional relations

maintain the reproduction of society and its surpluses in synch with the demands of foreign capital. The juxtaposition of the non-substantive subject of the traditional class onto capital is valuable because one may discern that Algeria was not underdeveloped because of its lingering traditions but because its decision to develop was hijacked by the genocidal French; throughout its occupation by the French (1830–1962), Algeria lost nearly ten million people. However, as the subject in value becomes the driver of the value relation as opposed to its substance, the underdeveloped physical capital, then the non-blood bond of the traditional economy can be borrowed to explain the non-blood ties of international capital. Here is an example of an anti-substantive and anti-systemic anthropology. Consequently, it is inappropriate to define the less developed mode of production as a surviving traditional mode of production since its subject is the power fabric of capital whose central/advanced machines afford it with the better guns to suppress the subject and the development of others.

Original contributions in social science may be about the empirics of context-specific cases, but these will not be too original as the context shifts to the international platform or as the particular is referred to the general; in the complex whole structured in dominance, the general law subsumes particular laws. The general or universal is the law of the powerful class, imperialism, its law of value. As few novelties are discovered, more humility on the part of academics may be required, for the putative symptom of imperialism is that it runs amok. That ‘capital is not a thing, but rather a definite social production relation, belonging to a definite historical formation of society, which is manifested in a thing and lends this thing a specific social character’ was Marx’s (1893) position. Mészáros (1995) reasserts Marx’s point that capital is not a material entity or a rationally controllable mechanism and adds, ‘it is a totalising framework of control into which everything else, including human beings, must be fitted, and prove thereby their productive viability, or perish if they fail to do so’. Such have been the definitions of capital in this work. Totalising social production is the foundation for the unity and continuity of global capital. Europe as the structure of capital is not aloof from the developing world, neutral to or unrelated to its historical time. It is the receptacle of class, its structure and the decisive link in the global ruling class. Irrespective of the worth of any micro-context anthropological discovery, once the concept traditionality enters the discourse, it plays right into the hands of the dominant ideology; in support of its class position, the mainstream deploys the ‘traditionality of the other’ in lieu of openly racist language. No matter the worth of a scientific contribution, its truth is compromised if it does not let theory undermine dominant ideology.

The capital-commandeered structure is a crushing force. Through industrial scale killing, capital has proven itself an omnipotent deity, fully in control of history. One-sided explorations of precapitalist social cleavages rack data upon data, yet its impact on anti-systemic thought has been desultory. To decouple theory from ideology, to not refer the findings to capital, the totality or the more general category, uncovers the partial truth. One-sided truth alone is half-truth. The capital relationship holds by the primacy of politics. It is the social relationship, which springs upon the material basis of the class struggle and the key to the reproduction of

humans by the labour and lives of humans, as opposed to *thingified* technological development. That whole is both a real and an impalpable state of being. Just because ethnologists carry out their investigation of the natural underlings at intervals in which the lives of natives are being spared from imperialist assault does not mean that imperialist assault does not exist or does not structurally influence events. The foremost facet of imperialist aggression is its ideological dominance, the victory of the private over the collective idea and the intellectual corruption manifest in the use of dominant concepts. From the Third World's perspective, capital is a daily genocide. Commercial exploitation given in the modern forms of slavery, maybe not the chattel type, but the Bremmer constitution and Abu-Ghraib concoction type, remains capital's law of value most fitting form of exploitation for the modern-day labour process. Just as early chattel slavery served as a pedestal for Northern wage slavery, so do the northern intelligentsia and working classes serve as warring slaves that set the South alight in the industry of war. The few who dared employ violence against capital in the centre were shunned by a thingified popular structure erected upon imperialist rents. The white working classes, white in the ideological sense, are the ideological tributaries of imperialism. Their material circumstance, their rising income from colonial and imperialist exploits, is the determinant of their consciousness. Their support for the creation of surplus value by means of waste accumulation and war has been foundational to imperialism. To capital the production of waste is not a matter that can be assessed by percentage shares. It is not that the commodity is 50% useful and 50% waste, for example. Waste is the being and becoming of the capital relationship; it is its determining link or inherent predisposition because it simultaneously demolishes the proletariat and reduces necessary labour. Militarism is the purest form of waste and the domain to hold capital aloft.

With the power of hindsight, once these microcosmic anthropological studies are projected against the derelict whole, they become wasted efforts, diversions that have concealed the bigger picture or the rolling disaster or, worse, capital-props by paid-academics that vacation in exotic corners to be kept off the streets of a saturated private production structure. Apart from the fact that most mainstream social science serves as an intelligence asset that exposes the vulnerabilities of developing societies destined to be torn apart, even the well-meaning studies end up by their Eurocentric disposition expounding partial cases of bonding or ethnic relations rather than the colonial or imperialist relationship that reinvents these cultural relations in ways that hold back the development of peripheral formations. In a world of violence, few will assert the necessity of arraying armed struggles in self-defence against imperialism.

The act of undermining the development of the South, this movement in the class struggle is the dynamic of capital as history, its *modus vivendi*. One is reminded that the *modus operandi* of capital, the measure it thrives by, is working-class differentiation. Imperialism and its wars carry the principal burden of fulfilling both functions. These wars, as instantiations of class struggles, are social processes that enslave and divide the masses. They overconsume man and nature in production and in war as production while emitting higher rates of surplus value; why higher rates? First, because of the higher waste associated with metabolising more of man and

nature, and, second, because it de-subjectifies labour in value relations or it strips labour of its power of negotiation.

Much of cultural/ethnological anthropology dissected the cadaver of an historically irrelevant subject. It explored the bonds, articulations and moral values thrusting a stillborn social order, an underdeveloped peripheral formation without weapons, and a tertiary moment occurring at the *Lazarus* ranks of the global reserve army of labour. It overanalysed, nuanced, falsely dualised, as in positing state and society apart, while imperial rents in the form of wages in Europe, the fruits of social democratic reforms, reinforced capital and its imperialism. As imperialism thrived by the pursuit of European democracy, 'the re-voted into office' imperialism increasingly became anathema to the Third World.

Just as mainstream anthropology searched for the noble savage, it also searched for the delusion of the heroic Northern historical subject, the transcendent man of bourgeois science resurrected as a forerunner of some messianic social movement that would topple the deity, capital. And, just as there is an inflation theory of the cosmos, the universe emerges from a single equation, so too world revolution. However, the absence of revolutionary ideology and organisation would restrict revolts to Al-Mahala of Egypt or Occupy Wall Street, romanticised incidents of negligible weight. The sophistry of the search for the heroic subject and the mainstream pedant's eye to empirical detail are ideological offshoots of Eurocentrism. Without situating anti-imperialism at the heart of every social synapse, no matter how empirically rigorous the research, it would still implant capital's ideological forms in the way victims reason their own existence. The developing world introjects defeatism and borrows capital's concepts and metaphors in justifying its self-flagellation. That working classes suffer under fictitious debt – the real wealth is that of the international financial class – yet say that our nations borrowed, and we are committed to payback, this mythical identification of class with nation, is a case in point.

Escaping the grip of Eurocentrism, the stock of knowledge at the service of imperialism requires an understanding of the health of the real subject of history, the state of labour solidarity, its ideology and forms of organisation and 'the movement in the class struggle' as per Althusser (1964). Such understanding co-laterally requires a focus on the remobilisation of all social forces with the principal aim of concerted working-class-led armed struggles as measures of self-defence (Kadri 2014). In addition to promoting outright belligerence, Eurocentrism self-propagates by distortions to perceptions on permanent loan from crude empiricism and or the metaphysics of social science. The tool of knowledge, metaphysics, and the product of knowledge, Eurocentrism, correspond to one another. A class war at the level of theory is about the critical modes of reasoning extirpating the pre-fab precepts of dominant ideology.

Reflexively, to loosen the Eurocentric grip, one must cut the supply of imperialist rents and arrest the sabotage of Third World development. Not so reflexively, a rational critique of Eurocentric ideology requires grounding in an epistemology that falls back on knowability rather than knowing, the sort of knowledge that rests upon historical laws of development rather than a documentation of the endless trail of horrific facts/data under barbaric capitalism. It entails parting with vulgar

empiricism, the accumulation of data that serves as distraction, ‘the look-over-there’ jests, from the real clash of civilisations, the civilisation of labour *versus* the civilisation of capital. Paying less attention to a developing world subjected to imperialist gunfire by a Western class that has acquired some concessions evidenced in higher standards of living accounts for the failure of Western Marxism (Losurdo et al. 2018). I may be at liberty to add that the absence of left intellectuals in Western jails is *ipso facto* proof of Western Marxist irrelevance or malevolence.

The culture of Euro-socialism is more than just a stopgap measure of capital. By absorbing working-class political resentment and diverting its momentum towards infeasible messianic ideals, it aborts the necessary synchronisation of all sorts of struggles that would contingently accentuate the node of auto-negation in capital, which is concurrently anti-systemic. It more precisely removes the strategy of ‘what is to be done’ to coordinate social forces to break capital. For illustration here one can draw on the avalanche of imperialist wars or embargoes upon socialising states such as Syria, Libya, Iraq, Venezuela and North Korea, the list goes on, where the Western Marxists support the war against the peoples’ achievements by the alibi of the evil dictator. Euro-socialism or Western Marxism, used interchangeably, reasserts the world-dominant cultural hegemony of capital in the class struggle, its Eurocentrism. The class struggle is in the last instance a material production process drawing on the real consumption of living labour, on human lives.

The hold of Eurocentrism is so pervasive that rarely does a concept born in the Western world, and its runners down South carry an anti-systemic content. The gentlemanly scholars neglect class war, literally the omnipresent violence and the absence of effective opposing violence. This is not so because of good or bad individual intent, or because someone does not know any better, it is a class position. Of course, these elements would still be there, but the historical reasons only circuitously relate to the personal level. Culture, the store of knowledge, is as objective as history, and capital as history is as objective as the self-evident weakness of labour manifest in the currents of struggle. It may be as well to note that the contemporary social and environmental crisis is not transient. The losses are stupendous and permanent. The process that alienated nature from man to the detriment of man shows *ex post* that there was nothing of value in the surplus value produced so far. The notion that capitalism is progressive is no more than a Eurocentric cliché.

Often the reasons for underdevelopment are relegated to the lingering pest of feudalism, lack of liberalism and ancient despotism. Cultural or one-sided discussion of remaining feudal relations, the itemisation of the repressive symptoms that ascribe pre-capitalism to a mode of production, ignores the fact that under capitalism antiquated relations acquire a new patron relationship, capital. These positions exclude interrelatedness. Once that comes into the picture, it is anachronic to pin feudal despotism to poverty under capital. There are no demarcation lines in interrelated cross-national social classes or types. To say otherwise is an analytical schema, a class position that overlooks the immense power and the weight of capital and its imperialism, the whole, upon the parts, the small unarmed communities in the developing world. For instance, the ‘despotic’ Qaddafi, an island on his own unrelated to imperialism, committed crimes, and NATO has to bomb Libya and fix it. That such absurd

logic held as received truth is not because the logic itself is rigorous; it is because white classes know that their way of life requires the destruction of Africa.

Just as slavery through encroachment wars persisted under capitalism and became its preferred form of commercial exploitation, so do the other mainstream trumpeted traits of past cultures, from clitorrectomy to Serbo-Croat animosity, as they become the justification for the discipline imposed by firepower upon a labour process. Under capitalism rarely does anything associated with labour escape being priced or mediated by the market acquire a social or abstract character and therefore lodge as value somewhere in a value relationship dominated by capital. Even mother's milk has a price, realised at some point in time when the offspring sell their labour power, and is a value relation associated with reproduction. The war against the huts and caves is a realisation of the law of value. It is quite capitalistic and quite profitable. For fear of sounding idealist, capital and capitalism are the general, the overbearing law, as distinct, from the notion of the universal in metaphysics.

Moreover, designating a mode of production as capitalist or precapitalist is not an issue of misnomers or of assigning different names to the same phenomenon. The observed underdeveloped mode of production is outdated only in appearance but not in essence, or in terms of the inner social laws, capital's laws, which rein it in. Moreover, apparent precapitalist relations are not immutable. Developing nations cannot be stuck in the past and fail to progress for some immutable cultural reason that self-induces de-development. The modern nation is recent, and as a form of social organisation, it is a by-product of capitalist cross-national class articulation.

The more developing nations exhibit an absence of the chimera of free labour contracts, subtle divisions of labour and low technological development; the more their state of underdevelopment *appears* significant in comparison to Western development (Harrison 1988). However, in precapitalist or low returns to factors times, developments were basically on par. The land and the low technology were similar across the globe. Under capitalism, conquered formations are continuously reconquered and suppressed to experience comparative and absolute retrogression in relation to advancing Europe – what Eurocentrics avoid saying. They are worse off in relation to the historically determined level of development. At the lowest end of the development scale, there are the nations and classes subjected to de-development, extreme ideological assaults, mass slavery and industrial scale killings. These are nations that are being liquidated, literally and in the sense of turning their assets into liquidity, for transfer to imperialism. Allegedly neutral, unideological and positivist methods separate these real issues from dominant capital by shifting blame onto the traditions or mores of the lumpen formations. Their scientific enquiry lobotomises the part from the holistic condition. The whole is capital, the real motor of history, the concomitant of the class struggle. It is the real subject and the subject of enquiry. The penchant for Eurocentrism is most noticeable as it omits capital's operational meddling that twists the folk of old culture, found everywhere, to disempower and disengage the masses and their assets, such as the notion Islamic terror, which equates the terrorised Muslim masses with European invented terrorists. Methodologically, received theory puts in relief this schismatic scion, the metaphysical rift between the whole and the part.

Within the edifice of the class struggle, the rift in power can best be captured by the disparity in technological development. There are bows and arrows on one side facing modern weaponry on the other, including the ideology of consumerism. In such a context, a people's war, a struggle in self-defence, resembles a protracted form of mass suicide. The people I am speaking of here may resemble the Gaza-Palestinians who, according to Rachel Corrie, witness the systematic destruction of their ability to survive by a power so strong; such power is comprehensible to an 8-year-old Gazan by its palpability, but incomprehensible to most in Westerners.¹ An anthropological exploration of Gaza, the apparently precapitalist formation, may unearth the foundation of the micro-social impulses contributing to impelling that social order in one direction or another. Conventional anthropology may inform that in view of the low rates of waged employment in Gaza, women in the social order account for most of the surplus. We may know that modern Islamism cordons off women from wage employment, because structurally there are few wage-paying jobs. Historically, for peasant Islamic society, just as any other society, without the labour of women, people would perish. Mainstream anthropology may speak of the virtue of precapitalist communalism, its valour and self-sacrifice. However, given the balance of power, the anthropological study itself becomes part of the bourgeois entertainment industry or just another piece of information feeding the Western intelligence sources. Gaza and its likes are formations situated in the lower ranks of the global reserve army of labour, a *Lazarus* class whose fate unravels by European savagery. Not that European savagery is inherent to Europe proper, the Arab and African comprador 'surpass the white bourgeois standards they ape' (Davis 1960a). However, overproduction crises compel imperialism or colonialism to impose underutilisation of resources upon the less developed social orders by relative or outright annihilation.

Cartesian dualisms of state and society, a misinterpretation of Gramsci's sequentialisation of war of position and war of manoeuvre, to hegemonise society before taking over the state, is meaningless under a sociological as opposed to economic definition of imperialism. For sociological imperialism, the rule of capital holds primacy. The organised dimension of capital may forgo momentary rents only to cement the capital relationship (Mészáros 1995). To exaggerate a heroic incident, the micro-social movement such as a strike in the central formation, into a precursor of global revolution, sidesteps a century of capital's autonomous adjustment to crisis. Capital's resilience is attendant upon capturing value and redistributing it in the form of wages to future soldiers of empire, the henchmen arresting anti-systemic struggle. To add insult to injury, paying off its foot soldiers in wasting lives and war is itself a value creation activity and a social motivator of the profit rate. Capital has so far ensured higher profits and a global working class that may never synch its uprisings. Progressive science rests upon distinguishing reform from revolution or knowing which of the reforms is worker-bribe and which builds worker-autonomy. The existentialist crisis afoot and the state of socialist defeat manifest in the many

¹Rachel's Writing and Emails from Palestine, <https://rachelcorriefoundation.org/rachel/emails>

re-voted Western governments whose constituencies' mode of consciousness circularly reinforces the structures of imperialism and attests to the way liberalism and social *democracy* have been the true face of barbarism. As per the Althusserian position, the compromise in theory has built capital's ideology. The crisis proves the success of capital in severing the communication lines between revolutionary ideology and theoretical Marxism.

The *democracy* with which I took issue with in the first chapter is the one reduced to exit polls. Voting for the status quo is equivalent to the 'on-the-spot' sales gimmick that mask the value relations of society. It may be as well to reinvoké an example I have noted earlier in (Kadri 2019). The same state of mind that justifies paying a dollar for the coke can in the spur of the moment also justifies the many dollar costs to fight wars and clean the pollutant, and the shorter lives society incurs over its life cycle as a result of producing/consuming that coke can. Money is a fetishised reflection of the actually existing concept of value. It is the general *confounding and confusing* of all things – the world upside down – the confounding and confusing of all natural and human qualities (Marx 1844). The instantaneous ticking of a slot in the voting booth is the historically imposed act, the context pre-shaped by the historical forces, appearing as choice. It is a choice laid down as imperative by history in order to lay the groundwork for commodification to grow. Figuratively, alienated voting, as opposed to rule of the working class, resembles buying a candidate, like a can of coke, whose capital tramples upon the indivisible bundle of economic and social rights, a process that will inevitably cost humanity more than any short-lived voting or consumption benefits.

The state of socialist ideological defeat is such that even the BBC is at ease covering issues of species-extinction, micro-slavery and barbarity in developing formations. The propaganda is such that all one has to do is mention the word Stalin and socialism goes out the window. In terms of theoretical construction, the BBC approach of piling another superfluous datum in a history whose data is one crime sequence without relating it to the historical subject, capital and its predicate, private property just arouses the popular sentiments attendant on the half-truths that nurture fascism. That there are infinite, diverse and ugly facts is a banality – that capital is ugly and unethical as per Lukacs above is matter of fact not opinion. These bits of information add little to the knowledge of recognising the social subject's social quality and its laws of development. Moreover, amassing facts by deduction, asserting each case as separate truth, builds into the sum of partial truths, which is truth that remains partial. No matter the quantity of miseries, severing their interconnections from a whole governed by the overly entropic capital relationship, the relationship that overconsumes man and nature, precludes that fleeting moment of truth that emerges in the negation of capital.

Moreover, to search for the instantiation of subject, the material attributes that the class assumes in the class struggle, is also cumbersome. There is not a motionless moment in the class struggle, which would allow one to pinpoint class within overdetermined history. However, when ideology masquerades as theory, to derive a subject from time independent and still moments, reigning science lops out of the whole that one-sided attribute of the class concept that serves the vested interests of

the institution, which had commissioned the investigation. That capital investigates to incriminate itself is a farce. Because scientific production is definitively subservient to ideology, the dominant culture of the dominant class does not shy away from analysing the un-analysable history. Science self-trivialises as it steps beyond the adequate to the ludicrous in the delivery of knowledge. Despite Althusser's (1964) anti-Hegelianism, his point that the class struggle was undecipherable, that it does not lend itself to cognition by the analysis of its different parts because it is in a state of becoming that requires speculation, that alone remains on the level of method quite Hegelian. To rephrase Althusser, the dominant power of capital rearticulates limbs, the modes of production far afield, but the limbs are its own. The humans and resources of the developing world portrayed as relics from the past belong to capital and are there to be put on show, put on hold or be slaughtered by capital because the process of slaughter itself is business.

Capitalist production, when considered in isolation from the process of circulation and the excesses of competition, is very economical with the materialised labour incorporated in commodities. Yet, more than any other mode of production, it squanders human lives, or living-labour, and not only blood and flesh, but also nerve and brain. Indeed, it is only by dint of the most extravagant waste of individual development that the development of the human race is at all safeguarded and maintained in the epoch of history immediately preceding the conscious reorganisation of society. *Since all of the economising here discussed arises from the social nature of labour; it is indeed just this directly social nature of labour which causes the waste of life and health.* (Marx 1893)

Such is an important distinction because the barbarity of capitalism is not that of the ancient tribes or medieval christianity enduring into the present but of modern capital accumulating primarily by waste, including wasting human lives. Underdevelopment appertains more to the waste inducing civilisation of the Western formations. A little over half a century ago, Arthur K. Davis (1960b) remarked that the American economy leaned heavily on war spending and other forms of systematic waste, 'so great is the expanding productivity of this glittering economic machine that its distributive channels are periodically inadequate to accommodate the flow of its goods and services, without waste it would collapse, and the amount of waste, even on today's colossal scale, is not always sufficient'. Today, waste has proven to be the determining node in the value relation and the decisive product of capital. In the tug of war between the social and private spheres within the value relation, the private prevailed, and the predisposition of capital to produce waste by means of waste is everywhere to be seen.

5.3 Dependency and Labour Migration

A discussion of the apparently precapitalist relations in Palestine ought to refer to the dominant relation of capital, the Israeli occupation. It is Israel as imperialism incarnate, the genesis of capital in the class social order, which implements various degrees of repression to ensure the appropriation of surpluses. The West Bank, a

formation in which most of the population was based in subsistence farming, is as capitalist as the dominant relationship of colonialism and Zionist occupation. For the structuralists, capitalism is a world system. It is the anti-structuralists who are more rigid, because the function of the microanalytical framework is to omit the interrelatedness of the system, especially the decisive power within the balance of forces. The mainstream treats the issue of the power of capital in the manner of liberal journalism, such as on the one hand and on the other, or in a metric manner, such as by subjective probability weights, the 'let us assign a percent to this or that power'. Apart from being arbitrary, discretionary segmentation of power is falsification of fact. Theoretical determinacy is historical determinacy. Power is class struggle derived. Restating the fact, the unstoppable power of the capital relationship, unphased by working-class opposition so far, grows feeding on living and dead matter and by repressing and mowing down human lives.

There are different manifestations of a single capitalist mode of production in the developing formations. Some are dubbed colonial modes, and others are imperialised modes, but all are capitalist. The central more powerful formation practises filial cannibalism as it grows by devouring its weaker progeny downstream. It articulates the weaker formations to accumulate by a social metabolic process of auto-consumption – it even consumes its own comprador. To randomly assign the logo, capitalist or precapitalist, to what is given to the faculties in terms of level of development in some social formation amounts to categorisation by appearance rather than essence – essence as the laws of capital. In a multifarious world of infinite modes of production, the actuality, there cannot be a coherent theory of modes of production; for empiricists, there are ludicrously infinite theories. Conceptually, a mode of production refers to a historically defined period. To ascribe different shades of proper capitalist and colonial capitalist designation to each formation falls always within the genus capitalism. It is categorisation by capital's law of development, the law of value. The reason why the Western Marxists do not ascribe the operation of the law of value to war-impooverished formations, as did Anouar Abdel-Malek, is because the poorer formations would otherwise impart much value to Western wealth. In the historical period known as capitalism, the economies of the world became a world economy as per Braudel (1992), and the mode of production arising upon the novel phenomenon is by the concurrence of the rational with the historical capitalist.

Under capitalism too, capitalists search for cheaper inputs. The law of value, the process that levels the grounds for the making of cheap inputs, subjects the peripheral social formations to its repression as it lays down the mediums for value making and resource transfers. These reallocations occur within a social formation, from rural to urban zones, and across social formations, such as imperialised formations. Of the all the resources traded, living labour, a store of labour power, and creator of value by its ability to deliver its labour power in work, is the leading link in the reallocation process. The political form of living labour, the working class, commands the sort of leverage that refuses to indulge in quenching imperial thirst for surplus value creation, albeit, contingently upon its consciousness. Weakening the sources of working-class autonomy, deepening wage slavery, is a principal role

of capitalist development in the periphery. With the depredation of the hinterland ongoing alongside undercapitalised industry, labour flows to the metropolis. The expulsion of labour is the premise of unequal exchange.

The development of industry in Sao Paulo has not brought greater riches to the other regions of Brazil. Instead, it converted them into colonial satellites, de-capitalized them further, and consolidated or even deepened their underdevelopment. There is little evidence to suggest that this process is likely to be reversed in the foreseeable future except insofar as the provincial poor migrate and become the poor of the metropolitan cities. (Frank 1960)

This industry developing in Sao Paulo exemplifies that developing throughout the underdeveloped world. As a spike in growth arises from local industry complementing foreign capital, or through opening local markets to foreign finance and commodities, the national economy leans towards import-led growth. As speculative capital takes hold, the usual hollow growth follows. The exceptional case of the newly industrialised states of Northeast Asia emerged as part of the Cordon Sanitaire around China (Kadri 2017). The development of these economies mimics the development of Japanese capital. US investment and the opening of US markets for their exports are politically designed to boost their gendarme role for empire. As to the policy interface, to achieve US-sponsored development, they still had to implement left-leaning policies such as land reforms and import substitution measures (Deyo 1987). Development requires the recirculation of the social product nationally. Land reforms provide cheap sustenance for labour and free the hands of the state for industry.

As to why the movement of labour from the rural to the urban sector occurs, it is envisaged through a proliferation of foreign capital or merchandise which profoundly destabilise the peripheral economy (Kiely 1995). For mild dependency the advanced technology of the centre and price ratios rooted in unequal power structures trailing from the colonial past are the causes for unsteady development. The infiltration of foreign capital more specifically hits the old methods of farming and cottage manufacture, generating massive unemployment (Tapinos 1974). In more radical dependency terms, social restructuring forcing migrants out of the land follows extra-economic or repressive state interventions. Measures of dislocation and political austerity, farm foreclosures and evictions, and mass uprooting of natives coerce labour to shift location. The release of additional wage workers onto the labour market further suppresses an already low Third World wage. Subsequently, unequal trade relationships are to the centre's advantage. Adjacently, it may be possible for the nation to benefit from the low wages through the appropriation of technical know-how and better redistribution of increased wealth as happened in China. However, the Chinese model of a state with organic ties to labour and sovereignty is an outlier in its capacity to develop as well as to confront imperialism.

In more economic language, as foreign firms set up operations in the developed countries, the technology they carry with them has already become outdated at their home base. The less radical dependency folk has been forerunners of Vernon's (1966) product life cycle theory (Larrain 1989). The dependency stages of the product cycle are as follows.

- (a) A firm has a relative a tech-monopoly over a product at home in the centre.
- (b) As other firms acquire technology, the product becomes more ubiquitous at home, and two possible situations arise: first, it may be possible for certain assembly or manufacturing procedures to relocate to the developing world; and second, export markets for the product can be established in the developing world.
- (c) In the third and final stages of a product's life, the manufacturing process and the now outdated technology can set up directly in the developing countries, thereby crowding out the development of any similar product locally.

Unlike the mainstream, which views with favour the linkages and the spillovers of foreign direct investment (FDI), the dependency theorists hold an opposite position (Preston 1996). FDI slows the growth of the local technological base, or simply subordinates it, and lets the developing countries become dependent on the technology of the developed countries (Harrison 1988). Another equally relevant implication involves the repatriation of profits, which, as these escape to the centre, they void many services and commodities that otherwise would capitalise the national labour force. The Marxian and the Keynesian views hold that by not reinvesting the surplus, multinationals distort the path of national capital growth. As per the Harrod-Domar growth model, putting profits qua savings back into investment achieves an optimal growth path.

5.4 Contrast with the Dual Economy Model

The subject of neoclassical economics is abstract man, an automaton whose happiness rises with her consumption level and whose order of preferences follows some very unrealistic preconditions such as transitivity. The reductionism is as true of a cat as it is of a man. The subject of the structuralist approach is the social man of Marxism. Man is the social relationship within the ultimate relationship – the social class. Although such diametric divergence at this basic level of subject-definition precludes any incremental embellishments to knowledge arising upon conducting the comparison, I will interject with a comment on wage formation and migration.

The wage mechanism in the structuralist view is secondary in the causal sequence of events leading to migration. It proposes two unevenly developed formations, exhibiting primarily disparate technical bases, which enter a relation of unequal exchange. The wage confronting the migrant is not unimportant. Primarily, the individual responds to changes in the socio-economic environment formed independently of his or her immediate will. In the neoclassical method, the individual constitutes the nucleus around which all events spin into existence; the agent chooses this or that, and behold, there it is. In the structuralist context, the whole or history becomes the agent. In dual economy models, the two structures involved in exchange functionally service one another. Under structuralism, they are united in an antagonistic relationship, and by capital's predisposition, the relationship is

necrotrophic. Parasitic foreign capital consumes the host. The more powerful formation, the one with the higher technical base, integrates and then subordinates the one with the lower technical base to its interests.

Consider these statements by the leading proponents of dual economies and dependency theories. First, the argument by Lewis whose primary interest lied in analysing the condition of an enclave developing along modern lines and surrounded by rural structures. He counterpoised the aims and character of 'these growth poles' and stressed 'the failures of traditional sectors to respond swiftly or significantly to economic opportunities' (Lewis 1976). He envisaged economic growth in an enclave promoting development and enrichment of the traditional sectors: 'It buys commodities and services from the traditional sector...provides work for people coming into the enclave from traditional sectors...sells commodities and services to the traditional sector more cheaply than they can be obtained elsewhere ... establishes for its own purposes an infrastructure ...which is then used by people in the traditional sector at less than average cost...is taxed, and some part of its taxes provides services used by people in the traditional sector at less than average cost ... serves as an example of the productivity of new techniques, institutions, and methods of organization. This example helps to modernize the traditional sector' (Lewis 1976).

Lewis suggests that as the traditional sector meets the needs that the enclave satisfies with imports, 'the development enclave would expand rapidly to take in the whole economy' (Lewis 1976). He further stipulates that what the poor obtain in the way of social services, education, medical services, water supply, transport, etc. to be the contribution of the enclave. 'The poor have gained much more from development than it is now fashionable to believe' (Lewis 1976). In a nutshell, the enclave is the social vehicle for the elimination of poverty and bettering the state of the underdeveloped world.

How different is this view from the radical dependency theory argument? Here is Paul Baran a pioneer of radical development thought, writing in 1952.

Tardy and skimpy as the benefits of capitalism may have been with respect to the lower classes in most of the leading industrial countries, they were all but negligible in the less privileged parts of the world. There productivity remained low, and rapid increases in population pushed living standards from bad to worse. The dreams of the prophets of capitalist harmony remained on paper. Capital either did not move from countries where its marginal product was low to countries where it could be expected to be high, or if it did, it moved there mainly in order to extract profits from backward countries that frequently accounted for the lion's share of the increment in total output caused by original investments. Where an increase in the aggregate national product of an underdeveloped country took place, the existing distribution of income prevented this increment from raising the living standards of the broad masses of the population.

At the heart of Baran's argument lies this irreconcilable contradiction in the respective vested interests of developing and developed countries. These entities are joined in a relationship where central capital freeloards on the host country. In order to cheapen the resources used in production, imperialism subjugates and bends the political and economic climate of peripheral formations to its goals.

More to the point, the result of such subordination is the growing rift in the prices of traded goods and resources, of which the price of labour is but one. Subsequently, the more acute the proportion by which the terms of trade favour the centre, the higher the dependency of the peripheral formation on the centre. Schematically, insofar as most developing countries fall within close orbit to the central capitalist economy, this self-propagating pauperisation mechanism is unavoidable to most un-sovereign developing countries. As it is clear from the above, the structuralist and the behavioural approaches emanate from disparate epistemological as well as ideological traditions.

5.5 Further Questions

Without raising any of the radical political issues, in the next chapter I employ the milder Latin-dependency approach to investigate Palestinian migration to Israel. Now that the theoretical grounds have been covered, the questions to be addressed are as follows. Can the mere economic infiltration of the West Bank by Israeli capital restructure this formation such that it re-releases wage labourers? Moreover, to what extent can the circumspect precepts of this purely structuralist approach shed light on this oscillating labour phenomenon?

Chapter 6

Mild Dependency and West Bank Labour



This chapter investigates whether Israeli structural superiority, its more developed productive capacity, entrenches dependency and causes migration from the West Bank. While Israel controls most of the trade with the occupied territories, its direct investment in the West Bank is minimal; save lucrative security spending or investment in militarism. These are much more substantial as the instruments that induce poverty and migration. That being the case, to prove that Israeli tech-advance alone peripheralises the West Bank, I need to explain how penetration/permeation of Israeli commodities into the West Bank, these products of economies of scale, disengages or upgrades its old industries or raises agricultural productivity. Examining this hypothesis hinges on gauging the resilience of the West Bank's national sectors without consideration of the disruptions of the politics of occupation. The findings are structural and trade-induced peripheralisation do not significantly reallocate Arab labour.

6.1 Theorising the Facts

As per the theoretical outline of the previous chapter, one expects the symptoms of the decline of West Bank small farm agriculture, and family-operated workshops of the traditional type, to emerge as a result of increased integration with Israel. In the absence of contingent re-employment plans or cushion for the unemployed labour, the West Bank will dispatch its labour into wage-paying markets abroad.

The precondition for migration is inbuilt in the periphery's structure, not only its inferior technology but also the capital biasing redistribution mechanisms. The crucible for migration specifically lies in the periphery's incapacity to reabsorb its displaced labour. Most developing countries exhibit a highly unequal system of income and wealth distribution. The faintly represented labour in the state implies that wealth concentrates in a narrow minority, usually integrated with imperialism, which subsequently aggravates the misery of survival without employment. The Palestinian Authority is one stark example of a fully fledged comprador.

In the technology-riveted structural context, there is neither an imperialist type that imposes the lopsided distributional arrangement nor is there an *a priori* historical blueprint, such as the late-developer syndrome, for the implementation of unequal distribution. Growth in incomes and jobs are productivity- or technology-related. Sectors with weaker technology exhibit low incomes and lesser welfare spinoffs arising upon. Here, the Leninist imperialism that purposefully deconstructs states for its own end is assumed away. With Leninist standards, the centre would intentionally stifle/usurp the resources of the periphery. By imperialist verdict, the weaker entity would lack the capability to implement indigenous growth or more balanced distribution and sustain any welfare plan.

In this more Abstract version of dependency, unequal exchange with the centre is a by-product of the economies of scale and the overall tech capacity of trading partners. Technology acts on its own and spurs development outside of social agency. There is a reification of the technical drivers of development or an omission of imperialism, the class or social relation directing development (as per Cardoso and Enzo 1979). The policies of redistribution, which are instruments of the state, are supposed independent of capital or class agency. For a stretch of time, the state is independent of the social structure. In this instance, as productivity rises, wages follow suit. In this framework as well, the individual's decision to migrate arises because of lethargic development in several national sectors, particularly agriculture. Low rural productivity and the absence of a feasible non-employment income deracinate the rural community. For the periphery to borrow in order to alleviate poverty or stem migration without enhancing its productivity and competitiveness would create unsustainable future debt burdens and further reduction in subsistence income (Kay 1989).

Israel is a highly developed European formation colonially superimposed upon the geography of the Middle East. Not counting the regional insecurity resource that feeds militarism, the dislocation of the West Bank, the withering away of many of its sectors failing to compete with the monolithic settler structure, releases labour. The uprooting of labour implicates changes to the class formation. However, the displaced Palestinian labourers do not constitute a *déclassé* or lumpen class similar to the one under Louis Bonaparte. Often loose scholarship borrows from the European past to illustrate the current history of the developing world. The ejected French workers rehired in soldiery as per *The Eighteenth Brumaire* of Marx, who in turn reasserted the rule of capital by recomposing a mediocre state, but a state nonetheless, are not the masses of today's developing world (Marx 1852). The capital that reconstructed the mediocre state in France was the same capital that was denying Algerians and others the reconstitution of their states. As always, there is a mode of consciousness entwined with the terminology employed in the designation of concepts assigned to different shades of class. Lumpen proletarians are a proletariat without revolutionary consciousness. They are allies of capital, a working class without an anti-systemic ideology, or adherent to the vision of capital. Marx's classification of a displaced working class, a *déclassé*, readied to serve capital's state, is no different from the support that developed states procure from their so-called non-lumpen proletarians in the current epoch. A developing state readied to be devoured by imperialism substantially differs as a form of social organisation from the states of advanced formations. The replication of historical processes, that the developing

world must ape the barbarity of Europe or its protestant self-abusive work ethic, is vacuous. Every state instrumentalises its *déclassé*, but it is the state which is the expression of national politics and not each of its separate class constituents.

Marcuse (1964) went as far as designating the personification of what was assumed as lumpen, the vagabonds, the poor artists, etc., as the true vanguards of revolution. He opposed this to the extant notion that Northern-unionised industrial workers are potential revolutionaries. However, one need not be too straightjacketed in the identification of class. The decline of industrial workers is not correlated with the ebbing of revolutionary consciousness. The unrelenting growth of the organic composition of capital, the economising that replaces living with dead labour, has exponentially disengaged billions. As of the early twentieth century, Northern industrial workers and their ilk shrank in numbers. Revolutions sprang from the South, the place where industrial workers were fewest. Northern social democratic reforms have subverted the consciousness, autonomy and internationalism of the white working class. The rising peasants of the South combining class and national liberation struggles fought mostly against Northern working classes armed by imperialism. A working class is a relationship to the means of production and to other classes, and as any social relationship, it involves a history, a mode of consciousness and a form of organisation. It is a subject arrayed with other classes in the class struggle, whose organisational form gels by the labour of history or the class struggle.

Van Nieuwenhuijze's (1965) search for class in the Middle East, his superimposition of the 'Northern class model' upon the South, his designation of what constitutes a middle class and why a military and a bureaucracy are self-contained hierarchies that straddle classes rather than fit into them is just sophisticated social engineering. A class is not some sort of geometric space that could be segmented. A class bereft of ideology has physical but not social being. This unpolished view of class is widely held. Strata such as the military and the bureaucracy are articulated by capital through the state. Just as *nothing* evades the power of capital, also nothing falls outside the prism of class, and certainly not the state and not its bureaucracy; this is a social science *nothing*, which stands for what is highly possible but not necessarily certain. Classes are real and manifest in ideological forms or forms of social organisation, as opposed to being metaphysical creatures without structure. Class is social and exists in real or social time, the time that organises socially necessary labour in production, or the constraints imposed by capital upon social production through its control of chronological time. Capital dictates how many people and how many hours are to be put to work and be paid for. Classes and their contradictions in the class struggle are the factory of the planet, the material of the turnover cycle and the subject of social production. Winnowing the stock of excess reserve army of labour by depopulation is also a production process and a process that foregrounds the production of other commodities.

The purpose of deracinating West Bank labour is to wrest its national autonomy or whatever means of self-support the Palestinian masses enjoy. Imperialist securitisation and militarism are the real products that Israel peddles as it undermines Palestine. However, for now I will not introduce imperialism proper. In this circumspect approach, West Bank labour flows follow from comprehensive integration with Israel. The Israeli-imposed economic union negatively impacts the West

Bank's capital formation. It also stymies the agency of labour in the labour process as it regiments the latter through fragmentation. It does so precisely as if the West Bank did host Israeli direct investment – once again, there is much Israeli investment in the West Bank, but that is militarism related. On the reverse side, the union should buoy capital formation in Israel; however, in view of the level of control, the Israelis enjoy over the occupied regions and the far more relevant imperialist objectives; the overriding social force nurturing the Israeli capital formation is imperialism. Israel manipulates and redistributes the rents from occupation to meet imperialism's strategic objectives. Within the narrow scope of our structuralist lens, the absence of direct Israeli capital investments in the West Bank should not in any way conflict with the tenets of dependency theory. Foreign investments are but one factor in the dependency equation, while the West Bank is a market for Israeli commodities.

Physically, Israeli capital falls within commuting distance from the villages of the West Bank. West Bank workers can be employed in Israel without sharing in the benefits of Israeli social programmes. Israeli capital does not require its relocation to the West Bank to earn higher returns. Furthermore, Israel does not cover the initial costs of maintaining and reproducing labour in the West Bank. The reproduction of Palestinian labour over its life cycle is far less costly in value to moneyed terms, than the outlays of the Israeli state upon its own labouring classes.

Israel seals the West Bank from trade with the rest of the world and permeates it with its products. Table 6.1 provides a caption of the rising trade ratios with Israel.

There are no tariffs or other trade barriers to shield the West Bank market. Those stopgap measures lingering from the Jordanian period were dismantled in 1967. The 90% figure for imports in Table 6.1 represents Israeli goods only. Much of the rest is imported through Israel. *Via* tariff and other administrative and red-tape barriers, Israel encumbers the procedure of importing non-Israeli goods through its territories. Imports from Jordan are minimal. Apart from the noticeable Israeli restrictions on borders, exports from the West Bank to Jordan face Arab boycott laws, which require Palestinian products to be free of Israeli inputs (Sayegh 1988). Occupation realises extreme conditions of oppression. In the West Bank, it also realises the logical or illustrative assumption of the neoclassical trade model, the idea that a social entity can only trade with one partner; the fictional becomes real.

In the *placatory* language of international law, Palestinians are denied the right to self-determination. Questions of whether such international law exists and whether it even matters in the case of Palestine continue to circulate. So far, international law has been a lifeline of imperialist expansion. It goes without saying, Palestinians lack the autonomous institutions and mechanisms to implement their

Table 6.1 Proportion of West Bank's trade with Israel, selected years, (percent)

Year	1971	1981	1987
Imports from Israel	80	90	91
Exports to Israel	50	63	70

Source: The statistical Abstract of Israel (various years)

own policies including measures of infant industry protection or credit issuance. However, Palestinians, specifically the masses as internationally integrated working classes, more so through struggle than by the right to self-determination, are the continuity of Palestine.

The foundation for national liberation rests in the inalienable right of every people to have their own history whatever formulations may be adopted at the level of international law. The objective of national liberation, is therefore, to reclaim the right, usurped by imperialist domination, namely: the liberation of the process of development of national productive forces. Therefore, national liberation takes place when, and only when, national productive forces are completely free of all kinds of foreign domination. The liberation of productive forces and consequently the ability to determine the mode of production most appropriate to the evolution of the liberated people, necessarily opens up new prospects for the cultural development of the society in question, by returning to that society all its capacity to create progress. (Cabral 1970)

Although what is strategic for imperialism and what is not so strategic is a nebulous issue, within the system of forces propping empire, Israeli aggression is a main-spring of hegemony. The right to self-determination in an Arab context is better put as the right of the working class rather than that of a people. Phrased as such, it is the Palestinian working class determined by its internationalism which chooses the course of its historical destiny through its own common will and initiative. The class dimension of the right to self-determination, realised in the struggle for self-defence against imperialism and its personification in Zionism, is also a realisation of Palestinian national ambition. Palestinian armed struggle for the liberation of the land and the political struggle through their vehicle of choice, the Palestine Liberation Organization (PLO), are more than just a nationalist struggle. The class dimension transmutes a national into an internationalist struggle.

However, to further fulfil the relations and conditions of the dependency framework, there remains the foreign capital's, or Israel's, relationship to the state or political body governing the occupied territory. In the West Bank, there is just a social formation, a class formation with its own indigenous forms of political representation, manifest in resistance. The formal apparatuses left behind by the Jordanian state, which would impart a semblance of autonomy, were also dismantled upon occupation. Occupation voids nationalist representation. It reconfigures governing structures and institutions into subordinate colonial roles. However, whether by the edicts of the Charter of the United Nations, which allows people to act in self-defence, or by the measures Palestinians undertake in self-defence, Palestinian forms of political self-representation are irrepressible. Jabotinsky (1923), an early proponent of Zionism, had pointed out in a racist slur that 'even Papuans' would resist if they were to be ethnically cleansed, and so Israel should expect constant resistance from the Arabs. As opposed to the illusory politics of two-, three- or four-state solutions, the state of Palestine only emerges in resistance and the historical forms of political representation appearing thereupon.

As to the preceding class formation of the West Bank, the social class of rentier, landowners or merchants which assumed the task of subagents/partners of foreign or Jordanian capital, these had been transformed into Israeli compradors. Shifting

bourgeois allegiance from Jordan to Israel, to support the interests of the latter, was a swift transformation.

Having assembled the ingredients necessary to satisfy the theoretical underpinnings of our mild dependency proposition, the anticipated economic reaction is for local industry and agriculture in the West Bank to dwindle by structural/economistic pressures alone. The sheer size, scale and scope of the new industrial partner, Israel, should, all on its own, without the violence of occupation, curtail West Bank economic activity. Local industry and agriculture will naturally undergo a state of Darwinian-like selection, shed their outdated industry and accommodate to the newly evolved market structure. In accounting terms and under pressure from leaner Israeli industry, unsuccessful Palestinian firms will be those that operate above average cost. Israeli competitors will squeeze out the uncompetitive. The fittest survives on its own or as it complements the Israeli industry, in subcontracts or downstream affiliations, etc. The seismic Palestinian incapacitation should entail a retreat in the foundation of the economy for self-reliance. Israel disengages key parts of the Palestinian economy as well as some of the foundation for strengthening national resistance. On the political side, one need not speculate, the submission by the leadership of Fatah, the organisation representing the Palestinian bourgeoisie, is a case in point (Samara 2017).¹

This mild dependency approach was formulated with Latin America in mind. Foreign capital producing high-end products in Brazil and Argentina, for instance, satisfies the consumption patterns of the national middle and upper middle social classes. However, Israeli production addresses the consumption needs of all strata in the occupied territory. Israel's products comprise the affluent consumption items of a consumerist society as well as some basic foodstuffs. In many villages under occupation the consumption pattern of farmers began to mimic Western-style consumerism (Graham-Brown 1986). A distinguishing feature from classical dependency must be noted. The influx of Israeli products impacts all the sectors of the indigenous economy as opposed to merely those which may compete with foreign capital, as was the case in Latin America (Frank 1960). Not only bigger West Bank industries but small industries may perish, including those in manufacturing, basic foodstuffs and agriculture for subsistence.

Where the exogenously imposed modernisation or infiltration of foreign capital in Latin America accelerates the transformation of private labour into cheaper or migrant wage labour, the effect of Israeli occupation on the West Bank should hypothetically exhibit a harder felt restructuring impact on proletarianisation. Although there is a distinction in the fact that foreign capital relocates to Latin America while Israeli capital relocates the whole Palestinian economy to its capital *via* occupation, such departure does not write off the transmission mechanisms of dependency theory. On the contrary, the effect of Israeli capital as catalyst in the decline of Palestinian traditional farming and manufacture should be more pronounced. The

¹See the prolific writings of Adel Samara regarding the loss of self-reliance and the introjection of defeat in Palestine, also available here <https://kanaanonline.org/en/>

rate at which people leave their local businesses, cottage industry or farms should theoretically and due mainly to economic or ‘modernising’ reasons – no violence of occupation taken into account here – dispense more wealthless people into the wage-paying markets. These labour markets could be in Israel, or in the complementary but surviving industry of the West Bank or abroad.

In theory, there are sufficient parallels with Latin America to proceed and check whether the West Bank could be explained by these putative dependency patterns. The question then may be put as to what extent will the milder, non-violent form of dependency approach through scale-enhanced penetration disengage local industry and agriculture and explain labour migration. Having reconstructed the presuppositions of dependency as they relate to the West Bank, I will now demonstrate, albeit with available data, that the impact on agriculture and industry attributed to purely economic factors is inconsequential.

6.2 Economic Restructuring Under Occupation

Empirical evidence shows that the impact of occupation narrowed to economics, the bigger Israeli industries flooding the local market with products, has not been adverse enough to alter the composition of the West Bank economy. More to the subject, the effect of higher technology spillover or competition with Israel cannot account for significant migration. Although it is possible for migrant labour to originate in sectors other than agriculture, the majority will hail from that sector. Agriculture was in 1967 the least modernised and the biggest employer.

In respect to artisanry, Palestinian artisanship, more so than any other economic activity, was capable of surviving. It is not plausible to link transfer of labour to Israel to unemployment in this sector, which produces un-substitutable commodities. In 1982, the number of firms employing 4–10 people was 617; in 1965 these firms numbered 605 (SAI [various years] and the Jordanian Palestinian committee – Statistics of the Occupied Territories, Amman 1987). This, namely, leaves us with agriculture and industry.

Data on the size and composition of the agricultural and industrial sectors do not lend support to the modernisation shedding labour hypothesis. The evolution in the composition of agricultural output has remained unchanged. During the period covered (1966–1980), little or no new cash crops replacing the old subsistence or cash crops came into evidence. As in Table 6.2, the subsistence character of agriculture persisted as the principal characteristic of the economy, dropping slightly for cereals while rising for the fruits category. Regarding the issue of changes to land concentration, there were no noticeable overtaking of small landowners by the more affluent ones. In Table 3.1 of Chap. 3, large farms remained at 7%, while smaller farms dropped by only 9 percentage points from 49 to 40, only to be compensated by a rise in the middle farm size proportion. The figures in Table 6.2 are broad categories from which one deduces that technical change was insubstantial. More important, Table 3.1 of Chap. 3 had shown the crucial issue of absence of restructuring in land

Table 6.2 Evolution in cultivated land according to type of product

	1966		1979–1980	
Cereals	834.9	40.3	535.0	33.1
Melons	19.7	1.0	14.3	0.9
Fruits ^a	945.5	45.6	961.4	59.5
Citrus	24.0	1.2	25.5	1.6

In thousands of dunums and as a share of the total

^aThis does not include the exceptional case of olive culture. Olive tree agriculture grew as means to hedge against land confiscation. The occupation authority would use the justification of unused agricultural land as reason to confiscate

Source: Palestinian Jordanian Committee, Statistical Yearbook, 1986. A dunum is a standard unit of measure in this area. It equals 1000 square metres

ownership. Restructuring in terms of the economic dependency factor may be observed in the rise of large farms, latifundia style and or a significant decline in the percentage ownership of small farms – increased landlessness by corporate evictions. Discounting land confiscation for the time being, both cases are missing. A basically static picture reigns over farmland distribution in ownership and output type.

6.2.1 *Agriculture in Focus*

Characterised by a low level of technology, agriculture in the West Bank depends on intensive manual labour, hence, its low labour productivity. As indicated above, the ownership of land is loosely concentrated with the majority owning small plots, not so unlike conditions in developing Latin or Asian economies where most farmers own no significant plots. In the absence of farm collectives, ownership of large tracts of land is a prerequisite of a scale economy; however, the extent of this transformation was of no consequence in the West Bank. As production shifts to the export of cash crops in lieu of subsistence, landless or small farmers switch to agricultural wage earners. Without considering the politics of occupation, such was not the case of the West Bank.

Although of minimal relevance to overall exports, Palestinian subsistence adapted to the production of some exportable cash crops. To produce cash crops without resorting to fundamental changes in land concentration is a flexibility that secured the continuity of small farming. As the data in Table 6.2 shows, large farms did not increase at the expense of small farms.

Agriculture remains pivotal to the West Bank because it shoulders the burdens of occupation. Olive cultivation employs otherwise unemployable family members. Family members' labour opportunity costs are low in terms of wage accounting; women and young adults earn little in the wage market. Such employment is unaccounted for in labour force statistics. The pressures arising from land confiscation pushed the development of olive cultivation into a major economic concern (see Chap. 1 for details). On average, the share of olive cultivation represents about a

quarter of total agricultural output and nearly 8% of GDP (SAI, average 1980–1990). This high share places olive cultivation slightly higher than manufacturing, at 7.2%. Olive growth occurred under conditions which seem irrational because of the sector's low return – it only seems irrational because it is only in the last moment that economics count, while resistance through olive culture is means of national control, which will pay off in that last moment. Once the national classes are in control, their shares of the social product increase to offset current costs. The input prices in olive cultivation increased 5- to 18-fold in some instances (Awartani 1979), while the price of olives has either remained steady or declined as per table (Table 6.3).

Also irrespective of the product's low price, this expansion in olive orchards makes immediate good business sense. The effect of integration with Israel, shrinkage in land due to confiscations, the increased population growth and urbanisation drove the prices of land upward. To the extent that olive growing safeguarded some land from confiscation, owners of remaining land saw their fortunes rise.

In 1966, prior to Israeli occupation, agriculture contributed about 65% to the GDP (Gharaibeh 1985). On the eve of the occupation in 1967, agriculture contributed 42% to the GDP. It employed 58,000 workers, in a cultivated area of 2.3 million dunums, almost half of the total area of the West Bank. By 1983, agriculture's share of the GDP declined to 27%; the agrarian labour force decreased by more than a third to 29,300. However, the more poignant impact is the shrinkage of the cultivated area to 1.7 million dunums, half its size in 1967 (Khalid 1986).

Overall, however, the share of agriculture, including olive culture, from the GDP has continuously decreased over the period of occupation – Table 6.4. The average growth rate in agriculture, excluding the seasonal olive component, over 10 years (1976–1985 – the available data), is $-.03\%$ or slightly below zero (SAI various years). Table 6.5 signals the decline of this sector marked by the fall in the associated number of its participants.

The slight rise in the employment level of 1991 punctures the steep decline in agricultural employment due the self-reliance pursued during the Intifada. The Israeli occupation forces argument for the steady decline in agricultural employment emphasises modernisation, which reduced the labour necessary per invested capital unit. The Israeli Ministry of Foreign Affairs (1985) attributes the decline in employment to 'technological improvements that have been introduced into the West Bank's agriculture as a result of the spill-over from Israeli technology'. As per

Table 6.3 Real price of olives per kilogramme, 1976–1985, Israeli Shekels

1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
5.22	5.12	5.74	9.24	5.81	5.43	4.76	2.66	1.50	5.30

Source: Statistical Abstract of Israel, various years

Table 6.4 The share (percentage) of agriculture from GDP

Year	74	75	76	77	78	79	80	81	82	83	84	85	86	87
Share	45	29	34	29	35	30	38	33	30	27	20	20	32	24

Source: Statistical Abstract of Israel, various years

Table 6.5 Employed persons in West Bank agriculture, various years, thousands

Year	67	70	75	80	85	87	89	91
Employed persons	58.0	42.3	31.8	28.4	24.4	22.8	23.7	25.8

Source: Statistical Abstract of Israel, various years

standard colonial propaganda, Israeli government sources would certainly peddle the *mission civilisatrice* argument.

However, it may have been probably too cumbersome to doctor data about the occupied territories to cover up the falsehood of such a statement. As I will show below, the available data from Israeli statistics demonstrate that there was no increased efficiency or higher productivity per unit of resource employed in agriculture during the early phase of occupation. The mechanisation of small farms at a rate which can halve the total employment in the farming sector within a period of 15 years is unthinkable – a fact easily discerned from Table 6.5 above. In addition to super technology, such a transformation requires access to capital markets, and provisions for ease of marketability of the finished product, conditions absent under occupation. Furthermore, compared with Jordanian agriculture, it is ‘striking’ how little of West Bank agriculture has become irrigated, and it is mainly irrigated agriculture that benefits from technological improvement, Van Arkadie writing 10 years after the start of occupation in 1977. Aside from small acreage of irrigated farming, agriculture remained rain-fed and labour-intensive. Van Arkadie (1977) adds that in the absence of jobs outside agriculture ‘it makes good economic sense’ to work on the farm.

To measure labour absorption due to technological innovations, the corresponding elasticity or how many people West Bank agriculture discharges because of mechanisation, one has to gauge changes in average agricultural productivity over the years. Through measurement of the per capita value of output and per capita output, quantities that rise with technology, one infers whether Palestinian agriculture benefitted from Israeli spillovers or not. These measures disclose whether rapid farm mechanisation contributed to quickly halving the agricultural labour force under occupation. Tables 6.6 and 6.7 provide per capita value of output (money value) and per capita output (actual value in tons).

Contrasting the steady rates in the actual per capita output (tonnage), with the abrupt decline in the number of people employed in this sector, shows that the exodus from the farms could not have been explained by developments in agricultural technology. This point is further supported by the value of output per capita (money value), which has not undergone any significant change over the length of this period. The technology shock of which the occupation forces spoke is nowhere to be seen. More important, this result contributes to the question: are the techno-economic disparities of systems alone responsible for the labour transfer? The answer is no.

Table 6.6 Real per capita value output in agriculture, Israeli Shekels

1971	1977	1978	1979	1989	1990	1991
.51	.36	.49	.49	.56	.57	.51

Ratio of the real value of output over employment in agriculture

Source: Calculated from the Statistical Abstract of Israel, various years. The figures do not include the output of Israeli settlements in the West Bank. These are published separately under Israeli production

Table 6.7 Per capita output in agriculture, tonnage of field crops

1971	1977	1978	1979	1989
1.15	1.25	1.33	1.3	1.36

Ratio of output of field crops in tons over employment in agriculture

Source: Calculated from the Statistical Abstract of Israel, various years

6.3 Trade and Industry

As of day 1 of the occupation, the West Bank became one of Israel's major trading partners; Israeli diamond exports to the USA were excluded as per the Statistical Abstract of Israel 1970. Naturally, as any occupation force would do, imports to the West Bank not originating in Israel were subject to high tariffs and other quota barriers. Israel sold mostly its own products to the territory. Consequently, the West Bank's trade deficit with Israel steadily grew. As migrant remunerations and wages of workers in Israel failed to fully offset the trade deficit, the current account remained in the red. The West Bank largely depended on a variety of aid packages and transfers from abroad to settle its deficit with Israel. The bigger its deficit, the more the aid pours into the West Bank, the more capital inflows to the West Bank become inflows to the Israeli economy. One envisages a situation in which the further pauperisation of the West Bank draws in aid in the form of a capital injection that pressures the Shekel upward. Indeed, occupying the West Bank is similar in its flows impact to having rents from an oil field, or the Dutch disease.

As for Jordan, the West Bank's other major trading partner, since 1967, the trade balance with the Hashemite Kingdom has been in surplus. One is reminded that trade with Jordan is considerably smaller in volume, about 10% of the total trade volume. However, by 1982, the trade deficit with Israel represented one fifth of the West Bank's Gross National Income (GNI). Financially, the occupation of the territories has not burdened Israel (as Kimmerling (1983) had put it as he investigated the capital flows and the trade account between Israel and the West Bank). However, the question should be put not as by how much did the occupation burden Israel but what are the imperialist rents benefitting Israel as a result of the occupation. Aid to Israel, the preferential trade treaties, the partnerships with imperialism and the formation of wealth *via* militarism are the principal drivers of Israeli capital.

Israel has had a captive market in the West Bank operating below potential readied for the absorption of its credit qua money supply. The impact of its expansionary monetary policies, the issuance of Israeli credit, anchored against the occupied labour, wealth and lives of Palestinians, is bondage. The financing of the

occupying force is held against the labour and assets of the Palestinians, and because the West Bank can only trade with Israel, expanding monetary policy favours real Israeli growth. The same applies for Gaza. In short, the imposition of Israeli currency as the medium of transaction accounted for seigniorage rents. In addition to the seigniorage rights and demand spurred on by Israeli credit, laying claim to the assets of Palestine by the ability to control and liquidate resources, such as confiscation of land, the expulsion of people and destruction of industrial potential represent the levers of control over imperialist rents. Recalling under occupation, the Shekel, the savings holding medium of the Palestinians, also prices Palestinian resources, while occupation bestows Israel with the ability to regulate the value of the Palestinians' stock of wealth. This occupation is an outstanding case of colonialism because the coloniser Israel and its patron, US-European imperialism, gain a foothold in a strategic region and draw instant imperialist rents.

The puny volume of West Bank's exports to Israel emerges from the small number of firms subcontracted to Israeli industry. These include textiles, clothing and construction material. Israel's clothing industry had reduced costs by moving certain cycles of the product to the West Bank (Khalid 1986). Khalid also stresses that overall linkages with the Israeli industry are minimal because the bulk of the industry in the West Bank remains artisanal and family-run enterprises. The technological transmission to and from artisanal industries to the rest of economy is non-existent; these are, namely, age-old industries destined for the tourist markets. A comparative view of the numbers of these firms, before and after occupation, shows no significant variation in the numbers of family-type firms employing less than ten persons (Mansour 1985). Other reasons for the survivability of small Palestinian firms are the low self-employment salaries and fixed costs.

This intermediate cottage-size sector survives because the Palestinian artisanal commodities in the area of wood and leather works and other traditional items have no Israeli substitutes. It is beneath the cost threshold of Israeli industry to emulate such labour-intensive production. Prior to occupation, this artisan industry also targeted the tourist and export markets. Because of their specialised character, these shops endured the protrusion of foreign capital prior to and after the Israeli occupation.

The impact of modernisation on the West Bank's indigenous industry began during the British Mandate (Zu'bi 1981). As is seemly of British colonial practice, industries which could have formed the nuclei for an industrial state in Palestine collapsed under the weight of colonial pillage. As per the run-of-the-mill case, the British were efficient colonisers such that by the time of the Israeli occupation, the industry which could have developed by the synergy between indigenous science and local technological application had already been decimated. The colonial trade regulations and the openness levied upon the West Bank under British and later Hashemite rule had sapped the national economy of its industrial knowledge-incubating resources. Owen (1988) notes that an important feature of the Palestinian economy was the enormous size of foreign trade relative to its local product during the mandate period. In 1935 the total value of imports and exports was equal to 1.35 the volume of industry and agriculture combined (Owen 1988).

The sector of small industry and family-run enterprises, which had survived the infiltration of foreign goods and capital during the mandate, remains unchanged in composition amidst the new economic relationship with Israel. The political or legal pressures on the few remaining bigger low-employment industries are not considered here – they will be discussed in conjunction with the radical dependency theory.

Divorcing the artisan/farmer from his property and turning him into wage labour do not materialise as a result of changes to land or industrial composition. These changes occurred much earlier, under the British Mandate. The saturation of the West Bank by the Israeli commodity did not bring it closer to the heart of the world economic system. It already had a high degree of trade openness.

6.4 Wither Economic Dependency

Restructuring based on economic dependency alone cannot present sufficient reason for the mass uprooting of a large number of farmers. The technical dependency of the West Bank on Israel has come too late to contribute all on its own to massive proletarianisation. With land expropriations excluded, there is very little change in the constitution and composition of land ownership and land use. With respect to land concentration, Mansour (1985) reports that farmers owning less than 50 dunums composed 71.5% in 1968 and 75% in 1982. Because of confiscations, large farmlands above 200 dunums decreased by about 3% during Israeli rule.

Except for a noticeable increase in olive tree planting, the composition of the other agricultural crops varied very slightly. Staple cereal production, such as wheat, also remained unscathed implying no further substitution of staple for cash crops. Concerning land concentration and utilisation, as presented above, there also seem to be minor variations, unquestionably not the sort of structural dislocation envisaged by dependency theory. A caveat is called for here. Apart from showing that output per person has not changed, the additional point to investigate is not the magnitude of output in manufacturing and/or agriculture. What the research must show to support the thesis is whether agriculture produces the same variety of crops as it did prior to 1967 or has it become oriented towards cash crop production in plantations, or do workers because of mechanisation produce more on average. As shown above, the industry remained of the small family-run shop type. Table 6.2 has shown the steadiness of the make-up by type of crop in agriculture. In terms of their respective output growth and distribution, the minor changes in industry and agriculture support my hypothesis.

Dependency bereft of imperialism and the violence of occupation, which is the purely economic interaction or integration of a developing economy with a modern economy, does not pressure the national sectors to expel labour. The Palestinian structure of production remained unfazed by the penetration of the Israeli commodity and capital. Such integration was not followed by the emergence of branch plant industries that complement the demands of Israeli capital. Moreover, the process of restructuring/eliminating the less modern and uncompetitive Palestinian industries

Table 6.8 Ratio of imports to GDP, for selected years, (percent)

1978	1980	1984	1987
71.0	74.2	80.0	68.2

Source: Selected National Accounts Series of the Occupied Palestinian Territory (1968–1987), Published by UNCTAD, November 1991

began earlier during the mandate. The level of output per unit of labour depends on the rate of mechanisation in the home country which, in turn, depends on how the size, the linkages and the power structures in the local market enhance scale. In addition to stable technology, neither the costs of West Bank labour were declining, nor was there shedding per unit of capital used in production. If anything, the scale effect and the terms of trade were worsening for Palestinian agriculture and industry. The West Bank is too small an economy vis-a-vis Israel. It is an economy which continued to rely heavily on imports (Table 6.8). This fact alone is a principal impediment that thwarts local capacity.

As Israel colonially enforces economic integration and trade, it becomes the only partner in the relationship of unequal exchange previously displayed with the rest of the world. On techno-economic dependency grounds alone, the relationship with Israel introduces few changes to this mainly traditional structure, because of the immutability or resilience of what remained in the local market of the West Bank. Arab industrialists during mandatory Palestine ‘followed a familiar pathway’ from simple textiles to leather products, to food processing, and it is the same industrialists who survived into the Israeli occupation. Owen observes that during the mandate, a sizeable number of young men became wage labourers. For any more restructuring to produce more wage labourers, more extreme politics than those that were employed by the British must be introduced. That is exactly what Israel has done to further pauperise and proletarianise the West Bank.

6.5 Concluding Remarks and Additional Questions

Penetrated by foreign capital, a developing host may experience decline in certain subsectors, as some industries fall, while others may grow. However, such was not being observed in the West Bank. Structural destabilisation in the technical dependency sense, a decline of the ageing cottage industries, rising productivity or changes to land tenure, strictly as a result of the infiltration of Israeli commodity and capital, did not count for much. Technological-development disadvantage did not uproot indigenous Palestinian labour. Chapter 4 found the wages to be symptoms of power structures, which reasserted our knowledge of migration when we posited that the subsistence income in the West Bank was too low or below minimum subsistence. Under occupation, the fact remains that the occupied economy faltered, lost the vitality of its productive sectors, became dependent on import and aid and literally diminished in size and space. Only Israeli occupation as cause for the debilitation of the occupied economy can then explain structural changes. Israel has

contorted and swallowed whole the indigenous social and economic structure of the occupied territories. More than anything else, the repression of occupation and colonial land theft curtail not one ailing industry or one sector but a whole spectrum of industries, save the service sector associated with aid and consumption. The main targets of colonial-settler politics are agriculture and manufacturing, which experience either stagnation or regression.

Under occupation, disengaged Palestinian workers or new entrants are socially and financially vulnerable. In short, there is no alternative but to seek wage employment in the immediate term at home or abroad. The latter choice is compulsory since the major economic sectors at home are either not producing jobs at a rate commensurate to this growth in the labour force, and or not growing at all, while labour enjoys no presence in a state to allocate resources.

It is not only in the West Bank that social programmes of employment generation or unemployment insurance are in short supply. Lumpen development afflicts the whole region. Moreover, the tensions arising upon the Palestinian question inflame countries far afield, undermine their sovereignty and drain their resources. The occupation in Palestine is a quasi-occupation of the region, which also proletarianises on a regional scale. Israel's hegemony blends into the imperialist power fabric, sustaining and being sustained by neighbouring reactionary regimes, especially the Arab monarchies. The aggressive Israeli stance of land confiscation and repression also resonates far beyond Palestine. Often Israel is bent to pacify the unruly regional masses by the pretext of false existentialist alibi and coincide with the USA's desire to avoid restrictions that international relations, conventions and protocol impose upon its desire for imperialist adventurism. True to form, Israel's zeal for war intensifies the operation of the law of value. Its keeping the world on edge also heightens the risk premiums associated with financial and trade flows, hence increasing dollar demand, refuge into dollar instruments and the volume of imperialist rents.

In the next chapter, I discuss the impact of occupation on each major sector of the economy. Such discussion lays the empirical groundwork towards the application of a Marxian approach to understanding the issue of proletarianisation in the occupied West Bank.

6.6 Postscript

Under Article 73 and 74 of the UN charter, the Declaration regarding Non-Self-Governing Territories and other corresponding regulations of the Geneva Convention, Israel should not introduce measures that perturb the lives and livelihood of the indigenous population and their governing structures. However, laws are of class content and instruments of dominant classes. As a self-declared state for Jews, Israel regularly breaches these internationally binding and nonbinding conventions and laws. Migration and other economic and social ailments cannot be decrypted by overlooking Israeli colonial-settler practices. Of the members of the United Nations that flout international law, Israel has repeatedly denied Palestinians

the right of return despite UN General Assembly resolutions, beginning with Resolution 194 in 1949 and Security Council Resolution 237 of 1967. That the law derives from class may be borne out by the fact that Israel rescinded United Nations General Assembly Resolution 3379, adopted on November 10, 1975, which had then determined Zionism is a form of racism, as soon as the international class order shifted in its favour after the collapse of the Soviet Union.² Another example of law kowtowing class, during the cold war, it was US policy to threaten the reduction of Washington's annual assessed contribution to the United Nations by 8.34% for each month if Israel was expelled, suspended or denied its credentials (Kampmark 2019). At the time of writing in 2019 and in the depth of socialist ideological retreat, many central states criminalise critique of Zionism as a form of racism. Such is the power of class, especially the imperialist class, over the law.

²The resolution was revoked by Resolution 46/86 on December 16, 1991.

Chapter 7

The Practice of Occupation by Sector



Concerning wages as motivators of migration to Israel, the wage differences between the West Bank and Israel were irrelevant to variations in West Bank migration. The research has however empirically affirmed that a statistical relationship exists between non-employment or falling subsistence income in the West Bank and the rising rates of commuting to Israel. There is nothing unusual about these results. The occupation has created historical circumstances in which to migrate represents an absolute advantage over poverty subsistence. In terms of mild dependency or structural systems, the technical superiority of Israel or its enforced economic integration with the West Bank does not alter the composition of indigenous agriculture and industry. The migration cannot be ascribed to better technology displacing labour. In the two decades following the onset of Israeli occupation, output per acre in West Bank agriculture did not change. The national industry's employment composition and size also have not changed. Structural changes in industry had already occurred under British colonialism. Yet, out-migration was on the rise. To explain migration, there must be an account of the intertwined effect of variations in subsistence or non-employment West Bank income, extra-economic measures and the politics of occupation, limiting the autonomous development of the occupied territory. One must look for the law of value allocating labour at work.

Economic variables signal to capital a course of action to pursue. Capital, in turn, violently reworks the social grounds upon which commodity production expands. It is logical for a firm to cut costs by hiring cheaper labour. It is also logical for a technically apt or scale-enhanced foreign production concern to supplant firms in under-developed countries. However, the logical is not necessarily the historical. Israel could have worked out means and ways to cheaply reproduce Palestinian labour in the occupied territories, such that it could continuously reemploy Palestinian labour for extremely low wages. However, it did not. By the mid-1990s, it had significantly reduced use of Palestinian labour from the occupied territories and engaged other foreign labour.

That 'economics' signals to capital a course of social action such as wage compression, migration, war, etc., is standard. However, such supposition implies a

different course of action arising from the same signal for different schools. In the case of migration, the transmission mechanism of the neoclassical perspective, which could be put forth as a logical fantasy without any grounding in the real world, deductively explicates the issue. A modern/productive firm, which pays higher wages, attracts the choice of a poorly paid peasant who migrates; in turn, the peasant remits his wages to ameliorate the productivity and wealth back home. Then there is a techno-structuralist framework in which the more advanced formation restructures the less developed formation through FDI, trade, and technological linkages. As the host country adopts import substitution policies, it endogenises technology and releases labour to more efficient tasks. Just as anything analytical breaks down by its own fallacies, the adding-up fallacy shows that the mechanics of growth through mild dependency are unfeasible. Not all countries can develop under capital, which *necessitates* underdevelopment for development. Historically, only a handful of pro-imperialist countries leapt into the rich club. Moreover, as soon as the import substitution measures deliver the envisaged positive outcomes, the fattened national bourgeois puts class interest above national interests and switches its role into comprador. A bourgeois class is destined to grow into finance and financial capital and to nest in the lap of imperialism. More importantly, the more unfettered accumulation under capitalism or the more financialised it becomes, the more quickly capital consumes man and nature in production; hence, the estimates by the doomsday clock that the planet is about 1 min to midnight.

Adding up the partial or incremental benefits of industry, trade or commerce does not add up to development. Even if corrective distribution measures redress the adding-up fallacy, as in perfectly implemented Keynesian demand management, the course of action would evolve into the welfarism that divides the international working class. The welfare of Northern states is bribe to imperialist soldiers rather than grounds for emancipation. Capital is a social relationship of control and power in relation to labour. Capital's reigning ideology precludes the ideal in the social type. The institution of capital is not born ideal as per the Eurocentric optic. Put to practice, it deteriorates into something of lesser worth or value. It is decrepit at birth and only imparts the constituents, real and ideological, that re-strengthen capital. Each of its institutions, like its formalised logic, is formally benevolent and operationally or historically malevolent. In that sense, abstract institutions or conditions of wage and technical differences do not explain much because they are a-material and ahistorical.

Migration is codetermined by the historical process, a totality, and the social production, which shapes the formation of wages as well as technology. It is facile to posit that there is isomorphism, a one to one relationship or a perfect interface, between private economic interests and social processes. The social surplus indicative of welfare in conventional economics combines producer surplus with consumer surplus, although these grow at the expense of each other; unless of course the North can bomb the South for imperial rents to redistribute in wages to Northern workers – the bribe. Such is a widely upheld view in mainstream social science, but it is a half-truth. To reduce the migratory phenomenon to another phenomenon like the wage or technology, by formal identity, would be a reading of relatedness of symptoms rather than the historical forces that have instantiated – as in brought

about – these symptoms. Not only is the reduction of the mainstream too abstract and isolated from other related factors, for reduction to impart meaning, the one-sided abstraction can be instrumental if it grows out of itself through mediation or by following the *sui generis* development of the object in history. In the mainstream, the wages, the technology and the migration are all epiphenomenal; they co-exist together but depart from separate but interrelated facts. They are mediated. Mediation and intermediation between the economics and the social sphere are real historical processes resolving contradictions. These are better exposed by reverting the particular to the whole or the totality whose moments are its power rapport. Understanding the balance of forces is key to understanding social processes such as labour allocation.

Economics is said to be determining in the last moment. But it is this last moment, which is a relationship of power that regulates the interface between the economics and the social that counts. Under capitalism and the rule of the capital relationship, it is the laws of capital and the measures capital puts into place to stay ahead, which calibrate the responsiveness of the social to the economics and *vice versa*. Capital, a relation conscious of its own historical interests and resilient, is bloody and alienating. By the latter, I mean that society is ruled by fetishised commodities that lay the groundwork for themselves to grow. In other words, markets set in motion social processes that destroy the power of labour by the very act of destroying labourers. The growth of commodity is value in its state of self-expansion, and it requires further commodification and higher rates of exploitation, hence, the bloodiness of capital (Marx 1867).

That the difference in wages or the technical disparity between the West Bank and Israel provides insufficient explanations for the proletarianisation of the West Bank is because these symptoms are isolated from the capital relationship. Migration is alienation from the land, its product and the community. The repressive processes driving migration also alienate the migrant from herself, physically and spiritually. Migration epitomises self and social estrangement under capitalism. In Palestine, there is the alienation part, and then there is the violence part, of which there is no shortage under settler colonialism. Colonialism is violence (Fanon 1967). Israel systemically employs violence to further its vested interests in this territory. It uses a variety of concocted justification and pretexts, most astounding of which is that a monotheistic deity has ordained the ethnic cleansing of Palestine as salvation to the Jewish people. Christian Zionists uphold this credo more than Zionist Jews. Although ideology is illusory, the issue is far too phantasmagorical even for political economy to take up. At any rate, not all Israeli policies are of concern to this work. I address only policies, which bear upon the structure of the West Bank, and that directly or indirectly impact the labour process.

This chapter examines the impact of Israeli policies on each sector of the West Bank's economy and its related consequences upon the labour market. This sector by sector survey is an economic history of the occupation's practices. Its findings are relevant on their own and they serve as background for the next chapter. In the following chapter, the findings are situated in a broader historical perspective and analysed in the framework of the radical Marxian theory.

7.1 Agriculture

As was already provided in the previous chapter, agricultural output per worker or acre did not gain in scale or in technological improvement to evict labour from the land. It did, however, lose *scope* as a result of land confiscation or lose space upon which agricultural production occurs. As an underdeveloped agriculture, the general difficulties this agricultural sector faces are poor irrigation/mechanisation and transportation systems and competition with the product of the modern economy. There are also repressive measures pursued by the Israeli state, which include road closures, rationing water supplies and energy. Land confiscation curtails the expansion of the whole social formation. Below is a point form representation of colonial practice.

7.1.1 Land Confiscation

Various esoteric interpretations of the Palestinian civil code were adopted in order to expropriate the property of the farmer. The emergency law of 1945, the law of land management, the law of unused land and the forestry law are some of them. By 1982, 52% of the total area of the West Bank was snatched by the state of Israel, the majority of which represents prime farmland. The pretext of national security was generally employed for this purpose (Shehadeh 1982).

Furthermore, as soon as occupation started, over three quarters of the West Bank's area had already been under the control of Israel (Kabbuji 1995).¹ This alone provides much of the answer regarding the sources of commuting labour. Land expropriations, a decline in land assets and wealth/income reductions attendant upon land ownership and use are indicative of precipitous pauperisation. With much of the labour force employed in agriculture, farm expropriation accounts for the uprooting of vast numbers of workers. Land confiscation was shock therapy, with piecemeal curtailments to follow. By the time of the signing, the Oslo Accords in 1993 'The self-rule authorities will only be able to administer less than a quarter of the total area of pre-1967 West Bank' (Kabbuji 1995).

7.1.2 Settlements

The practiced myth of settling Europeans in Palestine to expedite the arrival of god corresponds neatly with Western imperialist ambitions. Because settlements are colonial policies, few questions are ever raised as to how the supernatural meddles

¹Kabouji H., speaking at the Jerusalem Conference, Abu Dhabi, United Arab Emirates, January 14, 1995.

in worldly politics. Speaking to Congress on May 24, 2011, Mr. Benjamin Netanyahu, the Israeli prime minister, received 29 standing ovations, of which standing ovations numbered 15 and 16 referred to Judea and Samaria and a 4000 years old bond of Jewish people to Jewish land. The concepts of land ownership and nation state as they exist now did not even exist then. Yet these accolades exemplify the body language of an empire to mythical statements aligned with its unrelenting colonial ambitions (Kassem 2011).² In no small numbers, Europeans identifying as Jews are flown to settle Judea and Samaria, the farcical Judaic name assigned to the West Bank. The settlements serve a vital military purpose that violates the lives and the livelihood of the indigenous population. Geographically, these settlements occupy strategically located positions which circumscribe local towns and villages.

Although geographically not within the borders of 1948 partitioned Palestine, the settlers and the settlements are Israeli proper. These are extensions of a more modern settler formation inside the West Bank. Settlements transmit to the West Bank little of the modern Israeli technological know-how. The attitude that surfaces on both sides as a result of an intense political environment limits the interaction between the two entities to sporadic moments (Abu-Lughod 1982). Although at present they employ a few thousand Palestinians and harbour industry and agricultural production, during the interval of study or before the Oslo Accords, settlements were far fewer and principally used as residences. Save their military role, the settlements as the batons that bludgeon the Palestinians, these confiscated areas remain more so an investment in regional militarism.

The development of agriculture in the settlements means the confiscation of arable and irrigated farmland. Settlements have deprived the Palestinian farmer of great portions of the right to water from an already depleted water table. The indigenous population is not allowed to drill any new wells nor to deepen old ones already in use, while the current restrictive policies have severely restrained further expansion of the area of land under irrigation (Awartani 1979). The settlers abuse drilling and use of local water without consideration to the precariousness of this issue, politically or ecologically (Jarry 1981).

Israel rations the supply of water to Palestinians and uses it as a tool of colonial subjugation. In 1978, 16,000 Israeli settlers used 14 million cubic metres of water, and 690,000 Arabs used 33 million cubic metres of water (Jarry 1981). The cost of irrigation water in the West Bank is systematically higher than Israel's. In the early 1990s, there were over 100,000 settlers in the West Bank straining water resources. In 2019, the numbers jumped to over 800,000 settlers. Although specific accounts of the water shortage impact on the expulsion of farm labour are unavailable, the burdens on local farming, its future viability and labour absorptive capacity are significant.

²Kassem S (2011) Myth and the crisis of alternative ideology, <http://triplecrisis.com/myth-and-crisis-alternative-ideology/>

7.1.3 *The Legacy of Underdevelopment*

As in the larger swathes of the rural developing world, farmers cannot access credit. The paucity of capital is the result of the financial repression of the territories (Harris 1988). The initial acts of the Israeli occupation were to completely demolish existing Arab financial and monetary institutions (Harris 1988). Alongside systemic and *ad hoc* measures imposed by the military authorities to retard local agriculture, Alfajr (1985), a local newspaper, listed this selection of Israeli obstructive practices deterring the development of local farming:³

- (a) The Israeli military authorities designate area, type and quantity of crop. The design is in concert with the demands of the Israeli agricultural sector.
- (b) Agricultural trade must be handled by and through Israeli agencies.
- (c) Israel imposes a 15% mark-up tax on sales and export.
- (d) As already mentioned, Israel limits irrigation and drilling rights.
- (e) Settlement and military roads are enclosed to the farmers and run through cultivable crop areas. The military occupation command demands that a 20 m security zone be cordoned off on both sides of the road.

In a similar manner to the inherent ineptitudes of much of Third World agriculture, this sector incurs its biggest drawback in marketing. This is not to say that Third World agriculture cannot be productive or cannot market. Farmers can always challenge the internationalisation of food regimes (Bush 2017). However, a distinction must be made: the comparison with First World agriculture is inapposite because it assumes identical output and power platforms. The evisceration of developing agriculture trails under the yoke of colonial and later imperialist hegemony. The weakness of the rural sectors tallies with the security exposure to imperialism. Once the defences of the developing nation weaken, the first sector to go under will be agriculture, the progenitor of necessary labour, but who in the developing world speaks of peoples' war as economic policy. At any rate, the near absence of food storage and or processing plants necessitates the immediate delivery of the product. Given the seasonal nature of crop production and the volatile political situation, incoherence in time as crop delivery coincides curfews results in the complete loss of produce.

Furthermore, due to competitiveness with the Israeli product, the marketing problem develops into a major hindrance. Apart from the high subsidy to agriculture in Israel, its agriculture is mechanised and concentrated in socialised/scale-enhanced farm areas, like the Kibbutz. The Arab producer cultivates small farms – as per the data on land concentration. Moreover, efforts conducted by Israel attempt to reduce the West Bank agricultural product into a complement of the subsidised Israeli product (Van Arkadie 1977). The higher per unit cost of production, non-labour inputs only, loss of scale and the high taxation levied upon the Palestinian product void prospects for market expansion.

Harris (1988) establishes that geography alone, that a farmer resides in the heavily taxed West Bank, is proof of higher taxation on Palestinians. As reasons for

³Alfajr, Volume VI, number 238, September 1985.

agricultural retrogression, he cites the economic isolation of the West Bank from the neighbouring Arab countries; the monetary and financial asphyxia suffered as a result of occupation and stresses high taxation (Harris 1988). Although the Israeli Shekel represents the major currency in circulation, the general price level over the study period in the West Bank is slightly higher than its Israeli counterpart (SAI various years). Usually the currency of the developed formation carries a much higher purchasing power when spent in the less developed formation. However, occupation and forced integration let Israel impose rationing of principal commodities and price mark-ups as means of subjugation. The occupation pays less in wages for a migrant performing an equally demanding job in Israel, while the migrant in the West Bank pays higher prices for the same product at home; the value produced by the migrant is the same, while the value outlay on the migrant labourer falls as a result of higher inflation and lesser wages.

In so far as farm input prices, 'the crux of the problem, in regard to profitability, stems from the fact that the price system for production inputs and farm produce have been radically restructured to the disadvantage of farmers'. The costs of such major inputs as labour, animal ploughing and irrigation water have risen by 5–18 times, whereas the price of major products, for example, olive, olive oil and oranges, has risen by max around 2 times. Most of the imbalance in the market structure is caused by the unrestricted entry of subsidised Israeli farm produce to the occupied territories' market (Awartani 1979). Although the inherent drawbacks of lack of autonomy and tech-underdevelopment drag down agricultural output, the politics of occupation turns out to be more instrumental in determining the value of total output in agriculture through its control of marketing and the price system. Table 7.1 displays how agricultural output after the 1988 *intifada* failed to catch up to its previous levels as a result of Israeli restrictions.

The figures on the real value of output in Table 7.1 exhibit a relative decline as of 1989. This tapering down happens even though during the uprising, Palestinians pursued a policy of steadfastness, self-reliance and return to the land (Samara 1988). The actual volume of agricultural output, in terms of tonnage, for the uprising years has not fallen. The independence of output from its market value underscores the significance that political power exercises over market prices and operations. More so than elsewhere, agricultural growth is more dependent on political rather than capacity or economic factors. The expansion of the low-return olive-culture as a form of resistance is a case in point. Israel's plan is to deplete agriculture by confiscating and curbing its inputs (Graham Brown 1986). Van Arakadie (1977) registers a decline in per capita and total output and absolute and relative decline as well. By implication, the agrarian labour force follows, in a similar pattern, the decline in agriculture.

Table 7.1 Real value of output pre- and post-uprising, millions of Shekels

1983/1984	1984/1985	1985/1986	1989	1990	1991
167	231	305	171	216	172

Source: Calculated from the Statistical Abstract of Israel, various years

Note: The years 1983/1984, 1984/1985 and 1985/1986 are deflated using an arithmetic average of the general consumer price index for the respective years

In order of relevance, political repression, the continued loss of land to settlement and, to a lesser extent, economic drawbacks such as limited marketability of agricultural products and the puny investment in this sector account for the decline of agriculture. Considering that migration to the Gulf states is significant only for highly skilled or educated Palestinians (Sabatello 1983) and that unemployment income is rather minimal; what remains for most agricultural labour is the Israeli labour market.

The theoretical implications are about the historical agent, the specific capital within the broader circle of capital, which conducts the policy of immiseration and dislocation. That capital could be, narrowly speaking, the Israeli firms that enjoy the cheap labour from the West Bank. This type of capital, the construction, the agricultural and the service sectors in Israel, which is not so significant to Israeli capital after all, may intermittently benefit from the immiseration of the West Bank and lower wages, but it does not appreciate political disruption cutting the supplies of labour. It may pauperise the Arabs, but there is a threshold at which it stops because it needs the daily intensive labour performed by the migrants. It may also sell to the West Bank and appreciate a higher purchasing power in occupied areas. There are all sorts of scenarios here; however, the higher order capital of Israel, the partners in imperialist rent, the technology and high value-added export sector, including the military, have no bottom points at which it will stop immiserating the Palestinians. This capital is an avant-garde of imperialism that flourishes with the incitement of wars, and because the Palestinian question incites bigger wars, the extirpation of Palestinians has to be an ongoing process. Such is the real economics of land confiscation and migration. Israel practises the latter form of colonial dislocation, one in which all the possibilities of disaster loom, because the disaster or the war is the surplus value and profit opportunities for US-led imperialism.

7.2 Manufacturing

A brief review of industry in the West Bank reveals a trend similar to agriculture. It has declined. So daunting was the Israeli occupation that, 'it was to be expected that West Bank industry in 1981 was little different from what it had been under the mandate' (Frisch 1983). The share of manufacturing from local domestic product went from 9.2% in 1976 to 7.1% in 1986 (UNCTAD 1993b). UNCTAD statisticians posited that the contribution of industrial production to output has hit its lowest rates under occupation: 'the manufacturing sector was the weakest link in the Palestinian economy in the 25 years of occupation. Contrary to the usual trend, the decline in the traditional sector has led to a rapid expansion of tertiary sectors at the expense of the potentially dynamic sector of manufacturing' (UNCTAD 1993b).

The share of industrial employment from total employment appears fixed at around 15%. As of 1988 (the first Intifada), the West Bank expanded industrial output as means of resistance and self-reliance. This may account for the 2% increase in the share of industrial labour; see Table 7.2. However, these variations are of minor significance to the overall trend.

Table 7.2 Employment in manufacturing as a proportion of total employment in the West Bank, percent

1970	1975	1980	1985	1987	1990	1991
14.6	15.8	15.2	16.2	16.6	15.8	16.9

Source: Calculated from the Statistical Abstract of Israel, various years

Table 7.3 Employment in Israeli manufacturing and construction as a proportion of total employment in the West Bank, percent

	1970	1975	1980	1985	1987	1990	1991
Manufacturing	12.9	18.6	21.0	16.6	17.7	11.4	9.0
Construction	54.3	54.4	47.4	47.6	45.6	59.5	68.5

Source: Calculated from the Statistical Abstract of Israel, various years

As mentioned in the previous chapter, most firms are of the family-run type workshop. The low technological levels explain the low ratio of contribution to the domestic product over employment in this sector, unlike the agricultural sector, where a significant segment of gross domestic product is generated through family work that does not register in employment statistics.

The same, however, could not be said in relation to the share of industrial West Bank labour working in Israel. The proportion of West Bank labour employed in Israeli manufacturing continued to rise until the commencement of the mass post-Soviet settlers' influx into 1948 Palestine, beginning roughly 1988–1989. Although the number of commuting workers to Israel continued to rise, the share of manufacturing labour from total commuting labour in 1988–1989 started to fall. Since there was no overall decrease in the numbers of commuters, this meant that the share of another sector must have risen. The higher rate of construction activity in Israel, and the higher wages in construction, led to a shift in the employment of commuters from manufacturing to construction. See Table 7.3. The absorption of new settlers from the former Soviet Union required the construction of new homes. Ironically, the refugees from Palestine built the homes of new European settlers on land from which they were uprooted. Shifting labour from other sectors into construction went smoothly because much migrant labour in Israel was not registered or *de jure* contractual labour.

Workshop-type manufacturing in the West Bank generally employs 1 to 3 people, in 2517 shops – 66% of all establishments. About 26% of the firms are in the textile business, 18.5% in wood and its derivatives and 11.1% in food stuff and beverages. Only 22 firms employ over 50 people, and 81% of all firms have less than US\$30,000 in initial capital (Khalid 1986). Although these are 1985 figures, according to UNCTAD (1993) statistics, this picture holds with minor changes at a later stage.

Underdevelopment is holistic. The colonially instigated lethargy inhibits industrial development. Of the major obstacles facing the development of this sector, uncertainty over the business time horizon is pressing. An erratic and politically charged environment disincentivises investment. The market may not be so rational

to be efficient, but even an irrational market senses that a viable political solution to the Palestinian question is *quasi-impossible* without disarming imperialism! Why quasi-impossible?

One may wryly imagine that if all the peoples of the region decide by some élan to let peace break out, the US-led financial class may attempt mass suicide in anger. Whereas peace in a class social order is more fantasy than reality, regional détente will thwart the lynchpin of US imperialism – accumulation by militarism. Less significantly, Israel introduces legislation to undermine the slightest pocket of Palestinian industrial development that may infringe on the Israeli market. By and large, heavy taxation on industrial output in the West Bank is reminiscent of taxes introduced by the famed Jean-Baptiste Colbert under Louis XIV. Aruri (1986) likened the sudden imposition of the 8% tax on manufacturing output as tantamount to economic war against Arab enterprises. Just as Colbert did, Israel levies taxes on anything under the sun: transport, imports, exports and commissions.

Imports from Arab countries are prohibited. This contorted the West Bank's trade relations with the East Bank. It deprived manufacturing of vital raw material and cheaper energy sources. As there is not much trade between Israel and the Arab countries (apart from trade in service to imperialism), West Bank imports come through Israel and mainly from non-Arab countries. The Arab boycott law has been the subject of discussion by the League of Arab States, and, given Israel's now open rapprochement with the Gulf states, it may soon be totally or partially rescinded. Our concern for the time being deals with the actual events at the time leading to the rise in the numbers of commuters. The future feasibility of the industry in the West Bank subject to varying political scenarios is of concern to us only insofar as the labour market is affected. At any rate, the severance of the West Bank from its Arab milieu hiked the costs of energy, raw material and replacement of technology.

A product required by industry in the West Bank but produced abroad must be commissioned by an Israeli trade agency. It is subject to Israeli tariffs. The outcome is that Israeli products are being sold in the West Bank and Gaza Strip merely because of the level of protection and the residents thus pay more for goods than they would if they were a separate entity with control over their economy (Bahiri 1987).

The dearth of local financial institutions limits industrial expansion to hoarded savings as opposed to credit. In his survey of industry, Awartani (1979) observes that local businesses do not expand due to the shortage of credit, times of political instability and low profitability. Bahiri (1987) records a high incidence of flight of investment capital to Jordan and other Arab states in search of secure returns. Lack of lending agencies and a nationally supported state sector corroborate the case for abstention. It would take some Keynesian 'animal-spirit' to invest under occupation circumstances. Under more sovereign conditions, national finance and state spending undergird private investment and spread the related risks. In comparison, Israel's state-sponsored industry accounts for 50% of gross capital formation (Average 1980–1985 [Bahiri 1987]).

In industrial product marketing, the West Bank faces off against Israeli products. There is no level playing field in this competition. Arguably, marketing the

West Bank's product in external markets is no easy task. Apart from Palestinian industrialists close to the occupation, the Israeli quarantine on West Bank commerce and the Arab boycott nearly efface the possibility of trade-driven development. The barriers narrow the range of exportable commodities from the West Bank and, by implication, limit the horizon of technological innovation and export potential.

A decade into the occupation, the following list of impediments to industrial development was recorded by Spector (1978): political uncertainty, limited domestic market for industrial products due to low purchasing power, lack of expertise, entrepreneurship willingness to invest capital, out-of-date technology, low levels of education and vocational training, and the absence of complementary services and developed infrastructure, including electricity, the lack of adequate natural resources and an increase in the import of raw material. These recorded facts omit the relevant fact of history, settler colonialism, which has practically denied the Palestinians their national rights, their agency of development and let alone that they should be in charge of development or carry out development.

Although the United Nations has issued a plethora of resolutions condemning the occupation, it too failed to mention colonial settler occupation as the primal reason for the disaster. The partition of Palestine was an explicit endorsement of biblical myth. In fact, the United Nations does a good job of covering up the Israeli atrocities. For instance, its causes for contraction of Arab industry are 'market limitation, capital shortages, *prevailing political conditions*, qualified workers, taxation, electricity disturbances, and raw material shortages' (UN ESCWA 1981). Such a statement would be no different than Spector's above or any other Israeli commenting on industrial development in the West Bank. The passage *prevailing political conditions* is inserted into the text merely as an equally contributing factor to the underdevelopment of industry as shortages of raw materials. Not that it is unwise to conflate subject with object: it is lack of political agency that lays the condition for shortages. The UN language is insensitive to the Arab masses, for whom the undisputed cause of Palestinian underdevelopment is the politics of occupation.

Some may emphasise this or that shade of politics behind underdevelopment, but it must be the politics of the dominant class and its power that call the last shot. Bahiri's (1987) comment on the results of the above-mentioned United Nations survey was that even the non-political conditions, the other six factors, may have a political dimension. He pinpoints the many ways in which these factors can be linked to politics. For instance, without approval of banking facilities by Israel, there will certainly be a shortage of capital. Administrative decisions influence market size, and ultimately politics decides on taxation. Confounding the politics of occupation with its consequences is the dogma of the mainstream or that of the United Nations.

It is not easy to retrieve data to compare the development of West Bank industry with that of the East Bank in Jordan. This exercise may highlight the impact of occupation politics on the development of industry in the West Bank. Supposing the Jordanian and West Bank formations initially shared an equal technological base, the impact of politics upon development emerges in the comparison of local West

Table 7.4 Industrial rates of growth in Jordan and the West Bank

	1969	1970	1971	1972	1973	1974
Jordan	19.5	...	18.6	22.3	9.9	6.1
West Bank	...	9.4	15.5	11.6	4.4

The above table is constructed from Kanovsky (1974), Van Arkadie (1977) and The Statistical Abstract of Israel (various years)

Bank manufacturing with its Jordanian counterpart. As shown in Chap. 2, the West Bank was initially more developed than the East Bank, and its later fell behind. Nonetheless, that the occupation has retarded industry in the West Bank may be surmised from the lower rates of growth of West Bank industry in Table 7.4. The data is inaccurate and constructed from reading several sources. I am showing it here to expose the lower trend of West Bank growth rates, but one should not make much of the value itself. The trend may provide an indication regarding political intervention and reverse development.

These data were collected prior to 1974. Statistics were not consistently available for every year, but one may observe the comparative decline in the West Bank. After 1976, the data from the SAI on Palestinian manufacturing exhibits very low rates of growth (discussed below). In the early years of occupation, manufacturing in the East as well as the West Bank grew at declining rates because their ties were severed.

7.3 Industry's Debacle

Because the product of the West Bank is determined by its colonially restrained market, industrial productivity growth remains sluggish and decouples from national growth rates. This is not just the case for the West Bank. Sluggish growth in demand, as the case in the West Bank, may be offset by rising imports and aid while national industry idles or shrinks. Wherever the market falls under the control of imperialism, industrial productivity growth ceases to proportionally follow output growth. In the run of the mill circumstance, without imperialism, the latter relation, that output growth leads industrial productivity growth, is just an empirical law known as Verdoorn's law (Verdoorn 1949). In the West Bank, however, normal laws stop working and output rises as industrial productivity declines. Also, in a pauperised West Bank, poverty wages qua poor demand do not lead productivity growth. Keynesian demand-led growth in such circumstances delivers little impact. Too many low wages add to a low wage share and low demand. That is why the treatise on economic development in the developing world was fundamentally more socialist than Keynesian economics from the very start (Toye 2012).

As a developing industry, the West Bank's industry characteristically faces difficulties ranging from labour expertise, energy, resources to low-technology levels. Furthermore, industry in the West Bank confronts colonially prohibited access to

markets, which dampen sales volume and profits. The persistence of either the marketing or structural low-tech constraints depends on the autonomy of the institution in charge. For the time being, the crisis is a question of lack of capacity; hence, let us just put aside whether the institution is public or private. An accent on such a differential performance or private-public dichotomy may be fallacious because both the private and the public sectors are subject to the same business culture. As John Weeks (1989) properly explains, it takes a corrupt private sector to corrupt a public sector. The context in the West Bank is occupation, and the substance of the institution in command is settler colonialism. Whereas under capitalism, capital severs production from its social ends by the inverse degree to which the working class commands power in the class struggle, occupation does not recognise the humanity of the Palestinian, and it cuts off any traces of social usefulness in production. The discord between Zionism and Palestine is literal suppression and denial of the Palestinian's humanity and right to exist as a people. With the subject of development in the West Bank, Zionism is ideologically the nemesis to development in the West Bank. As production veers from its social ends, the circuit of capital lodges in a waste cycle; by definition or by the leading link in value relations, surplus value is waste (Kadri 2019). The more Israel destroys and decapitates, the more surplus value it creates, the more the social foundations upon which profits emerge.

That Yahuwah promised a land, which happens to be inhabited by Palestinians to European Jews, is not the reason why Zionism slams Palestine. The reason for the occupation is colonial expansion to usurp the colonised social surplus. That surplus is not really the value produced by Palestinian migrants in Israeli shops. This activity is a mere stage of production that is prefigured within militarism, which is the principal economic activity of the region. In a world whose governing relation, capital, lets one child under 5 perish from hunger every 4 s and billions to wallow in misery while the climate dies is not a place where anyone could be saved. Zionism is part of capital's power fabric. It contributes to the march of impersonal history. Its ethnic cleansing of Palestinians, expansionism and wars are an industry of militaristic accumulation. These waste and sub-categories of waste production create surplus value. The rate of exploitation at which the nerve muscle and lives of Arabs are extinguished in war as production, the purest of all waste endeavours, is high. Furthermore, the West Bank and Gaza are areas where severe austerity causes many premature deaths related to stress and poor health conditions (WHO 2018).⁴

For Palestinians, the degree of market power over prices, free entry and/or dependency on foreign technology, including trends in population growth, are not immediate or intermediate policy variables. These cannot be addressed or remedied in the short or long term because they are outside the purview of Palestinian command. Facilitating import of technology and raw materials and establishing technical schools and permits to export, for instance, are policy variables of national

⁴Report by the Director-General of the WHO, Health conditions in the occupied Palestinian territory, including East Jerusalem, and in the occupied Syrian Golan. An example can be found under Provisional agenda item 14 18 May 2018, http://apps.who.int/gb/ebwha/pdf_files/WHA71/A71_27-en.pdf

institutions. Coordinating the input-output tables of industrial growth, which would build the long-term strategy to overcome lagging capacity, is not a Palestinian national agenda item. These commanding roles fall upon the shoulders of the state in partnership with local industrial institutions (Amin 2014). The latter are industries with a history and vested interest in the market of the West Bank. However, no matter the prescription for development, there has to be an autonomous state. The West Bank is an occupied non-sovereign entity lacking the concentrated politics of the state. Hence, the problem of harmonising the interrelated drivers of growth is in the purview of the meek industrial institutions, whose capital is puny, and a Palestinian resistance that has, at the Oslo Accords stage, witnessed its biggest faction Fatah transmute into an arm of the occupation forces.

Successful industrialisation, as in the case of South Korea, arises upon the role of the state in coordinating industrialisation policy, which enabled national conglomerates to acquire sizeable assets, a steady future and enhanced competitiveness (Hamilton and Kim 1993). Israel too has its national conglomerates (Nitzan and Bichler 2002). However, as noted in Chap. 2, Israel was a European economy transplanted into the Near East. It is ludicrous to compare any developing economy with an occupied entity; however, for the sake of argument, the combination of modest West Bank resources and lack of autonomy writes off any future of its industry. Save the settlements, infrastructural development in the West Bank has stood still or relapsed during the Israeli military occupation. Kimmerling (1983) argues that stagnation of the territorial infrastructure is proof of the stagnation in West Bank industry.

Absorbing labour into the industry of the West Bank or related activity confronts a declining sector alongside a high rate of new entrants into the job market. Faltering productivity reduces indigenous wealth and the possibility of employment in social care or culture. Apart from the unlikely realisation of scale, the shrinking scope of industry and its losses due to confiscation also reduce jobs. To prefigure the collision of dwindling capacity against a rising number of people looking for work, the state must cushion the impact or step in and create jobs whose productivity criteria are social rather than private or profit based. Neither industrial development nor jobs related thereof are possible under occupation. Add the compression experienced in agriculture to the diminution of industry vis-à-vis the limited possibilities for unskilled labour employment abroad, whence the mechanical explanation for the reserve army of Palestinian labour. Academically, one may posit that industry from Israel may relocate to the West Bank, either directly, in branch plants, or indirectly, in subcontracting, hence creating local opportunities for employment. However, branch plant industry in the West Bank falls under the category of foreign direct investment (FDI) in the industry. Israeli or foreign industrial investment in the West Bank is unnoticeable (SAI various years). Although from the point of view of the dynamics of lower end or labour-intensive Israeli capital, business interests may be better served by the relocation of certain phases of production requiring the employment of unskilled labour into the West Bank; such move was not to be. Naturally,

the rebuilding of industry and infrastructure empower the Palestinians, whereas the whole purpose of letting Arab labourers depend on the Israeli labour market is to disempower them. It is not only that uncertainty inhibits investment in the territories; investment in Palestinian industry is a colonial taboo.

However, as stated above, some subcontracting in areas that require labour-intensive activity and, relatively, little initial capital outlay, such as the clothing industry, is there in small numbers. By the late 1980s, the growing clothing industry comprised nearly 20% of industrial output. It was a growing branch, while others lost ground. It employed 22% of industrial employment, 95% of whom are women working from home. In contrast, men compose 95% of employees in Israel. About two thirds of this sector's output is subcontracted to Israel. The wages in this sector are the lowest in the industry (Bahiri 1987). Altogether, the volume and growth of these subcontracted sectors remains relatively small when compared to overall industrial sluggishness.

The cumulative growth rate of manufacturing as calculated from the SAI over 10 years (1976–1985) is about 4%. This rate includes the seasonal component of working olive presses. Expressing the growth rate after removing the olive press outlier and adjusting for the seasonal component of olive press activity, the actual cumulative growth rate of industry is about 1.7%. These are rough estimates based on data from the Statistical Abstract of Israel. Comparatively, the growth in the clothing industry vis-à-vis industry as a whole seems large only because the overall growth in this sector is torpid. The low 1.7% growth exists only because the growth in the subcontracted clothing industry is high. However, the low-wage gender-specific jobs, size and share of this branch are set against a significant population of working age.

7.4 The Construction Sector

This sector bears a distinct character in this economy. It employs a sizeable proportion of the labour force. Most construction workers, nearly two thirds, work in Israel; see Table 7.5 below. The expansion in this sector reflects the expansion of construction activities in Israel c. 1974. According to the Washington Post, a temporary rise in construction activity in the West Bank in 1974–1975 may have contributed to the boom.⁵ However, this 2-year rise in building activity in the West Bank was funded by external Arab sources. The high sensitivity of West Bank output to transfers from abroad has been closely observed and documented by the Jordanian Palestinian Committee in their Data Bank on Occupied Palestine.⁶ Furthermore, the

⁵Washington Post, January 7, 1976.

⁶See, for instance, the manual entitled: Basic Statistical Indicators on Occupied Palestine, Amman, June, 1988.

Table 7.5 Combined wage employment in construction, Israel and the West Bank and in Israel alone, thousands

	1975	1980	1985	1987	1990
Combined total	27.0	25.8	33.9	40.2	47.4
Israel alone	21.5	19.0	23.9	29.6	36.7

Source: The Statistical Abstract of Israel, various years

stability characterising employment in construction inside the West Bank is due to local labour's participation in building Israeli settlements inside the West Bank.

This sector offers a slightly higher wage than average. The low level of labour qualifications attracts a majority of unskilled Palestinian workers. From the demand side, the low elasticity of technical substitution and the labour-intensive characteristic of construction work imply that growth in construction induces proportionate growth in its respective employment level. The contribution of this sector to West Bank GDP rose from 3.5% in 1968 to 16.7% in 1987. Consistently with this, Table 7.5 and Khalid (1986) show that construction employment has been rising.

Less so for construction, still Israel replaced the majority of commuting workers in other sectors with labour from other developing countries after the first Intifada. Israel kept enough workers from the West Bank to relieve pressure on its allies in the Palestinian authority. Unemployment in the occupied territory rose in tandem with the rate at which it replaced Palestinian labour. The fact that most commuting jobs including construction work are low-skill jobs invalidates the argument that Israel has a chronic dependency on Palestinian labour.

In summary, apart from sporadic spurts in housing construction in the West Bank, the development in its infrastructure, roads, public buildings, etc. has been negligible. The impact of growth in West Bank construction on the absorption of local labour has been relatively steady.

7.5 The Service Sector

Whenever industry and agriculture shrink, poverty wage level employment in the informal and service sectors rises. During the period of study, the West Bank service sector expanded despite the fact that tourism in the West Bank operated below its potential for the obvious reason of security. The share of this sector from the GDP rose from 36% in 1974 to 51% in 1987 (SAI various years). Most tourists to the West Bank prior to 1967 were Arabs. A first-hand explanation may be that the growth of this sector rests on the amount of aid destined for consumption. For strategic reasons, Israel does not facilitate aid that builds capacity in industry and agriculture because such capability may turn into Palestinian autonomy. Additionally, the major donors are US-Zionist-protected Gulf Sheikdoms, which also do not wish to build up Palestinian autonomy. For cross-national class reasons, the Gulf

Table 7.6 Employment including self-employed persons in services, Israel and the West Bank, thousands, also as a proportion of the total employment in the respective locality

Selected years	1975	1980	1985	1990
Employment in the West Bank	37.8	38.5	45.7	56.0
Percent of employment in West Bank	41.0	41.0	44.0	44.0
Employment in Israel	6.3	7.7	9.7	14.0
Percent of employment in Israel	15.5	19.0	20.0	22.0

Note: Percentages are rounded to the nearest number

Source: The Statistical Abstract of Israel, various years

Table 7.7 Wage employment in services in Israel and the West Bank: thousands

	1975	1980	1985	1988
Wage employment in the West Bank and Israel	21.3	19.7	24.3	24.0
Wage employment in Israel	5.3	6.9	8.6	12.7

Source: The Statistical Abstract of Israel, various years

rulers and their Israeli counterparts fall under the security umbrella of imperialism and are probably more zealous about its goals, especially vis-a-vis Iran.

For lack of alternative sources of income, people getting involved in low initial capital and low-return self-employment activity account for the rise in service sector employment. Although the number of workers employed in services and the sector's share in GDP rose as of 1968, the associated rise in employment, including self-employment, as a proportion of total employment was not so significant. See Table 7.6. Table 7.7 shows that the number of participants in West bank services, employees as opposed to self-employed, remained somewhat unchanged.

There are about a thousand Palestinians from the West Bank who are self-employed in Israel. These middlemen and transport workers cater to commuting labour in Israel. Table 7.7 reveals that the rate of service sector wage employment largely rose because of employment in Israel.

After the first Intifada, the majority of service sector workers in Israel were replaced. Service labour is easier to replace than construction labour. Although migration somewhat reorganised the class composition of Israeli society, such minor alterations have not reassured the rights of commuters in Israel.

7.6 Closing Comment

The views on underdevelopment in the occupied territories are, as elsewhere, class positions. In addition to outright closure and demolition, restrictive policies and increasing costs undermine the potential growth of manufacturing and agriculture. This dilemma is further compounded for these productive sectors when the imposed integration raises the cost of living, while migration of labour to Israel raises dependency and the costs of domestic labour.

The West Bank's major demographic cohort at the time was between 15 and 25 years of age – still about the same at the time of writing. Many new entrants lacking enough funding for self-employment find the possibility of work at subsistence wage at home quite poor. Moreover, the impact of the shrinkage in the productive sectors on the unskilled labour force also consummates in migration. Hiltermann (1985) expressly comments that by limiting economic development in the territories, Israel assured itself the type of workers it needed. For Kubursi (1988), Palestinian workers could theoretically find employment in the sectors of the occupied territories' economy, such as industry. But due to restrictions on licensing, West Bank and Gaza industry have stagnated or declined. Other factors he notes include capital mobilisation and markets but also increase in the cost of labour and competition from subsidised Israeli products (Kubursi 1988).

To create a pool of Palestinian wage labour dependent on the Israeli job market for employment is efficient occupation. The per unit return on militaristic investment, the expenditures on repression and wars rise by the social and economic insecuritisation of the West Bank. Not for reasons of propinquity, but for class reasons, to 'tame the horde of barbarians', speaking of Palestinians in the European vernacular, the impoverishment of Palestinians reverberates in a war atmosphere regionally. Israel's objective is not to return to the West Bank the value and the resources that reproduce the community. More Palestinian living security entails an autonomy and state of consciousness that could cut itself free from imperialist subordination. The hollowing of Palestine, which includes depopulation measures, in terms of expulsion and reduced life expectancy in relation to the historical average, is customary colonial practice.

The foregoing recorded the decapitation of the economy sector by sector. There is to be sure a process of massive enclosure. Here, however, instead of creating the wage slaves as occurred in the English countryside during the early transition to industrial capitalism, financial imperialism creates not the wage slave but the commodified human readied to be consumed whole in militarism. In terms of capacity to metabolise more humans and nature, the Zio-imperialism of today is far worse than primitive accumulation. Not only the small plot of land being confiscated, the formal and informal processes that sustain the macroeconomy are also being obliterated. 'Informal' because there is no state to formally strategise or align policy objectives. Little transpires from the demands of the community for a better life at the national level. The interchange between the part and the whole, what people desire and the macro vehicle, the political form of representation, which channels that desire, has been amputated. The synergy that mobilises resources to enhance capacity has been disrupted. Displacement assumes dual but auto-reinforcing tracks. The families and communities are being assaulted, while the formal and informal forms of organisation of society are being dismantled. In the forthcoming chapter, these observations will serve to explain migration using a Marxian political economy approach. The Marxian method evolves the argument beyond the point of simply correlating observed phenomenon in order to construct a theory of migration.

Wages do not rise, and then labour migrates to the higher wages. Both are symptoms of deeper social class processes. I will examine the class determinants of migration, which necessitate this exchange of labour services for wages and, more pertinently, the policies that consume the labour and the lives of labour in shorter periods than is historically determined.

Chapter 8

The Marxian Perspective



This chapter employs the historical materialist method to analyse proletarianisation under Israeli occupation in the West Bank. It examines the causes of the accelerated transformation of the Arab semi-proletariat into a proletariat. The depletion of the agricultural sector and the shift in employment from subsistence to wage labour is a mechanism that may be tied to changes in the Israeli economy and its growing demands or to broader US-led imperialist objectives. At first, it appears proletarianisation relates to both objectives. However, everything is bound to everything, and the world of appearances makes for a loose theoretical construction. What is not known is which of the two social classes, the narrowly defined Israeli formation or Euro-American imperialism, holds determinacy. Who calls the shots in order to arrange what is best for global capital? The answer to which of these two classes' objectives the West Bank proletarianises is key to understanding the geopolitical dimension of the theory of labour migration.

Remittances from migrant labour are presupposed by rising productivity elsewhere but ultimately decided by the forces that control geopolitical rents. The power structure of capital *might* be fractured, more splintered than cohesive. Israeli industry hiring migrant labour *could* be the decisive power creating the conditions for migration, independently of broader imperialist currents. These industries may even capitalise, reskill and invest in Palestinian labour to enhance productivity. Conversely, that power could be imperialism acquiescing to repression or abetting measures of socialisation and commodification. Through its financialisation of the planet, its control of the transfers of value in the form of moneyed dollars, imperialism could be laying down the social conditions for the migration of specific types of labour. At a more foundational level, Bauman's (2000) liquid modernity is better seen in relation to more easily liquefiable assets across the globe, a characteristic of financial capital in the twentieth century, dissimilarly to his concept whose basis is estrangement by the information revolution. Usurping the surplus by means of finance, by liquidating the assets of the developing world, including no less liquidating humans, and moving moneyed value to the centre, alienates much of humanity from its sources of reproduction. Alienated production estranges the masses from

themselves more so than a Eurocentric vision of software effects à la Bauman rupturing ties between people. Let me be clear, in the developing world, the consumption of people before their due time, the accumulation by waste, is a big industry that Eurocentrics do not account for.

As part and parcel of the relationship of imperialist rents, the control of remittances as the form of value which reproduces the migrant community belongs to the workings of the law of value. Creating cheap labour also belongs to the law of value. Israel could create a hundred thousand lowly waged Palestinian workers, but imperialism already has billions at its disposal. Whether the Israeli industry demolishes the conditions for maintaining decent livelihoods in the West Bank to create thousands of migrants and whether imperialism opens the floodgates of the global reserve army of labour are questions that address the determinacy and reasonability of capital. Why is it that an imperialism with billions of cheap hands in reserves concerns itself with the measures Israel takes to pauperise hundreds of thousands of Palestinians? Imperialism is an intensification of the capital relationship. Financial capital in charge of history, the imperialism in the last and this century, is also the objective and impersonal patterning of the commodity's *reason*. Farther afield, capital's disciplinary measures are applications of the law of value on a global scale (Amin 1974). Its organised dimension, its ideology and institutions, altogether its *reason*, could foreshadow crises and attempt to eliminate labour as the historical alternative. Visionary capital may mould the terrain and set the rules of the game upon which choices form. Capital's options are historical and not formal choices. Their time is historical or social time. Imperialism defeats and engenders defeatism. It builds the power facts, just as Israel does by defeating and building settlements, to control the context in which choices are made. Imperialism adopts the historical choices, which forge the choices available to the working classes at any instance as the imperatives with which they must live. Starving, exterminating lives before their historically due time, is imperialism's method of choice. Capital has been successful chiefly because it has extinguished so many lives in production. Determinedly, it has overconsumed social nature to the point of the current social and environmental calamity.

It matters for the struggle whether capital's ideological hold rests on such indefatigable *reason* or whether its foundations are fractured. A disarticulated structure of capital, one whose parts, like the Israeli firms hiring Palestinian labour, command enough autonomy to break its momentum, leaves open the cracks in which resistance may grow. Although the data will clearly show a cycle of cheaper labour inputs and higher profits for the Israeli industry, however, such a picayune capital is not what motivates migration. True to form, Israeli firms require cheap labour and possibly support measures that deprive Palestinian labour of its assets to cheapen it, yet their narrow concerns are dwarfed by what is at stake in a strategic region. The rents from war and oil in the Middle East far exceed building houses for settlers or picking Jaffa oranges.

Commodities and money saturate every nook and cranny of the planet. Their expansion by the law of value obeys the *reason* of history, the rule of commodities, at its crucial link: the truly efficient markets for the skin of the natives in the

developing world. The efficient market hypothesis which allegedly prices the assets of the developed world often unexpectedly falters, especially, as the business cycle dips. But what capital never misses is the market for war, which compensates for all the inefficiencies of the centre, including its market failures. In such an interconnected world, where an absolute crisis must persist in the South and especially in Palestine, the agent of history cannot be some minor circle of capital, some section of Israeli capital, developing its own fief. It is the bigger capital, the imperialism of the monopoly and finance age, which determines Palestinian proletarianisation and migratory phenomena.

While socialism slips into crisis, the alternative to capital has been more capital, as in more of the fascism practiced against the unarmed masses of the developing world. US-led imperialism, 'a monstrosity that has outdone the sickness and inhumanity of Europe' (Fanon 1967), is the class that decides. Zionism and its personification in Israel are the historical choice of imperialism and mere instruments of the law of value or, alternatively, the law of waste. Recall: value is innately waste (Kadri 2019). Migration and dependency on commuting labour were only superficially the desire of Israeli firms. The larger enterprise of war and militarism reworks even the most minute mechanisms of labour and production processes to serve imperialist ends. It even introduced socialist land reform in South Korea to strengthen it against China. A subsidiary analysis in this chapter will involve a brief review of Israeli capital accumulation, its linkages to imperialism, and its links to the politics of violence in the West Bank.

8.1 Theorising Misery

The process of removing the small farmer from the land was and remains necessary to capitalist accumulation. To do so, capital encroaches upon outmoded ways of making a living. In pre-capitalist Europe, enclosures of tenant farmers working on land to which, in most cases, they did not hold legal title marked the period of primitive accumulation. Blood and fire typified the inexorable process (Dobb 1964). Practiced as slavery in the colonies, forms of primitive accumulation, encroachment qua containment have not come to rest but evolved into enslavement of whole nations. After wars of conquest, the resources of vanquished nations are strewn for grabbing at very cheap prices as was the enclosed labourer or captured slave. Displacing the peasantry through economic liberalism, extralegal and political measures persist as a requirement for social production. Proletarianisation latches to the demands of the more modern sectors at home or abroad. Industrial growth simultaneously requires the labourer to hire and the labourer to idle, the latter in ever-larger numbers. Higher rates of accumulation call for additional labour with higher reserves of wage labour presupposing the compression of wages. The political power of labour, including the forms of organisation and consciousness of the working class, determine the share of wages. As posited in Chap. 4, the wage derives from the product market as opposed to the labour market, which literally means that

the labour market is not about wages responding to productivity, but of wages being the product of the functioning and the power rapport in a commodity market, of which labour power is a commodity (Marx 1867; Kalecki 1943). As the general price level shifts up as a result monopolisation or leakages, for instance, it takes labour's exercise of political power to steady its real wage level and share. Quelling labour's revolutionary ideology and organisation is capital's *raison d'être*; however, capital's longevity and higher rates of surplus value call for a labour armed with pro-systemic consciousness. Capital promotes a Western liberal-influenced consciousness, and the intellectual corruption disseminated by dominant ideology, the sort that uses capital's conceptual framework to fight capital; hence, while being predestined to be defeated, labour re-empowers capital as subject in production relations.

By the time of British or Zionist occupations, Palestinian farmers held deeds to their land. As nineteenth-century cash crop culture flourished in the Mashriq, the cadastral system governed property transactions as early as 1850 (Duri 1969). Removing the Palestinian farmers with ruses or by rewriting the law fails to deliver wretchedness and the necessary numbers of socialised paupers in search of wage jobs. As is inherent to colonialism, Israel must utilise colonial violence in restructuring the Palestinian labour process or the transformation of labour from semi-proletariat to full proletariat.

Israel's competitive industry, scale and technology relative to its neighbours are a continuation of the settler's industrial culture in their European homelands. Israel arrived too late at the scene to eject workers from industry, because much of what remains of Palestinian industry is of the artisan type. The pressure of structural change materialised under the British. In agriculture too, in case Palestinian land had escaped Zionist settlement, small-scale farming, despite its lower technology, survived modern-scale competition through intensive labour.

By a process of elimination, which excludes the irrelevant options, colonial violence remains the sole alternative to the occupation force. Mattar (1986) and Graham Brown (1986) cite crop defoliation, plantation destruction, land confiscation and the ethnic cleansing of villages as standard Israeli practice. These alone displace and create additional reserves of wage labour. They impoverish the population, turn its private or less-social labour into fully socialised and only wage-dependent labour. As elsewhere, colonial atrocities revamp traditional ways of life.

Palestine's integration into the world economy gained momentum under the British early in the twentieth century. As explained in Chap. 2, there were no massive expulsions from the land during the mandate. British occupation did not proletarianise further because of already curtailed Palestinian industrialisation and unchanging cash crops related to a given level of concentration in landownership. Graham Brown (1986) observed the peasant had 1 foot in the farm and another in the wage-paying sector – loosely put, a classic semi-proletariat. A relatively small proportion of the work force turned to wage employment. Proletarianisation was less significant in the West Bank because the area is further away from the more commercially vibrant urban coast.

During the Mandate, the average farm's income was between 25 and 30 Palestinian pounds, while the average indebtedness was 27 Palestinian pounds with a yearly annuity of 30% (Owen 1980). Although Owen claims that the Mandate authority intervened to save some of the small farmers from the grip of usurers by lowering the rural tax rate, for Zu'bi (1981) farmer debts were not so important. She remarks that in light of the low concentration of landed property in the West Bank and in comparison to the total land and asset values, the average debt was not sufficiently significant to warrant any mass foreclosures of farmers due to indebtedness. As a token gesture, the British may have saved a few farmers as a public relation move. By 1967, apart from the refugees expelled from Palestine in 1948, the then truly socialised wage workers, the West Bank's Arab population, remained based on agriculture.

The British reared the Euro-Zionist economy, its bigger industry and infrastructure, alongside the thinly distributed national economy. The industrial and cash crop export-oriented Zionist projects grew walled off from the Palestinian economy. European settlers mainly purchased large tracts of land from absentee landlords and employed incoming settlers on the land – alongside seasonal work for Palestinian in agriculture. With the low technology, scope and scale of national industry and agriculture, the Palestinian economy's corresponding rates of growth were either negative or torpid.

As the European settler world grew, Palestine was taken apart piece by piece. The fissure between Palestine's productive forces lethargically growing and its production relations corresponding to anticolonial struggle meant that to develop, the Palestinians must win the national liberation war. For every advance in the settler economy, there had to be a parallel relapse in the indigenous struggle for independence. By the time the settlers won their war, all that was left for Palestinians was a title deed for the house and the small plots of agricultural land, which they carried with them into exile.

In times of good crop yields, farmers marketed their surpluses. However, market practices were quite limited before 1948 in comparison to the broadly based subsistence sector. More to the point, under the mandate the farmers stayed put on their land. The only mass purge occurred during the ethnic cleansing of 1948. Without the war, there was no overbearing reason for social relations in Palestine to *causa sui* socialise the Palestinian private labourer on the farm. The old form of social organisation, the family or the community constituting the nucleus of the production unit intensified its labour to backstop the loss of the production base. Hard work personified adaptability, resilience and resistance.

Palestinian capitalism, decided in Europe to deplete Palestine of its will and resources, epitomised reverse development. Palestine did not experience growth in its capital stock, unless, of course, such growth complemented colonialism. The colonial social relations in Palestine, which act upon its social formation by the power of the gun, were logically anterior to the economic forms and the repressive price system it confronted. Occupation further contorted Palestine's time. The time, which was once imposed by nature and the cycle of crops, faded. It has become abstract or social time, the time it takes to produce in order to satisfy capital's

demands. However, the production here was not textile-like commodities; it was militarism. The law of value in the case of militarism, the domain of pure waste, was pure violence.

Although the garb of the Palestinians followed late Ottoman style, it is not fashion that qualifies a social formation as feudal. Alongside colonial violence, the encoding of resource allocation changed – it is no more the surplus product in kind that mattered to the landowner; it became the price system and its appearance in profits, the form of value drawn by central capital from an extended colonial campaign. Moreover, as social atomisation lags because of slow Palestinian industrialisation, it is the community, in unison with the individual, which undergoes commodification. The process of alienation engulfs the whole community estranged from its basis of subsistence, as contrasted with the modern man escaping the drudgery of deskilled work routines. By colonial fiat, as opposed to an expanding industrial market, each potentially saleable asset of society transmutes into economic and legal property category to reinforce commodification.

Even when compared to other forms of colonialism, the essence or the laws governing economic activity in Palestine became super-capitalist as a result of settlements and displacements. That is, the law of value became synonymous with daily aggression. Subsistence itself appears to follow from archaic relations; however, it is these archaic relations that contribute to the rationed portion of necessary labour, which sustains the reserve army of labour, the mass of people not engaged in wage employment whose very existence has become a resource and a liability for capital at once – a resource because capital consumes the idle labourer in super-exploitation and militarism.

Just like the foreign-owned citrus plantations on the coast, the Palestinian owners of extensive land holdings began to pay day farmers in cash rather than crop shares. It is no coincidence that most political leaders in the then newly independent nation states of the Near East have come from rurally based families that owned large tracts of agricultural land. There was little change in the lineage of those who held the keys to political power in post-independence capitalism (Sarraf 1980). The extended family structure and other forms of clan bonds remained quintessentially unphased because they strengthened the labour engaged in subsistence farming, while the autonomy of farm life acted as a support platform for resistance. In adjusting to capital, the rurally encroached formation's vestigial repression disciplines its own labour process. The rural areas potential to act as repository for resistance against colonialism would in the praxis of the struggle contribute to liberate the burdens of labour. As Kanafani (1972) observed, 'the Palestinian rural masses were primarily conscious of the national challenge', which is to combat Zionism and its comprador collaborators. At a broader level, Rodinson (1978) too relates the history of modern Arab states to a history of national movements, a combination of national and internal class struggle against the colonial power and the comprador sections of the bourgeoisie.

Behind the politics of colonialism, there are laws of political economy at work. The conditions that accelerate the removal of labour from the land – *historically, not by statistical chronological lags* – complement the rate of capital accumulation.

Capital must economise value outlays on labour in order to generate higher surplus value. Machines do not impart more value than the dead labour already invested in them, while the less capital invests in people and their future in relation to the surplus labour that it extracts from them, the more the substantive side of surplus value. Historical surplus value is not only about the pile of commodities, it is about the consciousness of the class engaged in the making of commodities. In doing so, capital economises the living conditions of workers and, by implication, their lives.

Since the labourer passes the greater portion of his life in the process of production, the conditions of the production process are largely the conditions of his active living process, or his living conditions, and economy in these living conditions is a method of raising the rate of profit. (Marx 1893)

The settler colonial war of 1948 ethnically cleansed hundreds of thousands of Palestinians from their villages and their towns. This was the first great wave of Palestinian proletarianisation. The region was awash with excess labour in search of jobs. The 1967 war of Israeli expansion created the second great immediate wave of proletarianisation, followed by piecemeal land confiscation and expulsion from the land, the protracted proletarianisation of which the commuting labour force is part and parcel. Gaza throughout this period has been a huge open prison of impoverished refugees. Every time capital called for more wage labour, the turning of private or semiprivate labour into social labour, war or war-like measures, the blood and fire of primitive accumulation were writ large. To re-emphasise, war and its associated violence were the conjuncture in the law of value, the law that socialises and commodifies to create additional value by economising on the outlays of value that reproduce labour, namely, its wage form.

8.2 Wages Revisited

After 1967, the West Bank confronted a sizeable and relatively modern industrial project – Israel. Its disarticulation experienced under occupation, the evictions and divorcing people from their assets, had to intensify. From 1968 to 1974, Israel experienced high real growth rates. To Israeli firms, the West Bank was a pool of cheaper labour. As opposed to the reality of dilapidation by imperialism, the neoclassicals presume the West Bank is a naturally occurring pool of surplus labour. It exports unlimited supplies of labour for the industrial sector of Israel. As Israel develops, it imparts growth to the West Bank.

However, Israel undermines indigenous Palestinian development and drowns the occupied economy with its products. The wages in the West Bank rose because foreign aid offsets the rising prices of Israeli commodities and, less so, in response to the outmigration of its labour force making scarce labour at home. Palestinian wages cannot be reacting to rising national productivity as per the neoclassical hypothesis. Palestine's economy is occupied, literally shrinking and unproductive. Moreover, starving the occupied Palestinian population in plain sight is not a shrewd

manoeuvre given the balance of international forces. The Palestinian rising wage has nothing to do with average productivity and everything to do with the weight of international relations.

Through colonial practice, the West Bank has been transformed into a pool of surplus labour. The United Nations Relief and Works Agency (UNRWA) reports that after the closure of the territories in the first half of 1993, the unemployment rate in the West Bank went up to 50% (Al Quds, London, 21 April, 1993). After the partial lifting of the closure of the territories in April 1993 to allow 68,000 workers (around half of the total commuting labour force) to re-participate in the Israeli economy, the rate of unemployment in the West Bank tallied with the rate of commuting and fell to 25%. Back home, commuters in the West Bank could not find jobs. Although Israel's Ministry of Foreign Affairs (1983) projects the growth of its industry on two parallel planes – the one carries Israeli products to Arab consumers, and the other sees the transportation of Arab labour into the Israeli industry – the strategic motive is to subdue the Palestinian people.

In the early years of commuting, the net Israeli wages, sector specific after costs and taxes, were on par or slightly lower than the West Bank's. Since Israel could not foreclose or evict the necessary number of farmers with concocted judicial measures and because warring is its principal mode of colonial accumulation, it resorted to violent encroachment to proletarianise the non-refugee camp labourer. Regarding the legal fabrications, Shehadeh (1982 and 1986) provides a wealth of information on the doctoring of Ottoman land law to serve as a pretext for forcing villagers off the land. The economic measure of limiting the marketing potential of small West Bank farms as a result of mismatched competition with the Israeli economy is inherent in Israel's better scale, technologies, competitiveness, etc. Additionally, the isolation of the West Bank from the rest of the world market magnified the impact of the Israeli quarantine.

For Graham-Brown (1986), this was no ordinary process of converting people into wage labour because the employer pays the subsistence wage of an employee residing in the village (West Bank), a wage that is much lower than what the wage would have been had the migrant worker resided in Israel. This is one of the points from which the argument of the cheapness of the West Bank's commuting labour force derives. Burawoy (1980), addressing similar conditions of South African migrants, asks the question: For whom is migrant labour cheap? It is not cheap for the West Bank because the occupied formation bears most of the social cost of reproducing its own labour force. West Bank indebtedness, aid, relatively declining standards of living and overall losses from the occupation unequivocally demonstrate that the cost of reproducing the Palestinian labour force cannot be covered by commuting remuneration.

So far, the politics of colonialism translates into an economics of colonialism. The occupier undercuts the value outlays on labour and, by *social intermediation* as opposed to the firm-level arithmetic (revenue minus cost), reaps a higher rate of profit. The world does not work by an accounting scheme in which cutting the wage rate raises profits. That is too facile and fallacious by the adding up fallacy. For Israel the migrant is replaceable and the principal source of profit is militarism. The

system as history is overdetermined. The causality is *socially intermediated*. It takes much oppression over time to disempower labour in one corner where commodities are being produced to be sold in some other corner with purchasing power. In the case of the West Bank, Israel sells the militarism for profits. Colonial-settler occupation transforms the West Bank into a reserve pool of labour for bigger industries. All the same, Palestinians are increasingly divorced from the means by which they reproduce their own lives. The lesser their control over their resources, the lesser their lives become in terms of quality. Workers part ways with their own labour and have insufficient products to subsist themselves. Typically, product alienation entails spiritual alienation and social ailments.

8.3 From Wages to Modes of Production

By the measure of standard Marxism, capitalism destroys the former forces and relations of production and replaces them with its own. However, these substitutions are neither immediate nor complete (Rey 1978). Rey adds that capitalism can never totally eliminate preceding modes of production, nor the relations of production which characterise them, so during an entire period, it must reinforce repressive relations that bolster the rates of exploitation. It is this development which permits its own provisioning with goods coming from these less developed formations or with men driven out and compelled to sell their labour power in order to survive. Similarly, Amel (1990), in his formulation of the colonial mode of production, indicates that the modern capitalist mode cohabitates with a non-capitalist mode. He posits that the frailty of the Southern bourgeoisie, its incapacity to supplant older production relations, creates a working class less prone to revolution. For both Rey and Amel, there is a presumption that a ladder of capitalist development exists. The higher or central working class appears more prone to revolutionise the planet than a Southern working class anchored in less scientific credos tailing from the past.

Forgetting the excessive analytics of Rey and Amel for a minute, Rey's conceptual construct analytically corresponds to migration from the West Bank. It brings out the articulation of one mode of production by another. The capitalist mode of production articulates a lesser-developed or non-capitalist mode of production and drains its resources. As the domination of the latter by the former heightens due to the intensifying demands of capital accumulation, a disarticulation, the rupture between social being and social consciousness, shifts from being based on an interface between religions with the natural world into a motley of symbols interfacing with social nature. In its decisive moment, the laggard mode of production, here the West Bank, experiences proletarianisation as workers sell their labour for wages.

However, this mode of reasoning is well structured logically but not so historically. Although Rey shuns structuralism and substantivism, Davis (1957) would still see in such approach too much structure and substance and little process. At first sight, in relation to West Bank migration, many aspects of the transmission mechanisms are to the point. Much of what was left of West Bank agriculture prior to

Israeli occupation was channelled to subsistence as was the case under the Ottomans. Parts of the skilled and unskilled labour force migrated to the modern centres, principally to the US-integrated Gulf Sheikdoms and Israel. There is definitive articulation between the modern European world, represented in its sibling Israel, and the rurally based West Bank, which is an escalation of colonial practice. The Israeli occupation further changed the way people earned a living, from subsistence farming to wage employment. That transformation in the structure of the subsistence economy, its slow dissolution, also breaks the old bonding relations of society. There is perfect congruence between the theory and the reality of Rey, which raises suspicion.

The West Bank may be underdeveloped, but it is not a pre-capitalist mode of production. It is also not a dual mode of production, half pre-capitalist subsistence alongside a capitalist enclave. Even its remote corners enjoy only an evanescent inaccessibility because capital can reach them any time. The West Bank has a capitalist mode of production whose productive forces are deconstructed and which is continuously developing in severe crisis. Although Rey entertains substance as well as subject, the suppression of development in the colonies and their structural debilitations occurred as soon as capitalism dawned. An observation of facts has to account of the fullness of history, social relations or the subject, constituting the fact. For instance, the relations between capital the traditional West Bank did not arise because the French set foot in Acre c. 1800; the global weight of capital was already at play influencing developments globally.

Israel is the product of imperialism rather than the product of either a transhistorical people or a god realising their national or religious calling across history (Gowan 2019a, b; Gresh 2010). Under capitalism, the Jewish question is entirely a question of capital and its division of the working class. Just because some European Zionists desire to emigrate to Palestine at the turn of the century is not the reason for Israel. Capital's expansion by bloodletting, racism, culminating in the Second World War and Zionist occupation is an identity of historical necessity with coincidence. The expulsion of Jews from Europe to Palestine foreseen as continuation of colonial politics is the reason for Israel. There are plenty of examples where the level of determination of some people was resolute, yet they failed. As it has been aptly put, 'the graveyard of history is littered with the shattered claims of chosen peoples' (Davis 1960a).

Capital overcomes recurrent setbacks by further expansion. It reproduces its power first, and then it disengages outdated units of production and labour, cyclically taking on new ones. It requires cheaper labour and new sources of raw materials as well as new markets far afield (Luxemburg 1913 [1951]). Zionism in Palestine is about militarism and hegemony over markets. It is not about a solution to the Jewish question. Modern imperialism is indiscriminate in its choice of identities to liquidate because the very consumption of humans in militarism is the shortest route to higher surplus value. How could anything solve under capital, especially as the pacification of the Islamic world and by extension the Third World proletariat are required for Zionism to be recognised as heir to Palestine?

That is why, the more antisemitism European capital breeds, the more powerful Israel and its associated capital become, the higher the rates of accumulation by militarism. Capital is a fiction with non-fictitious impact whose power originates in the differentiation of the working class. Israel for capital is an act of growth by partial negation. It is an organic continuation of central capital. In a region lacking capacity, it has been classified as ‘developed’ by the United Nations since its inception. The settler society that was growing in Palestine prior to 1948 had already been labelled developed (Shoufani 2002). Short of the explanatory power of miracles, there cannot be another historical reason for the rise of a tech-developed state like Israel in the Middle East other than an expansion of colonial presence.

Furthermore, Israel was not to be a force to socialise the surrounding region or enhance its preparedness for socialist revolution. This misconception may have existed in the Europe of the early 1950s; however, that was another way of saying that colonialism is mission civilisatrice. At this point in time, the imperialist gendarme role of Israel is all too clear. For the past seven decades, Israel provided support for the reactionary Arab monarchies, which have introduced barbarian values to society theretofore unbeknown to the history of Islam and the region. Israel has drained the progressive Arab regimes that have invested in wars of self-defence rather than the social sphere. Nederveen-Pieterse (1984) summarises Zionism as greater than Israel as it globally promotes the objectives of imperialism. In his *Exporting West Bank Expertise*, Nederveen-Pieterse (1984) documents how Israeli technicians, for instance, built an electrified wall at the Namibia-Angola border to keep anti-Apartheid South West Africa People’s Organisation (SWAPO) forces out of Namibia. Zionism still serves as ‘the rampart against Asia, and functions as the vanguard of civilisation [*sic*] against the barbarians’ (Herzl 1896). Israel’s cooperation with South African apartheid in the nuclear weapons field and death squads in Latin America are outstanding examples.¹

The West Bank was not independent of the world capitalist system. It was not the product of forces sprung around its own traditional mode of production. The substance of that mode of production is there in the images of underdevelopment, but its subject is not. The very separateness of the West Bank from historical Palestine shows the extent to which the capitalist world system, Israel as an extension of colonial capital, has shaped events. The fact that the West Bank is a frail formation slowly eroded by settler colonialism proves the decisive role of colonial capital, the subject, in its modern history. Despite a heroic struggle for independence, the history of what appears as a traditional region, the West Bank, is not its own making. Its own structure of power, the political forces associated with its ‘traditional mode of production’, does not even figure in to chart its course of development. The

¹Quoted from Moshe Machover (2012), *Israelis and Palestinians: conflict and resolution*, Haymarket Books. Revealed: how Israel offered to sell South Africa nuclear weapons, *The Guardian* 23 May 2010, <https://www.theguardian.com/world/2010/may/23/israel-south-africa-nuclear-weapons>. Additionally, How Israel helped Latin American death squads, 21 June 2018, *Middle East Monitor* <https://www.middleeastmonitor.com/20180621-how-israel-helped-latin-americas-death-squads-part-1/>

vanquished resistance of a modern Palestinian working class and imperialism are both phenomena of capitalism. The subject of its history, imperialism, a concentrated capital that expands by violence, is also the capital, which emerges from a division of labour that includes all the varieties of cultures, traditional and otherwise, which self-realises through the labour process. The labour process under capital involves the discipline of the 9–5 jobs, the wars of encroachment as well as the depopulation measures, measures whose bearing compresses socially necessary labour time in chronological time for the making of surplus value. In equation form, the labour process reduces necessary and raises surplus labour.

The development of West Bank production and social relations appears static, somehow suspended in time, because its subject orchestrates its state of becoming to the demands of imperialism. The subject, imperialism, disempowers the masses and arrests their ability to mobilise their resources. The notion that some pre-capitalist vestige lingers from the past borrows from the language of Eurocentrism, the traditionality of the other and, more important, a conceptualisation resulting from an evaluation of the situation in its material or static form bereft of the cross-national historical agency.

Uniting the historical and the rational reconceptualises the West Bank for what it is, a capitalist formation, and part of a world system reigned over by imperialism. Despite pre-capitalist appearances, an anachronistic historical materialist category of pre-capitalism in modern history cannot be associated with the history of the West Bank. The form of social organisation culminating these pre-capitalist relationships is not a Caliphate whose tribute in kind amasses in the grain silos of Baghdad. In almost every detail, every Palestinian social relation, its employment, its migration, its technology, etc. follow the diktat of the money and commodity markets. Two areas would still have to be addressed to highlight the particularity of the West Bank: first, a definition of capitalism that is developing in severe crisis and, second, an investigation why labour migration is the necessary outcome of the West Bank's subjugation to Israel.

8.4 The Capitalism of Severe Crisis

For definition's sake, a mode of production reflects the *unity* of a certain level of productive forces, technology, labour expertise and a culture of production associated with a subject and a set of production relations pertaining to the level of development in the productive forces, types of ownership, degree of concentration of wealth and wealth distribution, type of labour contracts, the extent of wage slavery, the violence of massive enslavement by imperialist wars of encroachment, etc. (Marx 1867). The key point is the *unity* of all these moments together, which constitutes a mode of production in motion, the totality. In standard Marxist fashion, as the development of the productive forces attains a level that no longer corresponds to the relations of production, the tendency is such that the relations of production change in order to reflect the new level of development in the productive forces. As

the tendency of the organic composition of capital, for instance, obliges mechanisation, new forms of subordinating or depopulating the excesses of the reserve army of labour come on stream in racism, austerity or imperialist wars. The social order is organic and metabolic, burning more inputs from social nature, humans and nature, per unit of additional surplus value. As per the phenomenon of existentialist crisis, it is also a spontaneous and an explosive system.

Besides all-encompassing commodification, capitalism in Europe ushered private property in land exchangeable on the market and the nation state as the platform for organising capital. There was possibly nothing indigenous to the knowledge culture charting Europe's development in productive forces except its conquering trading sea routes at an opportune time. The European nation state commodifies and racialises knowledge as it binds it to geography, the sort of common platitude that people of indigenous tribes are too uncivilised to make a better world. Notwithstanding the fact that European civilisation is about to pulverise the social-natural world, the subject of the culture of production is the universal culture of humanity, its store of knowledge, which is to be sure the historical surplus value of Europe.

Relative to its own development, as soon as European capital took hold, the development of the productive forces in other parts of the world had to be curbed (Emmanuel 1972). The same subject, not the machines of the North, its leading capital class, regresses the periphery and expands the industry of the centre. The regression of the South entails that capitalist relations preserve pre-capitalist relations as means of support for the repression upon the labour process. Feudal landlords were capital's earliest comprador. They supplemented their hold on power through a shift to cash crop production and commerce, but rarely industrialisation. Peasants laboured on private plots for subsistence, on large tracts for surplus production, and mostly were 'on-call' reserve army or wage labour.

In the mode of production, unity means that the development of the productive forces is not independent of the relations of production, and yet they cannot interpenetrate into a condition of sameness or identity. Their togetherness does not annul their differences. For the socially based development of the productive forces to identify with the corresponding production relations, to form an ideal identity, change of any sort, including revolutionary, becomes an impossibility. The bourgeois state is not Hegel's realisation of the ethical idea, there cannot be an end to history, and, if anything, the state must be the most unethical idea and the arm of capital. Obviously, unity in Marxian thought differs from Hegelian idealism because contradictions never resolve. Marxian interpenetration of categories occurs as the productive forces influence a change in the relations of production, while conversely the relations of production influence change in the productive forces. This is a class power influence and a materialist identity. Two contradictory poles in unity, the productive forces and relations of production, are identified as the constantly changing mode of production. In this identity, the productive forces respond to the demands of an expanding social order for increased production. However, the unity of the mode of production holds by the strength of the production relations or by the hegemony of received ideology over revolutionary consciousness and practice. Under such predominance, productive capacity is independent or alienated from

social control. Science applied to technological improvements abides by the markets. Restiveness in the social order corresponds to the departure of production relations from an uncontrollable rise in productive forces. The departure between these contradictory poles determines the depth of crises in a mode of production.

In the course of historical development, objective forces, productive forces, predicate economic expansion; however, it is production relations, its associated ideology and class consciousness, which principally lead development. They hold primacy or determine crises resolution. Similarly, with respect to the unity of two different social formations with variations in the capitalisms of their modes of production, it is the more powerful formation that leads their integrated development. The leading social class, imperialism and its ideology, writes the history of the conquered formation.

Having sketched the broad outlines of Marx's mode of production, consider the articulation of the weaker West Bank and the stronger imperialism, and its offshoot Israel. They are united by a settler colonial relationship. Israel's absolute military advantage and its promotion as the sole democracy in the Middle East have determined social change in the West Bank. The tilt of history in its favour, the collapse of the Soviet Union gives Israel a free hand to design the historical choices that lay down the West Bank's system of relations, including the deconstruction of its productive forces. It can bomb and invade Lebanon, decapitate the PLO and then design an Oslo agreement that co-opts Fatah into betrayal, while the voting population revotes the bread donors into power. It simply articulates the West Bank by violence. To restate the obvious, war is the core element in its hegemony over Palestine. In a rather nuanced tone, colonial articulation is a tad above other forms of suppressions. It halts all sort of Palestinian development and injects the ingredients for social dividedness and crisis into the system. The severity of the crisis lets surface the infantile appearances of the sublated, the negated and the preserved pre-capitalist mode of production, as means of coping or resistance. The appearances of the past traditions, whether it is folk culture or a reinvention of official religion, these emerge as signs of a colonially sickened society. Romanticising the past may awaken the symbols of class or revolutionary consciousness or, in view of the élan of socialist ideological retreat, have Hamas impose haircut styles as means of disciplining the youth for that extra dollar in rent from Qatar.

In the dialectic of continuity and discontinuity, the sublation of the traditional mode of production releases the dormant folk and mores, which may surface as the continuity of the past in the present or as revolutionary discontinuity. Regarding discontinuity, the very symbols of the past that once pacified the masses, the symbols of subservience, transmute into signposts of struggle (Fanon 1967). Fanon noted such transformation of obsequious art forms into a language of resistance during the Algerian war of independence, not so different from Palestine's folk resistance. The litmus test of progressiveness is separation from the centre, auto-reliance or delinking. However, for policies of self-reliance to deliver in development, concerted anti-systemic struggle is a must. Judging by the outcome of the second half of the twentieth century, the victorious capital before us, it is obvious

that struggle was pro-systemic, especially as national liberation movements placed the 'national' above 'liberation' in the struggle.

In the long sixteenth century, the development of the productive forces in Europe necessitated the expansion of the production relations pertaining to capitalism onto areas whose level of development in the productive forces was not yet capitalistic. Whether the Europeans went around crushing other modes of production, or just by showcasing ideas or gunboats, the world changed then. Capital assumed command of history. Of the many ways capital was introduced in the periphery, articulation by violence pervades the history of Palestine. Although some in the Mashriq, in Iraq or in Syria have seen the formation of made-to-measure states with a modicum of autonomy, an autonomy that has grown in the time crevice known as the cold war, the Palestinians have not. Not that a state is an end in itself, or a sign of the right to self-determination, but as soon as the Soviet Union fell, the Sykes-Picot treaty states reassumed their predesigned roles as weapons against people. It is then that imperialism suggested a Palestinian 'state' in the two-state solution. Such a state, even in its embryonic form, the Palestinian Authority, has nearly pulverised the ambitions and the rights of the Palestinian masses.

What remains in Iraq, Lebanon and Jordan are states that serve as instruments of imperialism. In Syria, the state with a modicum of autonomy fights for its last breath. In the West Bank, the Palestinian Authority, supposedly a state in a state of formation, has already ceded much of the land to Israel. It attempts to turn the power fact, the settlements, into accomplished facts to the wishes of imperialism. The state is never a gateway into history as per the Eurocentric adage; it is peoples' struggles that make peoples historical. From the Ottoman days up until the present, the Palestinians were historical through resistance. Resistance is an ontological condition for any people in the developing world because capital in its concentrated imperialist form develops by aggressing, by waste accumulation. It is the waste that mediates in the market, acquires a price and generates profits. The wasted lives are not those wasted in excessive modern consumerism (as in Bauman 2003); they are wasted as products of capital exchanged for money value on the market. Production for the Third World is the primary sphere, and it produces wasted lives in extreme misery and wars, not consumerism of Europe and its follies. Israel is a factory that consumes lives.

Severe crisis is inherent to Palestine's mode of production not only for the labour it releases to the market but, more important, for the bigger industry of militarism, the ultimate form of waste production it foments. The severity of the crisis in Palestine is two-pronged. First, its rate of capital accumulation is lethargic; its productive forces, nature, machine or man are brutalised. For what is left of its territory, the capital growing within is superficial and only accommodates the political and/or economic interests of the occupation. Second, Palestine and the West Bank have always lacked a redistributive state, which creates the social jobs in response to job shedding by tech innovation. The schisms surface as the labour force grows into a reserve army of labour. Although chronic unemployment pertains to all capitalist entities, questions of degree not only matter; they make science. Similar cases

prevail for war-torn African nations as well as, oddly enough, in the case of Canadian native Indians (Davis 1960b).

8.5 A Question Bigger than Palestine

Under the weight of the crisis, the already shrinking rural subsistence economy of Palestine becomes the social support mechanism for the wage earner. While idle, the potential migrant subsists on the farm. Once migration occurs, the migrant remits part of the wages to replenish the subsistence base. However, the shrinkage of the farm and the lesser chances of wage-paying jobs throw much of that reserve army of labour into indigence. The failure of the Palestinian rural sector to act as this vehicle of support raises poverty levels. This is an immiseration process whose agent could be the local industry in Israel or imperialism, which brings us back to our original question.

Just as there is not a solution to any nebulous national question, the Palestinian question is also more about warmongering. What is of interest to capital is more than just the returns from the cheap labour of the West Bank. It is the returns from this strategic region, which pay off its huge spending on militarism, a waste structure that produces and usurps the value otherwise invested in the international proletariat. Capital's reason, its organised dimension, is fully cognisant of such condition; hence, the primacy of politics. The reproduction of capitalistic production relations requires a Palestine developing in severe crisis. The extreme practices by the state of Israel, ranging from the ethnic cleansing of Palestine to the bombing of Gaza to settlers terrorising the local population in the West Bank, are social production processes that generate and underpin the making of surplus value, the immense waste products. Extending Marx's note above, economising the living conditions of the labourer economises lives and, hence, raises the rate of profit. The inhumanity rests not on some hate that lingers for centuries from some holy text or an indelible trait of human nature; it reposes upon the sturdy currents of global capital accumulation.

The crisis of labour peaks by the degree of socialist retreat. The ideology from which labour borrows its categories to self-defend is often designed by capital's ideology, the alienated stock of knowledge, the real weight of history. Palestinians speak of elections as opposed to working-class democracy, freedom in the abstract as opposed to freedom from want and colonial bondage, Arafat's dream of a bourgeois state instead of a more organised fighting force, and so on. Apart from small groups known as the Popular Front for the Liberation of Palestine or Islamic Jihad, every concept circulated in the cultural space is either Eurocentric or hallucinatory. Intellectual corruption reigns, and the language of struggle, the concepts and the syntax beckon the class position.

As with many other national liberation movements, the defeat of the Palestinians naturally occurs at both the theoretical and ideological levels. Could there be a Palestinian right of self-determination when the reproduction of its misery in

Palestine buoys the leading capital? At an ontological level, the Palestinian question is not about the refugees returning to their villages and towns; it is about Arabs literally remaining alive, because the imperialist-Israeli project accumulates by war, relative and absolute pauperisation and depopulation. The wordings ‘peace, terrorism, settlements, holy cities’ are a form of public entertainment fuelling war, which do not correspond to anything historical. These determine the public relations inputs into militarism at the current juncture of history. They may describe this or that isolated event, but together they are the ideological foundation for the process consuming man and nature. For militarism as a sphere of accumulation, the frequency of their use signals the intensity of the next US-led slaughter. The production of waste, the ultimate purveyor of surplus value, is the sturdiest of currents; it has to happen. As to the choice of the language that appertains to it, such is purely coincidental. That there is not a free Palestine upon the historical land of Palestine is pure business, the business of the outstanding market for the flesh of human beings, which abounds but of which rarely anyone speaks, unless of course it is a genocide that justifies another genocide. The discourse whether Jews by divine fiat own a land inhabited by Palestinians, or whether Europeans temper Zionist land grab, has nothing whatsoever to do with the rights of any people and everything to do with the march of capital. Palestinian defeat, the Nakbas and Naksas, strengthens capitalist production relations and accumulation by waste far beyond Palestine.

8.6 Ontology and Servile Language

To illustrate the state of defeatism in Palestine, consider how Palestinians enter into contracts with Israel. The agreement between the Palestine Liberation Organization and the state of Israel, as enacted in the Protocol on Economic Relations (the Protocol), confers a *de jure* status on the state of economic subordination in the West Bank. Under Article III of the Protocol, the Palestinian Authority will have all powers to determine the tariff rates on all incoming foreign non-Israeli goods subject to a quantity quota on imports decided by the Joint Economic Committee (JEC). The JEC is equally composed of Israeli and Palestinian experts who come to a decision on the needs of the Palestinian market by agreement. Effectively, this arrangement lets Israel determine the needs of the self-rule areas.

The unchecked flow of Israeli industrial and agricultural products into the self-rule areas is statutory as per Articles VIII and IX, respectively. ‘There will be free movement of agricultural produce, free of customs and import taxes, between the two sides...There will be free movement of industrial goods free of any restrictions including customs and import taxes between the two sides’.² As mentioned in the

²Protocol on Economic Relations between the Palestine Liberation Organization and the Government of the state of Israel, Article IV, paragraph 10.a., Paris, 29 April 1994

previous chapter, nearly 90% of imports in the occupied territories are Israeli. This is an absolute state of dependency of the territories on Israeli imports.

In the vital area of labour movement, where remuneration from wages of West Bank workers in Israel constituted between a quarter to a third of local domestic product, Article VII states that 'both sides will attempt to maintain the normality of movement of labour between them, subject to each side's right to determine from time to time the extent and conditions of the labour movement into its area. If the normal movement is suspended temporarily by either side, it will give the other side immediate notification, and the other side may request that the matter be discussed in the Joint Economic Committee'. Aside from the vast number of soldiers policing Palestinians and prison guards, which is incidentally the big industry, the number of Israelis working in the West Bank industry is insignificant; Israeli soldiers 'migrate' into Palestine by the choice of their stronger formation to rework the lives of Palestinians as inputs of higher profit rates. The West Bank cannot arrest the movement of its labour to Israel. Israel, however, has repeatedly closed the flow of commuting labour to its economy driving the territorial unemployment rate up to 50%. The opening paragraph on labour relations grants Israel the upper hand in employing territorial labour and in using commuters as instruments in the ongoing occupation. The political pressure was also an escape valve through which Israel's class allies in Palestine used the term 'pragmatism' to concede more of the national rights. The fifth column continues to co-opt needy workers with Israeli work permits, as well as other favours, such as prison visits, etc.

In the monetary area, the issue of type of currency appertains to sovereignty. It is unimaginable that a national liberation movement negotiates its way to independence without establishing its own national currency first, yet the Palestinian Authority did just that. Article IV of the protocol postulates that 'the New Israeli shekel will be one of the circulating currencies and will legally serve as means of payment for all purposes including official transactions'. The Palestinian negotiating parties, a select group of compradors, hold huge savings in dollars and Shekels and are least interested in establishing a national currency. It does not even provision the issuance of national currency as a condition of the agreement. Just as the other regional comprador, the narrow fief of the Abbas class liquidates national assets and converts into foreign currency to be grabbed at the behest of imperialism. At least, the national currency may encumber the procedure of pawning national assets with additional transaction costs. Viewed holistically, the Protocol on Economic Relations bestows a legality upon the process of violent *qua* hegemonic articulation.

8.7 A Marxian Epistemology of Labour Migration

Formal logic considers forms of thought from the standpoint of structure devoid of the concrete content that they may express. It considers concepts in rigid isolated form and not in their interconnection, motion, and development (Davis 1991).

Consider, for instance, the theoretical explanation of labour migration by the putative Harris and Todaro (1970) model. The Harris-Todaro model is not being singled out for critique here. Any other neoclassical model of trade using formal or mathematical modelling shares the same characteristics. In this class of models, labour moves because of a difference in expected wages. Such dynamic is a truism that conceals conditions of poverty and frames the issue of migration in the context of personal choice. There are two immediate counterpoints that disprove this hypothesis and with it the contribution that such model imparts. First, the model begins with an unrealistic assumption of full employment, and as such, theory is conceived wrong at the outset. However, the absolutism of the concept 'full' and its opposite null or empty are logical forms or abstractions that do not correspond to a state of social flux in which neither full nor null are possible. They do not even reference a contingent material state, because even as approximation of extreme cases, what is extreme is predetermined by a formal system of accounts, which must be derived from a historical understanding unachievable through formal thought. A process needs to be treated with processual concepts. The outlandish full employment assumption would suffice to discredit neoclassical economics as a system of thought (Weeks 1989). Second, as other causes for labour transfer are discovered, and undoubtedly many such causes exist, then the model-based theory as a cohesive system of thought falls apart. Once more, because there is no historical law, which necessarily but not exclusively impels development, the metaphysical mode of abstraction of such a model conveys no relevance to theory at the outset. Theoretical rigour is not about the identification of the specific algebraic form with its alleged manifestation in reality; such as labour supply equals symbols x or y . That may be an issue of measurement but not one of understanding. Rigour is about defining the subject, the historically determined social relation, which governs the system's development. Undoubtedly, theory has to be wrong and proven wrong, but not born wrong on the basis of chimerical or ahistorical assumptions. That is fantasy, not theory.

Uncategorical – as not derived from historically determined categories or ahistorical theory founded solely on the erratic element of crude empirics – what is given to the senses is as eclectic as the changes incurred in the empirical observations it addresses. Paradigmatic science levels time, motion and quality to that which is formally additive. However, because observations are infinite, time-bound and qualitatively different, theoretical alterations as well as the number of theories will be infinite. That is, formal logic approximates by means of measuring an unknown, here the metaphysical form, the abstract that stands for the posteriori observation. Though impossible, but not necessarily certain, measuring an unknown quality, the form, imparts no additional knowledge. While a theorisation of infinite observed facts generates infinite theories, it is also not a theory. It is theoretical nihilism. Porter (1994) and many others address the remoteness of neoclassical theory from practice as it derives its mathematics from analogies with physics, yet it fails to grasp the standard physics as practice. However, physics envy hails from the same metaphysical origins that eliminate the class perspective in knowledge. The problem is foundational. Economics does not measure the *posteriori* observed;

it measures what is *a priori* thought to be observed. We need to take stock of class, class formation and contradiction first.

There is nothing wrong with revamping theory to assimilate or understand newly found facts, but these facts have to be linked to a category of thought, a moment in a process, which develops historically. In social science, a re-periodisation accounting for the novel observations alters the categories to which theory belonged and revises its old tenets. Changes within a given historical context adjust old laws or admit new laws of development. At times, epistemological ruptures are experienced. However, in the paradigmatic or model-based theories, there are no histories. These thought systems cease to exist in light of new facts. One may try to introduce a bit of the reality that was assumed away under *ceteris paribus* with assumptions related to historical time, such as increasing returns and the necessity to create unemployment under capitalism, and it immediately becomes clear that, as Russell says, the problem becomes unfathomable. Without a law of historical development in social theory, a law based on knowability rather than knowing the innumerable observations from reality, a law relating subject to object in real time, there is no history of development and no social theory.

In relation to migration, the historical interconnections, the subordinations by violence within a social system and its development are not borne out by the duality of the rural and urban sectors of the Harris-Todaro trade model; recalling, it is a trade model of labour power exchanging for other manufactured commodities. In reality, the rural and the urban have historically interacted at all levels, often violently. The defeat of the rural sector lowers the outlays on necessary labour by lowering the cost of labour and the cost of agricultural products or what it takes to reproduce labour. Low technical development and low rural productivity are products of the policy that *supposed* urbanites impose upon the rural sector – supposed because the culprit is actually capital that extends to rural areas. However, in formal models, these concepts of low tech and productivity pre-exist without an explanation. They are *given* assumptions without a historical basis, and as such they cannot shed light on why there needs be exchange of labour for commodities apart from the fact that the individual opts to migrate. The model does not explain how underdevelopment was the result of contradictory unity, rather than duality, or better yet a unity generating a duality, between an increasingly powerful urban sector and a weaker rural sector.

The sociohistorical condition, the spontaneous system of capitalism, which creates the necessary environment for migration is absent in the formal set-up. To say that choice theory functionally explains the welfare objective for both rural and urban systems begs the question why it is functional to be employed abroad in the external urban sector rather than remaining at home in the rural sector. Who destroyed rural jobs? Moreover, the rural sector that stands to benefit from exchange is likely to have incurred a loss; it may have come under assault, such that it needs the remuneration from migration to offset its penury. The ‘functionality’ of countryside depletion of resources and labour reserves and the swelling of the urban areas by the urban poor are functional, but not for the masses.

More important, formal theories omit the making of the social relationships within each sector that necessitate exchange with the other sector; why is there overproduction in the urban sector and a glut of labour in the rural sector? Summing over the choice of each migrant cannot sum to anything, and certainly, it does not relay the impact of migration upon welfare. What the accounts lay down as rules for profits to be made, the social cost of the reproduction of the migrant labour force must exceed the remittances, no matter how many rational individual choices are made. Because altogether the migrant class is being short-changed, it is either irrational or in search of any sustenance above hunger. The rural sector's dynamics, its shifting structure across time, cannot be determined by the choices of migrants. The rural sector has its subject, capital, its political decision-makers and forms of social organisation, which lay the context for the decisions to be made.

Equally, policy cannot be discerned from the choice of a typical migrant. Migration theory cannot be forged from the actions of all the migrants reconstructed from summing up the choices that they have made. The choice of each individual only explains individual's response to the conditions he or she faces, but not the migration phenomenon. Between the individual act and how it gels in the social sphere, there is a complex process of social mediation. For the peasant to command any weight in decision-making, its opposition to capital must be solidly organised. To posit anything about the rural sector from the movement of one of its cohorts, the migrants, is to leave out its true dynamics, which depends on the political power structure. Neoclassical economists are aware of such contradiction because it is impossible to derive complete and transitive social preferences in the absence of someone who dictates his tastes to everyone (Arrow's theorem as per the summary of Feldman [1982]). For individual choice to found theory, the migrant must be an ahistorical figure who is a replica of everyone else. Neoclassical economics measures this banality proxying migration rather than the multifarious acts of migration.

As capital impoverishes rural areas, a labourer responds with migration. As per systemic reasoning, we do not have full knowledge of the parts; we cannot deduce the whole from the parts, and some may not respond with migration as well. Yet what happens to the whole rural structure differs from the impact of migration upon the individual migrant. What is given in immediacy, the migration phenomenon, is the mediation of all that has happened historically to result in migration. The whole, the universal, is the mediated parts. It is not the summation of quantified heterogeneous forces and actions. Mediation is the state of transformation of each action/subject to the disciplining forces of historical environment. It is a concomitant of actions that determines how the system, the rural system in this case, fares in exchange.

An epiphenomenon of migration transpires by its constituent social forces. Instead of mathematical symbols relating biasedly measured wages to number of migrants, each phenomenon, that of the wages and that of the number of migrants, has its own history and must be followed historically. The market *power* exercised over the market influences the price of labour, the wage rate. The repression or *power* exercised over the rural sector influences the number of migrants. *Power* is attendant upon and common to a social relation, a social class, and it appears to

determine both categories, wages and migrants. Class, in relation to other classes, harbours the law of movement behind the historical tendencies in each of our categories. Once brought into the picture, the concept of class, always in relation to other classes, should now unite the logical and the historical; colloquially, we should be able to say at the same time that something makes sense (rational) and has happened too (historical). Formal departures from the rule or departures from historical tendency, such as capital must consistently reduce the costs of labour, become either fleeting moments in a process or logical absurdities. In class what is real is rational and what is rational is real, until necessity, class necessity propped by revolutionary modes of consciousness, deems otherwise. History is about people grouped in forms of social organisations following their pursuits in a relation of class to class or class struggle.

However, this is not to say that mathematics and formal thought is impractical. There can be no thought without formalisation. A mathematical model, grounded in more realistic assumptions, one that departs from *a posteriori* phenomenon, may inform social theory. However, it only informs but not grounds the laws of development or social theory. Social theory requires a historical agency, a social type or a class, while the contingency of history necessarily evades formalisation.

Additionally, the task of theory is to address the relation of the whole to the part in an overdetermined context in which causality and stagism are contingent and social-time determined. Social time is the class-struggle derived time in which as the working class de-alienates itself from the way capital conscripts it in the drudgery of work, it could, for instance, gain more leisure time. Alternatively, as mentioned in the introduction, social time is the time in which capital condenses socially necessary labour time, which must involve a winnowing of the population by means of depopulation. In a formal model, the individual's decision fuels, as in causes, the migration process. However, a pauperised labourer has little power and neither votes nor votes with his dollars. Subjected to consistent poverty and depopulation measures, the *Lazarus* class ekes a living in subsistence. Unless armed with revolutionary consciousness, it is completely irrelevant as either a historical subject or an organic extension of capital, a lump of flesh rolled over in the time at the command of capital. Thus, each individual, the abstract man, is not a subject of history. Each individual is a product of historical circumstance, the class relations, the ideology and the forms of organisation, in which she has developed. That the individual confronts a worsening situation handed down by history, by its ideology guiding action or by an imperialist assault does not figure at all in formal migration models. The assaults against labour are logical and historical constants.

Yet, the individual does indeed contribute to migration, but not for reason of choice. Apart from the estranged labour power of the migrant, as a living human being, she is to be devoured by capital as both living and dead labour. The latter is the raw material of accumulation by waste and a condition for the reproduction of capital. The depopulation is not political necrosis by some psychological trait, but a necrotrophic capital that consumes people in surplus value and profit-making. The act of depopulation itself is an industry. As is systemic to capital, the very existence of the pauper-migrant is cause for her auto-consumption. That is the ontology

of migration theory as embedded in the labour process. Thought must involve reductionism. Here the pertinent reduction is the one-sided historical fact corresponding to capital's autophagias, the highly entropic self-consumption. The reduction is an isolation of the historical fact as observed within and in relation to the phenomenon, not apart and not as a form. Only as such, only by conceptualising from inter-related observable facts, does a complex issue reduce to the laws of capital. And only by such real abstraction can theory shed light on the migration phenomenon, the *historical* relationship of exchange of labour services for money wages between a rural and an urban sector.

Naturally, studies of the migration phenomena employ different methodologies. Their modes of abstraction, whether they be metaphysical, empirical, etc., relay a different angle of the migration process. Each school highlights the angle it wants shown, and each angle is an ideological and a class position. The counter-ideological argument, the critical standpoint against dominant ideology, the Marxian method, also has its own mode of abstraction, its definition of what is abstract or universal. I emphasise abstract, abstraction method or the construction of concepts because how the abstract is regarded becomes rudimentary to everything theoretical that follows. A metaphysical abstraction is a *form*, as in a logical entity, reason for itself, and ultimately without a corresponding reality. Referring reality to that *form* becomes a scholastic exercise. In contradistinction, referring a one-sided view of reality, such as the reality of wage labour under capital, the particular to the broader view or whole, the general, becomes an exercise in the ascent from the abstract to the concrete. The shift in thought between the categories of abstract and concrete observes the law of unity of the logical and the historical. Such is a key rule of subjective dialectics (Ilyenkov 1961). In the migration context, it refers the particular, the migratory case, back to the universal or holistic historical condition, capital, and dialectically reads the course of development. By dialectics, let us just assume for now that it addresses development as a result of contradictions. Leaping from concrete to abstract is not a choice between formal concepts. It is a desire not to fit reality into formal logic, but to read the internal logic, the contradictions, motivating that reality, of course, by definitive class interests.

The Marxian method is about the development of the object in history, driven by its internal contradictions or its laws of development. A law *tout court* means that given the same conditions and environment, similar results ensue, albeit subject to the uncertainty of social life. In practice, the immiseration of a rural sector generates migration unless the rural peasantry develops revolutionary consciousness to fight back, hence, the historical uncertainty. As per Lenin's adage, it is impossible to predict progress; it is governed by its own mysterious laws. Theory is incomplete not because it is referenced against a formal ideal that it can never define. It is incomplete and demanding because a rationalisation of reality cannot be contiguous with a constantly changing reality, which is Niebyl's dynamic process. Nonetheless, a study of historical development is an enumeration not of the infinite details of

experience but of the laws of development of such experience. To fall back on an old epistemological rule, knowing is impossible; however, knowability is possible.

Below, I will illustrate by applying the Marxian method to sketching the trade of labour for commodities between the occupied West Bank and the occupying force. As I investigate the reasons for the exchange, the structure of each system, its internal contradictions, is treated first apart then in their unity. Exchange of any sort, such as the migration phenomenon, occurs to resolve the social contradictions building up in the system.

8.8 The Great Deportation

Let us consider the following: an exchange takes place between a less developed system, the West Bank, selling labour services for money wages-cum-goods, and a developed system, Israel. The functional side of the relationship between the two systems is such that either of these needs the other. This world is not too different from the standard neoclassical theories, either the Heckscher-Ohlin model or the Stolper-Samuelson model, all based on comparative advantage postulates, which enhances welfare on both sides. In functional terms, Israel hires commuting labour to occupy physically demanding jobs, and the West Bank pays for part of its trade balance deficit with Israel from the remuneration of commuting labour. To be fair, remuneration originating in commuting labour only contributes a small share of the trade deficit with Israel.

However, that the Israeli labour market serves a purpose for Palestinian labour, and *vice versa*, is not an adequate starting point to study why migrants spring into action. A better starting point would be why was there a deficit in the system for either commodities or labour. As I have been at pains to show, the pressing issue rests on the deterioration of the West Bank's economy, which creates indigent labour. In Israel, capital is happier with cheaper labour. Because it is Israel's capital, which determines much of what happens in the West Bank, the question then becomes: What are the overriding reasons in Israel to immiserate the West Bank?

Hypothetically, Israel may relinquish the West Bank if it ceases to be an extension of US-led imperialism *or* (inclusive or) if Israeli industry develops through integration with Arab markets. Realistically, this cannot happen because trade in militarism is much bigger than trade in commodities that better life. Israel is also a high-tech formation with the bulk of Israeli trade destined to Western markets, while the Arab markets put together are puny. Israel's organic ties with imperialism are not only solid; without Israel's aggressive posture, imperialism as a conveyor belt of value snatch through finance and profits stumbles. The idea of peace through Arab-Israeli economic trade is pitiable.

In the formal set-up, labour migrates in response to higher wages. Formally, the relationship of Palestinian labour to its own formation is omitted. Labour is presumed to count as the effective units of labour hours in production, but not the labour hours that produced the labourer. Reducing the breathing and living labourer

to his realisation on the market for a wage is only the *form* of labour, but not the real labourer. The reduction of the real person to form is ideologically motivated. Any theory not accounting for labour's relationship to itself and to its social formation sacrifices reality or ignores social man. Capital wishes to conceal the fact that the wage of every labourer has to be paid for the community of the labourer. For instance, mothers nurse children and labour into life; hence, capital severs the private labourer from that social environment. Capital arbitrarily defines the labourer as the private labourer delivering services during the hours worked only. Whereas the labourer is the medium by which society delivers through him an amount of socially necessary labour time. Society rears the labour power and it is the true source of labour. For the mainstream, the form of labour is equal to the form of money wages. Two abstract logical entities, forms, constitute an identity in exchange, supposedly by free contract. Logically the problem solves. Identity in formal logic, the A is A sort, is absolute truth. Realistically social problems are intractable. They compound contradiction upon contradiction and fallacy upon fallacy.

Let us peer deeper into the exchange of wage-goods for labour power. The moment exchange occurs, the determinants of the functional relationship and those of the internal relationship are combined in each object exchanged. The objects are Palestinian labour power for Israeli wages-goods. Selling labour power for a wage serves the labourer; it is the functional aspect of the value relation for the labourer. The worker who forced to work because of indigency is the internal aspect of the value relation. These determinants are mutually exclusive and contradictory. The capacity to labour of the labourer is of no use to him because he does not own his private means of production. Without wage work, the worker perishes.

Unlike the leisure class that will not suffer a wage job, a wage earner already earns a 'private or personal wage' for his social labour. One says private because the capitalist constructs the free labourer, the abstract man bereft of his society, to pay him as little as possible. By paying only the mythical labourer, the labour of society that reproduces the labourer is being short-changed. The identity of wage for working hours in exchange is illusory. The real working hours are the many hours of society.

Because the contradiction between capital and labour is real, the problem is intractable. In a world of contradictions, the very idea of being in or moving towards an equilibrium of supply and demand is inadmissible, as nothing comes to rest. Moreover, because the worker supports the reproduction of society and the wage bill has to be a smaller share than the costs of that reproduction, so that surplus value forms as the foundation of the profit rate, the system is inherently anti-social. Reducing the quality qua history of the object, labour, to a given quantity of labour units delivered on the job for a wage to formally solve the issue of exchange is not even a reduction fallacy; it is misrepresentation of reality.

Real contradictions are resolved with real measures. For instance, lowering wages provokes strikes; the institution of the strike mediates the contradiction. These are not merely transaction costs that could be added to embellish the formal 'concoction' because the contradiction between the social man and the capital-commandeered social wage share determines the exchange relationship. When the

share of the social wage is too low relative to social productivity and when the politics of labour are weak, individuals migrate. Following the development of the object in time, in this case labour, and specifically how it mediates the hurdles confronting its own development is key to understanding the process of exchange or migration.

To reconceptualise and discuss why exchange comes into being, why migration occurs, labour power must be treated as a commodity exchanged for another commodity, the wage-commodity. Each commodity before it enters into exchange has two qualities. The first quality it has is its use value. The productivity of Palestinian labour is of use to Israeli industry. The second quality is its cost of production, the socially necessary labour time it takes to make labourers and their labour power, value proper. In the case of Palestinian labour, these are the social costs of the reproduction of labour in schooling, health, food, etc. expended by the West Bank. A similar story can be told of a can of beans produced in Israel; it is of no use to Israeli capital, and much value, socially necessary labour time has gone into it.

Prior to the act of exchange, each commodity has a dual character, its use value and its social costs of production, value proper or socially necessary labour time. The commodity is the product of the purposeful social activity called work. In a market economy, it is objective, or it exists beyond immediate social control. The commodity is costly in terms of labour time expenditure, and it has little or no use value to its owner. Such is the first contradiction. In the case of labour power, there is a slight twist to things. Labour power is accompanied by its bearer, and its usefulness or productivity must be coercively alienated from the labourer. Labour is at odds with its labour power. This internal contradiction concealed in each of the commodities is pre-eminent and resolves in the relationship of exchange (Marx 1867). This relationship of the commodity to itself, the value invested in the commodity, socially necessary labour, and the use value imparted by the commodity, is the first moment in the value relationship. It is what thrusts the commodity into the world of exchange. As a point of theoretical departure, it is not the function the commodity serves, the consumption sphere that holds primacy; it is anarchic production, the production of things that are costly but are of no use to their owners. In that first moment of the value relationship, capital rips labour power from its owner social man.

From the subjective-functional perspective, the world in which every commodity is useful to someone, one commodity satisfies the purpose of exchange and the other satisfies use value. The commodity is either use or exchange value, but not both. The function that each commodity serves is the mirror image of the other. However, the objective commodity is already of two irreducible qualities, use and exchange value at the same time. A commodity cannot be one thing, exchange value, and not the other, use value (use), in order to logically explain the act of exchange in 'she likes what I am selling and he likes what I am buying', ergo that is why things exchange. In reality, the commodity is both at once, or else we would be writing off a part of reality to abide by subjective-logical solutions. Departing from the formal side, with either exchange or use value, without relating these concepts to their tumultuous past, to their mediations, means one of two things, the concept, whether use or

exchange value, is either metaphysical-formal or crudely empirical. Such one-sided forms are removed from real processes, the holistic condition fraught with contradictions. It is history that establishes either use value or exchange value. To depart from one of these concepts apart from its twin other, one departs from the wrong starting point and arrives at the wrong destination. One-sided or formal concepts of use and exchange value apart and without history merely depict logical relations. Just because the migrant earns a wage to buy a commodity does not mean that the commodity is the migrant. Labour, for instance, is not labour power. Formalism is even fraught with syllogistic fallacies.

The commodity is an objective social product in a relationship with itself and the market. It charts its own course of development, and through the mystique in which it enrobes itself, it commands society to egregious abuses to be reproduced, realised or consummated. Under capitalism, reading the DNA map of a commodity is reading the forces that shape history. *Commodity exchange mediates the initial value to use value contradiction*. Exchange is the outward manifestation resolving the inner contradiction found in each of the commodities being exchanged – money then can put as the universal commodity. The development of the commodity/object through the contradictory process does not come to rest in exchange. There is no resting final place in the immanent development of dialectical historical forces.

The second moment, the contradiction between exchange and use value, is a contradiction between the private and social spheres, respectively. In that second moment, capital rips the use value that could better reproduce society and turns it into privately appropriated exchange value. The creation of the universal commodity, money, mediates the contradiction between use and exchange value. Money is not neutral. It is a fetish and a tool that severs the conformity of exchange to use value. Money in the form of the wage, for instance, conveys the impression that society is getting its full pay for its social labour, when it is only the one 'private' unreal individual who is getting paid for a hypothetical private productivity. It obscures the making of historical surplus value by an exchange that occurs as an accounting point at the instance of sale. As the formal equivalent of labour, it veils the real social time of production, the real costs to society by the money price paid for the item exchanged at the instant of sale.

Migration is the expression of exchange for a money wage arising upon the internal contradictions within a commodity, labour power. The internal contradictions here are the first moment, an ontological contradiction between the value invested in the making of the labourer repulsing labour power's use value for lack of jobs created by colonial practice, and the second moment, which is to sever use from exchange value or to ensure the wage bill of the migrants, does not reproduce the labourer's community. Internal contradictions resolve not in thought and formal logic but by following the actual course of their development. Under occupation, that is a course not only marred by violence for the sake of reducing wages, the violence practiced by the first Zionist migrants and later by the soldiers that occupy the West Bank is itself a domain of accumulation. It takes the expulsion and migration of European Jews, one great deportation, to make an expulsion and migration of Palestinians, another great deportation. At any time in the West Bank, there are

thousands of Israeli soldiers. These are workers and migrants employed by the militarism of empire, the accumulation by waste, the great source of surplus value and profits.

The point of the above is to derive the conditions that necessitate the development of the phenomenon of exchange of labour power for a wage. Labour power must sell for money exchangeable for commodities, which do not redeem the social cost of the reproduction of the society that has originally nurtured the labourer (Marx 1969 [1859]; Ilyenkov 1974).

8.9 From Theory To History

The ethnic cleansing of Palestine and the occupation of the West Bank and its economic quarantine are by-products of imperialist expansion. They are resolutions of predicaments of global capital accumulation whose law of value tears the ramparts of the globe in search of cheap inputs and bigger markets. To differently restate an earlier proposition, imperialism has to consume more living labour and more of the nature that supports the reproduction of the living labour to sustain its rate of profits. It is an over-entropic system as demonstrated by the current existentialist crisis. Its law of value is better put as a law of waste; it wastes, and its principal product is waste. The waste is far bigger than any usefulness capitalism has imparted because the production of waste is itself the overriding moment, the leading link, in the value relationship; it economises with life and living conditions. Capital thrives by its domain of waste accumulation, its subcategory militarism, and the industry of war.

Israel occupies a leading role within the imperialist class constellation. It is the ignition key to war in the Middle East. It incentivises militarism worldwide. As befitting of colonialism and more particularly settler colonialism, the violence visited upon Gaza and the West Bank continues the politics of imperialism. Together the war and the constrictive measures that limit the economic potential of the occupied territories create a pool of surplus labour. Such policies are mediations of the crisis of capital in the centre, principally US-led capital, the heir to centuries of European colonialism, and its Zionist offshoot. They are the powerful historical undercurrents that revive an otherwise torpid accumulation rate.

Recalling also, in early 1993, Israel prohibited territorial labour from working in Israel. The same unemployment rate that registered 1–3% rose to 50%. As Israel gradually allowed Palestinian workers to commute again, the rate of unemployment would respond almost on a one-on-one basis with the rate of returnees. The territorial economy had been so debilitated to the point that it could not reabsorb the unemployed commuters. No readjustment back to the old system of farming was possible; confiscation left fewer farms. The situation was far worse in Gaza because the small strip of land had its productive capacity destroyed in the many wars it had fought with the occupation. What has been disengaged by the colonial force and its comprador could not be re-engaged by the nationalist forces.

The established relationship is that Israel also reproduces by separating the local producer in the West Bank from his/her means of making a living. The expropriated producer is then hired in those Israeli industries that require his/her cheaper labour in physically demanding activity. To the Israeli industries, assuming the same productivity, non-organised cheap labour engenders higher profits. On the other side of the coin, the side of the West Bank, considerable destruction to Palestinian agriculture and industry remained unrestored and unrepaired. Investment lodged into services and other ephemeral concerns. The erosion to the national means of production was afoot. Occupation accelerated proletarianisation, and the labour drain and trade imbalances were but reflections of the economic *asphyxia* of the occupied territories. E. Jarry (*Le Monde Diplomatique*) used the descriptive *asphyxiation* as early as 1981.

As investment in plant and equipment tapers down, much of territorial growth originates in consumption and imports. The average yearly growth rate of the labour force in the West Bank during the study period (1968–1993) was 2.5% (SAI various years). Because this rate is higher than the long-term average economic growth rate attendant upon industry for the same period, one estimates by simple arithmetic that productivity growth is negative. With most of the consumption bundle imported from Israel at high prices, the money costs of labour force renewal are considerable.

In terms of surplus value extraction from the territory, the occupation itself is mass enslavement of the population. Occupation grounds a more significant rate of exploitation because, unlike the single de-subjectified slave, the whole of the Palestinian working class is enslaved and loses control of its assets. Also, at money value, the remuneration from Israel does not cover the cost of labour because the trade and current account deficits are far too high; imports are about three quarters of GDP, while commuter remuneration is around a quarter. The chronic trade imbalance is offset by foreign aid and payments from abroad. Just in the years 1985–1987, foreign remittances amounted to nearly US\$1 billion (The Jordanian Palestinian Committee 1987). However, one must keep in mind that the returns to Israel from occupation heightening militarism are the really significant returns. The process of enslavement by occupation is itself a higher rate of exploitation qua rate of surplus value than restaurant work in Tel Aviv.

In terms of social protection, ‘two thirds of the approximately 110,000 ... have no protection. The one third of these workers who are in a regular situation... have to contribute to a tax system from which they do not seem to benefit’ (ILO 1991). Article V on Direct Taxation from the Protocol on Economic Relations states that ‘Israel will transfer to the Palestinian Authority 75% of the income taxes collected from the Palestinians from the Jericho area and Gaza employed in Israel’. The Palestinian authorities accepted that the remaining 25% of taxation be received by Israel as a commission fee. Here is a Palestinian Authority acting as procurer or living off the avails of cheapening its own labour. No additional caveat in the text explains the purpose of cutting 25% out of the total taxation by Israel. As is typical of the Palestinian comprador, the alternative reallocation of the remainder taxation fund was not channelled towards a particular social security programme which

organises or protects commuting labour against the occupation. The comprador has abetted Israel in deploying the misery of the commuting labour as a political instrument in the theatre of the Arab-Israeli conflict. As to living insecurity, even an organisation such as the ILO, a promoter of the more pernicious social democratic capitalism, could not conceal the facts.

The social protection of Palestinian workers in Israel remains a subject of great concern for the ILO... the adverse consequences to which this situation gives rise make it all the more necessary to institute appropriate and effective social protection for the Palestinian workers and their families.... (ILO 1991)

Furthermore, the decapitalisation of industry and agriculture entails less investment in labour as well as hollowing out the corresponding industrial culture. The grounds for the acquisition of rents from the value added (value added is not surplus value) of national industry withers as the knowledge base for production declines. The occupation erodes the foundation for investment in the upskilling of the national labour force. Concurrently, the deterioration in the economic infrastructure, including health and education, as the shrinking tax base is not Palestinian, lessens the future value outlays on the working population. Meanwhile, the occupying force uses the terms of the Protocol on Economic Relations to reimburse symbolic amounts of the total taxes paid by commuters to the more malleable Palestinian political elements. This is the run-of-the-mill colonial strategy: perks to the comprador and de-development with the aim to erode the basis for working-class security.

Testimonies to unequal exchange abound. Israel stands to draw more in taxes on income and in resources other than labour from the West Bank, a surplus reaching in some estimates hundreds of millions of dollars a year (Kimmerling 1983). *Al-Katib*, a Palestinian monthly, reports that 'Israel has a yearly net income of \$1 billion from the occupied territories. The authorities expenditures are ... 240 million\$ between 1977 and 1983 ... 34.3 million\$ a year' (Al-Katib 1983). Even the Bank of Israel could not overlook the evidence.

In general, it can probably be said that Israel's activity in the areas does not saddle the economy with any significant burden for the entire 8 year period 1968–75 it is estimated to have averaged less than half a percent of the country's GNP, without taking into account income from oil production in Sinai (which completely balanced the Military Government's surplus of expenditure over revenue). Notwithstanding the big increase in 1974–75 in the areas' adverse balance on current account with Israel, there did not seem to be any substantive change in the burden... In discussing the burden in its broad sense, allowance should be made for the advantages accruing to this country from the conduct of free trade with the areas and from the supply of types of labour in demand here. It would therefore seem that the term 'burden' is inappropriate when discussing economic relations between Israel and the administered areas (Bergmann 1976 – Bank of Israel)

Compared to earlier periods, in 1988, the beginning of the first Intifada, Israeli expenditure on military suppression of the occupied territories rose (Al-Hadaf 1989). Amidst rising military expenditure, Israel collected higher colonial tribute. In the village of Beit Sahour, Israeli soldiers confiscated some of the villagers' furniture for unpaid taxes, not so much for the value of the goods but to demonstrate its capacity to regiment the occupied areas (Al-Hadaf 1990). Such measure may be

thought of as an extreme version of cutting food stamps for the poor in the United States. It really would not dent state coffers to expend more on the poor, but there is more to make from suppressing them, policing them and letting them die earlier. More to the point, Israel earns more than what it spends: its spending on security, the West Bank ensures higher returns *via* the route of imperialist securitisation and militarism. Even as Israel incurs intermittent pecuniary losses in the territories, the strategic gains of colonial control exceed the pittance of tax or rewards from unequal exchange.

8.10 Zionism: A Spearhead of Imperialism

The title of this section is a refrain from the old texts of Palestinian revolutionaries. In the standards of this language, the practice of imperialism ensures higher rates of return to empire, its imperial rents (Amin 2012). Formulaically, the law of value is surrogate imperialism that lays the groundwork to cheapen inputs and expand markets. The rates of return to capital emerge in response to social production conditions. The more cheapened human and natural inputs, the higher the metabolic rate of social reproduction, the higher, by market intermediation, becomes the profit rate. For instance, profit rates are reported quarterly, which means the rate of living labour consumption, including people alive through militarism and austerity, must intensify around or within the imposed chronological time, the 3-month period, to ensure a corresponding high rate of surplus value. The cramming of production conditions, all the repression it takes to produce within the 3-month period, becomes the social time or the real time of history. That is another reason why the history of imperialism is a history of absolute or relative slaughter, depending on the balances of the class struggle. Apart from earlier than expected death rates, the shorter life expectancies relative to the historically determined level, the persistent crisis of labour unleashes the appetite of capital for human labour concentrated in easily expendable human lives.

In earlier work (Kadri 2015), I have postulated that the calculus of occupation hinges on two interrelated issues: first, the relationship of Israeli capital to itself and, second, its relationship with imperialism. Israel is a continuation of colonial capital. By measures of aid and trade openness, there is a high rate of integration of Israeli capital with European capital; however, integration implies two separate capitals coming together, whereas Israeli capital, the social relation, is a continuation of European colonial capital. They are one and the same in regional imperialist practice, save the immaterial nuanced differences. Colonial-settler formations incubate a mode of consciousness that promotes imperialist values for value drain. Israel's zeitgeist is rooted in accumulation by militarism. The perception of the occupied population in Israel is not that it is only the 'other'; a Palestinian is a *lesser* human. In industrial-scale killing, the dehumanisation of the enemy is a must. That mode of consciousness could only come undone as the prevailing power balances undo the reigning power structure.

Highly developed Israeli industry enjoys preferential trade with much of the Western markets. Save the Sinai petroleum imported from Egypt under the terms of the Camp David Accords, relatively little commodity or cultural trade occurs with Arab economies. Much of what Israel exports is beyond the affordability of the Arab working classes whose total income is less than 1% of the global income (WDI various years). However, it is not trade in civilian-end use commodities that counts in this trade relationship. Just as Europeans posit that they could develop without colonising the rest of the world, but they had to pre-emptively obliterate many peoples far afield to develop, Israel too trades in power, imperialist security and militarism. Its workers, soldiers, migrate into occupied territory, earn wages and generate profits by the high value-added industry of war. Israel has pre-emptively destroyed the potential for popular sovereignty in Arab states to secure imperialism and its rents.

For instance, the Israeli hype about Iranian existentialist danger is nothing more than alarm bells to curtail a rising China. The global power balance is shifting. China's dependence on Iran for energy and Belt and Road expansion is a sore spot. China's rise is a nemesis of Western civilisation and its sponsorship of settler colonialism. At any rate, the planet is existentially threatened by the capital to which Israel belongs.

Israel's treaties with Jordan and Egypt, the Oslo Accords and its settlements are power facts. So long as these are not recognised by the Arab masses, they will not become accomplished facts. For that to happen, the class struggle must end and so history must end. Aside from the unfeasible, Palestinian-leadership concessions or recognition of the power facts foments more of the process of accumulation by war. The notion that a class of Palestinian comprador could enter into peace agreement with Israel to promote peace is ludicrous on ontological grounds. Ontology has nothing to do with one's opinion. The thousands that drop from hunger every day are the victims of the same capital class and ideology globally. Israel, the personification of intense capital, consumes Arabs and Palestinians whole in its social production process, its militarism. For the sake of perspicuity, the case may be put as if someone thinks they could stop a factory that sells a commodity; here the commodity is the death of the Arab and other proletarians around the globe, by pleading with the factory owner to stop producing that death commodity and declare bankruptcy. The social production process into which imperialism immerses itself is the wasting of lives and the environment; the crux of the global industry is to create surplus value whose materialisation is waste. Poignantly, the proof is given *ipso facto* by the immediacy of the social and natural calamity, mediated by the historical surplus value, principally the ideological stock accumulated across the history of European civilisation; the reigning ideology is the reigning class.

Under capitalism, society pays for toxins as well as for war dead. Imperialist slaughter is production and reproduction of a class in power. The class is the social in the concept 'social production'. The class is the imperialist-Israeli-comprador alliance. Such is a fact, not a constructed fact, as observed in phenomenon and the institutions of class power such as NATO. The struggle for the liberation of Palestine is less about freeing the land, although that is required to arrest future mass deportations, and more about the emancipation of mankind. Winning the struggle in this

strategic region is about lesser global death rates arising upon a stronger imperialism and its imperialist practice. As stated in the introduction, the issue that Israel is about who stands behind Israel, as per Mao, has proven time invariant. The land issue is the symbol that mobilises the Palestinian working class into self-defence. By ceding historical rights in Palestine to Zionism, the Palestinian comprador boosts imperialism worldwide and compromises the interests of the global working class. The trade-off between how much land should settlers occupy relative to the calculus of regional plunder to be performed by the US-European alliance implies that some concessions to the Palestinians can be made while the war and austerity death-toll far afield rises. The parasitic Nordic states, as defined by Arghiri Emmanuel, the ones dishing out the Nobel prizes, funding NGOs in Palestine to ensure surrender and engineering Oslo-like peace accords, are the real lethal imperialists masquerading as social democrats, not the country cousins in the United States awaiting the Messiah by nuclear conflagration. Ignorance of the issues imparted by the mystification surrounding the Israeli-Arab conflict should suffice as an immense asset to capital.

To make the point by counterfactual argument, assume that sections of Israeli industry are vested in trading-cum-normalising relations with the surrounding Arab milieu. Furthermore, assume that such industries exert enough leverage to shift the course of Israeli trade from West to East. Factually, historical European-US aid to Israel is an investment that strengthens their hegemony in a strategic area. That hegemony is the basis for dollarisation and value capture through financial channels on a global scale. Occidental capital earns no particular economic advantage from its trade with Israel. Far from it, in the narrow trade accounts, it incurs losses given the higher costs of Israeli products and the aid packages. However, capital earns what it spends or what invests. The aid to Israel is an investment in militarism, not blood money for the atrocities committed by whiter man against Jews in Europe. To personalise history and bestow upon it the faculty of emotion is only possible by American education hokum. Israel is a principal imperialist pawn and partner that has secured US-led interests and the potential flow of essential primary commodities from the Middle East. Through its wars and serious threats of war, it has also been the major force behind accumulation by waste or militarism and, subordinately, Arab de-development. Israel has been a pillar for recycling the regional real and financial capital to imperialist centres. If the counterfactual suppositions hold for a fleeting moment, the whiter man of the leading civilisation ceases to be.

In retrospect, the Palestinian revolution has to accomplish the impossible, as per the words of George Habash, which continue to bear scrutiny. What a task it is: to free Palestine, the international working class must defeat imperialism. In the integrated power fabric of class, the very same imperialist forces that have caused the Palestinian Nakba cause the planetary Nakba.

8.11 Concluding Remarks

The Marxian approach posits that labour migration is intrinsic to capitalism. The mainstream assumption that capital is mobile while labour is immobile is irrational and unhistorical – the worst logic in all the possible worlds of logic. The flood of refugees from the war-torn Arab world boosts profits in Europe and incites fascism, the two most favourable outcomes of capital as history. Capital accumulates by creating a cheaply paid labour, and there has never been a time without wars and refugee flows. However, the more decisive reason for proletarianisation in the West Bank is the imperialist assault rather than the narrow concerns of the Israeli industry. Subduing the Palestinians, letting them crave bread and safety, bolsters imperialist hegemony over the globe. As it has been wryly put, Israel was no more than a US airbase, which costs less to maintain than the Sixth Fleet.

In the interim, while the migrant labour worked in Israel, the mainstream's accounting frameworks relating wages to employment in the West Bank became a fascist half-truth. Who could argue against the blatant fact that starving people must work for any wage? Such platitudes are commonplace for the mainstream. For instance, most policy recommendations of the World Bank stress education as a way-out of poverty. Who could argue against more education? Yet all their policies breed poverty, which breeds no or poor education, while the educated few usually flee poverty. Half-truth is the mainstay of fascism.

The power in history makes the follies of history seem rational. The creation of a dependent Palestinian proletariat appears to have been coordinated to push through the Palestinian surrender agreements. However, capital's shaky foundation and its twisted *reason*, the reason of the commodity as self-expanding value, resurface in times of crisis or just at about the time that capital has had nearly enough rope to hang itself. The realisation of capital's *reason* is the crisis – now a fully fledged catastrophe. By the negative dialectic or by the near complete collapse of labour as the historical alternative, capital has borne out the unthinkable. It has made real its formal two-dimensional diagrams, its supply, demand and equilibrium stories. The terrifying reification occurs as the determinism of formal logic becomes a way of life in the zero-hours contracts and excess populations mantras; one now hears that the problem is too many people. More shocking, the class content of ethics would posit that Israel is the moral authority because its scientific advance, the testing of advanced weapons upon unarmed civilian, is *ethical* on account of capital's appointed jury, which is still deliberating the issue and because its meliorism advances the cause of science and civilisation.

Yet, despite the calamity, high social entropy, the immense pile of waste that was peddled as wealth, left open cracks into which the genus switched into its differentia. China has grown. Fortuitously, the thingified people, the capital class, *reasoning* as commodity, do exactly what the commodity wants: self-expanding value creates its opposite, socially commandeered production relations. By the inter-competition of capital or by the capital labour contradiction, labour must command its own labour process; it must adhere to socialist ideals to withstand imperialist assault.

The first and second moments of value relations I spoke of above must be under the control of labour exactly because there are no limits to which the reason of the commodity could sink the planet. Beyond annihilation, there are no further areas that capital as commodity could venture into, and that is precisely where it is headed. Hence, the historical option laid out by the commodity in its course of blind accumulation leaves labour one voting choice in the immediate term: it must reorganise man and nature.

The reason Palestinian labour demand in Israel rose derives from the accumulation of global capital in its imperialist form and, sub-categorically, from the accumulation of Israeli capital, although the loud bark of latter appears to coordinate the paths of the former. The more Palestine and the Palestinian cause sink, the more imperialism is buoyed. Put differently, the global power structure, whose time is historical time, necessitates the exchange of Israeli commodities for more than just Palestinian labour, because in the bigger picture, capital needs to squeeze so many hours of socially necessary labour time, so many lives cut short, to make surplus value.

The main postulates to keep in mind as we move to the final chapter are as follows:

1. Under the conditions of the Protocol on Economic Relations, the Palestinian self-rule authority conceded to Israel the right to decide the requirement of the West Bank market for non-Israeli goods, the type of currency in circulation and whether territorial labour can work in Israel or not. With this agreement, the Palestinian comprador guaranteed the indentureship of national resources, particularly labour. Israel has created and then dumped the commuting labour force. In one individually tragic incident, an unemployed Palestinian who could not find a meal for his children in the trash can committed suicide in plain view. In the bigger more tragic social incident, the Palestinian comprador employed the misery of the people to reinforce defeatism and justify partial surrender, which in turn became the gateway for imperialism to undermine developing states farther afield. The accumulation of Israeli capital, the social process driven by the social subject, the class, is an extension of the capital accumulating in the centre. Imperialist expansion demands the subordination of Palestine to Israeli capital by means of war.
2. Restrictive colonial measures on commerce and industry and the creation of an indigent Palestinian working class are the historical choices of imperialism. The individual's only choice is survival by migration.
3. Articulation by the violence of settler colonial occupation is a firmer more sturdy form of accumulation than the salient forms of hegemonic articulation.
4. In contrast to structuralism and Marxist variants thereof, the Palestinian mode of production is not pre-capitalist. It is a capitalist mode of production developing in severe crisis. In a historical process where capital under capitalism is the dominant or universal power, none escapes its reach and relations of production. The West Bank's surplus army of labour is not a redundant peasantry. The peasantry was never redundant anyways. There cannot be a mode of production which is

half capitalist, half pre-capitalist. The process of history cannot be mimicked by a statistical pie chart. Sublated forms of foregone social formations only resurface in relations to the current crisis. They are symbols of social classes still vibrant in popular memory. The pre-capitalist past, however, is not what commands the present. Past traditions of Islam are flaunted and inculcated by the mainstream namely to serve capital's ideological ends.

5. Palestinian labour transfer to Israel is the mediation of value relationships, or class struggle relations, which came into being as a result of the occupation and its broader linkages to imperialism. A Palestinian may choose to work in Israel in order to better his or her own lot in life, but that is only because occupation has destroyed his or her means of living.

Chapter 9

Conclusion: The Future Has Already Happened



At a much smaller fraction of its heyday average and facing entry hurdles, the migrant labour is practically no more (ILO 2017, 2019). Its future has happened. The pressure upon Palestinian society from the lower remittances, systemic land confiscation, pauperisation and the earlier defeat of the PLO in 1982 in Beirut has dented Palestinian resistance. The rents from militarism generated by several regional imperialist campaigns partly owe their success to Hamas's Qatari-sponsored duplicity and social retrogression and Fatah's role as a fifth column to occupation. Proletarianisation is socialisation of labour. The poverty and the migrants are instruments to socialise not only Palestine but the whole region by wars of encroachment. The region's resources are strewn for grabbing. For the sake of militarism and its industry of war, Israel would even momentarily relax restriction on the territories at intervals that coincide, for instance, with war on Iraq or elsewhere in the region. Israel would even speak of a Palestinian state, when any state in this region with a modicum of autonomy runs counter to the grain of imperialism and its militarism. This chapter summarises our findings. It resituates and highlights the principal empirical as well as theoretical points. I also introduce and reinterpret some findings from a survey conducted upon this labour in the early 1990s.

9.1 A Summary of the Empirical Results

To investigate proletarianisation in the West Bank, Chap. 7 covered sectoral performance and employment conditions. Chapter 7 has shown that the occupation restricted sectoral development, confiscated land and created more of the socialised wage labourers, people who owned nothing but their labour. Chapter 4 introduced an econometric test that showed wage differences in wage-paying markets do not impel commuting. A significant wage difference however existed between non-employment income in the West Bank and wages in the physically demanding jobs sectors of Israel. Another finding was that the low unemployment figures of the West Bank were

misleading. The real West Bank unemployment rate was closer to 50 percent. There was a close relationship between the unemployment rate and the rate of migration. Without employment in Israel, the West Bank exhibited high unemployment rates. The migrant's only choice was employment in Israel. Even without the econometrics, the data informed of these results. It should be clear that people migrate to 'make a living'. To state the truism that higher wages induce migration should not hide the fact that another shade of making a living is to force people to scrape in order to get by. The difference between poverty income and wage employment is a question of survival and must correlate with migration or any other act a human being does to subsist. There is nothing ingenious in the science of the mainstream as it regurgitates what is commonplace. Social science, however, is at its best when historical or as it reads the reasons for the decline in income and wealth to below subsistence levels.

The neoclassical school is oblivious to initial wealth conditions. It does not ask whether the agent is wealthy or starving. Its paradigm deploys assumptions devoid of historical subject. Its subject is a hallucinatory abstract man. A contract by choice between a starving abstract man in search of jobs and capital as per the Edgeworth box story is Pareto optimal. Fortuitously and theoretically, the starving man is abstract and not real. Realistically, as people accept such hollow logic, the misery they incur gets justified by that very poor logic. However, to realise the logic of this approach, to de-historicise and de-socialise man just to get a free contract between free agents in a free world that cannot be improved upon, is Platonism in reverse. A starving man cannot be free, and markets are power platforms. Reification is at times a useful tool for thought, but to truly reify, to draw some mathematical forms on a blackboard and wish them into existence by the guns of capital, is the work of a positive philosophy realising the desires of the commodity as self-expanding value.

As to the high price level in the West Bank, it was not any economic integration influencing productivity that drove up wages in the West Bank; it was economic occupation. Apart from trading in the stability or instability imperialistically required to fuel regional militarism, the West Bank trades its peoples' labour, its resources and huge amounts of aid for the Israeli commodity it consumes. Occupation strangled and deconstructed the national production base. The more destruction Israel exercises in the West Bank, the more it boosts accumulation by destruction and the Israeli and regional militaristic cycle, first by the demonstration effect and second as more aid to the West Bank recirculates to Israel. The violence revitalises the Israeli military structure, while the aid to Palestine purchases the consumption items and the reconstruction materials from Israel. Additionally, this leads to higher demand for Israeli Shekels. As Israel issues more money and credit, it expands the economic domain upon which Israeli production and growth rates also expand. To bomb and earn significant returns is an occupation made in heaven.

Science questions the obvious by an investigation of what constitutes the obvious. Science is also a question of degree. Although in the case of the West Bank discussing the obvious is *a priori* absurd, the question was put: what if in the odd chance Palestinians were pursuing some lottery or hidden reward by choosing to migrate? Some in the mainstream uphold and argue strange points. Chapter 4 found that the degree of variation in migration relative to wages using conventional tools uncovered no evidence of discrete migration choices to wage differences.

Empirically, the evidence for migration was borne out by absolute as opposed to relative wage differences. It occurred for reasons of indigency. The absence of non-employment incomes in the West Bank compelled commuting to Israel. The econometrics of Chap. 4 would have been inadequate in any case without reinterrogation of the data constructs, which are foundationally erroneous. Yet the remodelling with additional symbols from phenomenon had reaffirmed West Bank unemployment as high and non-employment income as low.

Furthermore, the empirical result called into question the nature of the conceptual content of National Accounts conceived wage rates in the rural areas, especially when these wages benchmark the significance of the propensity to migrate. The wage rates of small or complementary industry in the integrated less developed formation are offered by artisanry or an industry that has been sub-branched with the more developed formation. In such cases, neither the lagged nor the contemporaneous wage differences will explain migration. These are the wages of the same market for the same jobs. However, mainstream social science will not provide an account of the historically determined level of subsistence. Data on the incomes of the swathes of reserve army of labour does not exist. That is not so because such level of subsistence is small in money form to count for anything. It is because of the 'symbolism' attached to the meaninglessness of life assessed as 'cheap' in money form. Although in value terms outlays on labour are significant, the idea that the poor do not matter because they cost and buy so little is a principal ideological weapon of capital. Measuring how minute the contribution of the developing world to the First World as a result of imperialism is also a favourite pastime of Western Marxism.

Moreover, individual survey data accounting for the behaviour vis-à-vis incomes of movers and stayers in the Third World are rarely conducted. Possible, although not certain, a consistent time series measure of the real variable indicative of migration, the non-employment income in the rural sector, which underscores the real wage difference existing with the more affluent modern areas, will relate on a one-to-one basis with migration. In what follows I revisit and reinterpret the results of a work history survey conducted in the early 1990s (Kadri 1998). Only a partial reading of the survey was published then, and it is the interpretations of results to the questions asked, which stirred my interests in this research to begin with. I discuss below some pending issues.

9.2 The Measure of Non-employment Income

The obvious shortcoming of an aggregate approach to the study of migration is not the absence of individual choice but the absence of the individual living condition that forms the background for individual choice (Standing 2006; Maertens et al. 2011). Mainstream economics faults the aggregate because it does not allow the examination of the influence of personal attributes, so-called mobility characteristics, and personally relevant measures of economic opportunity (Muller 1982). Alone these variables are meaningless, together and in relation to the historically formed social conditions they mean something. However, in that mainstream jargon, there is an omission of

class, the relationship of the person appended to a social class and the relationship of that class to the conditions of social production. The tautological evolution in the mainstream literature evolved from a comparison of net income in the home and destination sectors, to a comparison of the individual's utility functions associated with either place (Nakosteen and Zimmer 1980; Muller 1978), oddly, as if utility cannot be referenced by income. To posit that an individual utility function that includes the amenity attributes, such as parks and city lights, incentivises migration is to forget that any amenity within a utility function has a price and is itself a function of income. Choice is possible when enough power and income afford choices. The difference in the net income is a realistic measure, but it is only a partial truth. The real issue is not income at the very moment of migration but income in its state of becoming. The historical forces that shaped income in one way or another are the forces that shape migration. Below I disclose unpublished results from my old survey and discuss some old and new results in light of what has been presented so far.

A translation of the survey questions is provided in the Annex. It was drafted with the migrant's wealth profile and living conditions in mind. It was addressed to migrants, and not stayers. It particularly targeted migrants who originated from the West Bank, predominantly of farming origin, and not refugees from the ethnically cleansed villages of 1948 Palestine – these are already fully socialised. The Arabic of the survey was slightly less grammatical than high Arabic. All the questions asked were answerable with a yes/no format, a tick indicating the desired status, and in a few cases the individual noted a number such as age. The commuter was not asked to word his or her opinion about a situation. As such, the questionnaire can be coded with categorical variables.

The survey covers a variety of issues grounding of the migration decision. Apart from the personal characteristics of the migrant, the key point is to assess initial wealth and whether wealth was lost and/or the migrant was unemployed before migration. Ownership of farmland, the proportion of irrigated or better land and confiscation in land are a measure of wealth. In light of what is known about the massive land confiscations in a loosely concentrated land ownership setting, most of the migrants should have lost land. The precipitous drop in initial wealth and/or the basis for subsistence alongside unemployment can then be constituted as the primary cause for commuting. Additionally, the survey probes the commuters' status from several angles, always with the target being the personal history of the migrant before migration. The remaining questions address standard economic problems, such as constancy of wages in Israel, whether an individual works continuously in Israel, opportunity cost of not working, risks associated therewith and net income.

The questionnaires were completed in mid-1993, but only some of the questions first analysed in 1997. The timing of the survey was at about the time that Israel began shedding the migrant labour. The mean age of the commuter was 31 years with a standard deviation of 9.8 years. Most of the commuters are somewhere between 20 and 40 years old. Working men constituted 95% of the sample. Of the 232 persons surveyed, 65% ticked the married slot. Out of 250 questionnaires completed, 232 were admitted in the sample. The remaining numbers were not included chiefly because they were impertinent or incomplete. A sample this size is representative 90% of the time, within a 5% margin of error (Cochran 1977).

The average size of the commuter's family is 8.5 persons, slightly above the national average. The national average is about 8 – compared with data from the Statistical Abstract of Israel for the year in question, 1993. The mean number of working people per family in either the West Bank or Israel falls slightly below 2 people at 1.94 people. Of that number, 1.57 people, including the commuter, work in Israel; commuting is a family business. In the commuters' families, 61% of all those are working for a salary or wage other than the commuter work in Israel. A positive relationship exists between the decision of the individual to commute in relation to other persons in the family who are already commuters.

9.3 Initial Wealth of the Migrant

Ownership in land, especially irrigated land, indicates the status of initial wealth. About 49% of workers surveyed owned land. The mean land size per family is at 2.65 dunums, with 6.35 dunums of standard deviation. This figure denotes a relatively low concentration of land per person. Under standard criteria of landlessness, the overwhelming majority, over 90%, of the commuters are landless. The average of 5 dunums per family denotes the threshold for landlessness. I have taken the liberty of borrowing this benchmark from a thesis carried out by Iskandar (1978) on tobacco growers of South Lebanon. The proportion of ownership of irrigated land from total land was low:

Totally not irrigated	Half irrigated	Quarter irrigated
73%	10%	17%

The ban on drilling new wells and the cost of irrigation water undermine the viability of family farming (Dana 2013). The aridity and the scarcity of farmland underscore low farm output. Farm income alone cannot provide subsistence. A further investigation of initial wealth found that 58% of all those who owned land had an average of 44 *dunums* of land confiscated by the occupation. The migrant might have inflated the figure because he refers to the extended family land rather than his or her personal share. A significant number of migrants have been subjected to land confiscation. This result tallies with the macro figures on land confiscation. Nearly half the people surveyed did not own land while being rurally based in an area characterised by loose land concentration ownership.

9.4 Work in Israel

In response to the question of whether the individual commutes regularly to work in Israel, nearly 60% of all commuters claim to be working consistently in Israel. Of the remaining 40%, about a third declare to being employed in the West Bank when not working in Israel. The West Bank cannot reabsorb its labour. The distribution of

employment positions across sectors corresponds to that found in the Statistical Abstract of Israel in 1993. The construction sector employed 50% of the total commuting labour force, 20% in manufacturing, 15% in agriculture and 15% in services. Israeli estimates indicate that commuters from the territories the West Bank and Gaza comprise 90% of the entire wage paid labour force in Israeli construction (SAI 1993).

In respect to continuity of work, 60% of commuters declare to be working consistently in the same sector. The mean period of employment with the last employer is at 40 months with a standard deviation of 4 years. As to the relationship with the present employer, the results were as follows: 8% claimed it was bad, 48% claimed it was normal, 30% claimed it was good, and 14% claimed it was excellent. These results may point to an implicit accord underlying the interests of commuters and employers alike. At nearly 8.5 hours, the average length workday in Israel is equivalent to the West Bank's workday. However, the average time spent in commuting to the job sites in Israel is nearly 2 h, including checkpoint waiting time, which exceeds that of commuting locally in the West Bank.

9.5 Wages and Taxation

Of the persons sampled in the survey, 57% are registered with the Israeli Work Bureau for tax purposes. This figure is consistent with the Israeli estimate for that year (SAI 1993). Such figure underscores the laxness of the Israeli authorities in dealing with tax evasion. The mean income of the commuter is 69 Israeli Shekels (around 25 US\$). Workers who are registered appear to be in a higher-income bracket or to have been employed in Israel for relatively longer periods. The average outlay per person on taxes and social security is 10 Israeli Shekels, 7 and 3 Israeli Shekels, respectively. This constitutes 13% of the gross income. However, the highest deduction from income results from an average 13 Israeli Shekels paid towards transportation. Combined, these taxes and transportation costs situate the net income of commuters below the average incomes of stayers employed in similar jobs in the West Bank.

9.6 History of Employment

The mean period spent in commuting, as of the decision to commute for the first time, is slightly over 6 years. Given the average age of the commuter, this implies that for many the job opportunity in Israel represented their first jobs. In the answer to the question of where the individual was employed before commuting for the first time, 55% declare themselves unemployed before commuting. Moreover, 58% of the sampled workers perceive that at present an employment possibility in the West Bank is unlikely. Of the unemployed group, only 14% maintained that they had a non-employment income. Of the 16 persons receiving unemployment income, 1 claimed that his income had increased by a quarter as a result of commuting, 7 by at

least half, 1 by 3 quarters, and 3 persons claimed it was doubled and 4 more than doubled. These results provide additional proof that West Bank unemployment and poverty conditions compel commuting to Israel. Employment conditions in the West Bank have worsened since 1967. That the expected wage eggs on migration is a self-fulfilling hypothesis. In one of the undisclosed questions, the migrant was asked why do you migrate, and evidently the answer was there is no work nearer to home. That answer would have sufficed as proof. Palestinians migrate despite the lower wages in Israel for comparable jobs in the West Bank because the chance of a job at home is low.

9.7 Additional Results

Of the persons employed before commuting, 45% of the sample, originate nearly equally in all major economic sectors of the West Bank. About a third of this group were self-employed on farms or in small businesses. In one of the questions, the commuter was situated in a hypothetical situation in which he/she already holds a job in the West Bank and asked how much additional wages in Israel would prompt him/her to commute. The results were as follows:

1. 5% would require a quarter more in wages.
2. 49% would require half more in wages.
3. 33% would require twice more in wages.
4. 13% would require more than twice more in wages.

Aside from working in a hostile environment, the unpleasantness of commuting, waiting on roadblocks, long travel distances and safety of person raise the opportunity costs of migration. About 44% of those who commute do not find a job every time they cross to Israel. An average of 111 days in the survey year are lost due to the extraordinary conditions of political violence and frequent closures. Calculated over the year, because earnings are steadier in the West Bank as there are fewer closures, yearly wages in the West Bank are higher.

The results provide additional proof that migrants were unemployed or had land confiscated before commuting. Non-employment income fell below the employment wages offered in either the West Bank or Israel.

9.8 Recapping Some Findings

The mainstream position that wage differences between industries in the West Bank and those offered by industry for similar jobs in Israel under a supposition of full employment constitute the reason for commuting is as ludicrous as the idea that there are so many jobs from which to choose and people choose jobs with better pay. Furthermore, although the advocates of received theory casually reference the restrictive measures imposed on the territorial economy, they also tend to read the

high wages offered in the West Bank as those wages which could have arisen independently of the imposed common market with Israel because of rising Palestinian productivity. As industry and agriculture fell, local productivity plummeted. The problem is neoclassical economists impose *ceteris paribus* and believe that nothing exists beyond their assumptions. Where in the world do we have full employment, and how could productivity rise if land and industry are being confiscated? Apart from showing that the reproduction of commuting labour cannot be found in technical discrepancy or unequal exchange (as in Chap. 6), Chap. 7 disclosed the decapitation of the economy by sector as reason for falling productivity. Wages are symptoms and not causes. The wage differences between subsistence income and commuting income is high as a result of occupation.

Reading history from immediacy, from how things appear before us in the wage or money form, appraises only the interrelatedness of phenomena. To presume that there are only two incomes, the West Bank and the Israeli income, omits the income of huge swathes of the population, the incomes of people who have no wage employment and no land to farm. I introduced the non-employment income in a set of equations to show that even formally, it can be shown that poverty induces migration. The issue is to explain pauperisation and its laws of motion.

Wage employment is wage slavery en masse. Focusing only on higher industry wages in the West Bank and Israel, omitting economic union by occupation, not relating these indicators to the holistic condition of immiseration by colonial violence, is more than just a *ceteris paribus* clause; it is *malevolent*. It fails to take notice of the social class, its social type and substance, which motivate Israel's practice. It fails to situate Zionism as an organic extension and avant-garde of imperialism. The argument that to secure a state for Jews in an unjust world, it is necessary to expel or pauperise Palestinians is both cause for perennial war and a fulfilment of the absolute general *law* of capitalist accumulation (Marx 1867). Nothing surprising here, imperialism is war. It is the ultimate rule of the commodity as well.

To only draw on the variations in the wages for which there is a money form equivalent in national statistics, and not to factor in incomes in kind, leaves out not the particularity but the phenomenon of poverty. Official statistics do not provide the money equivalent of non-moneyed inputs in production. Estimating the value that social care amounts to in money form over the life cycle of labour will apportion a huge part of the social surplus to housewives. Tallying input costs to prices over social time or the real time in which society reproduces would raise the input costs such that capital will succumb. When the social costs of labour reproduction are commensurate to their money form income, surplus value ceases to exist, capital too. Neither those addled with mathematics nor the sober-minded interlocutors of capital would relate the small money amounts equivalents of subsistence income to migration. Such measures would draw attention to the violent means, which lower non-employment incomes to below subsistence. They will also draw attention to the fact that capital favours people who live shorter lives; here is the nut to crack. The low non-employment income *versus* necessary labour outlays in value would also flush out the many value relations attendant upon the reproduction of labour for which the cost price was decimated or obviated by capital. The oppression practiced by imperialist capital is the value relation upon which the rents of the dominant class emerge.

9.9 *Intifada* Implications

During the uprising (*intifada*), Palestinian militants called for a series of wildcat strikes. Such strikes, however, were sporadic and short lived. The strike organisers did not have funding to support the families of the strikers, and many workers were forced to break the pickets just to meet the basics for survival. Militants attacked buses transporting strike breakers into Israel. It may have been a time when the Palestinians could have used the strike to pressure Israel because of its interim dependence on commuting labour. In 1993, the Israeli daily *Yadi'ot* published an article describing the state of dependency on commuting labour. I have translated the following long passage:

After every incident of violence, the calls to impose a state of siege on the territories and to prohibit their workers from commuting to Israel are renewed. The insistence of these calls and the weight of the accusation directed towards the government conveys the impression that it is the government which is exerting pressure on its citizens to employ workers from the territories and, by implication, sacrifice the personal safety of Israeli citizens. No one is under obligation to employ Arab labour, but those who are clamouring for the state of siege, are the very ones who complain that they cannot do without Arab workers. It is possible for the restaurant owner in Tel Aviv to replace the Arab dishwasher with a mechanical dishwasher, however, the mechanical dishwasher does not have the same subdued look in its eyes when serving coffee as the Arab does. More importantly, the machine does not give a feeling of prestige to the restaurant owner. There may not be any economic dependency between us and the territories, but a psychological dependency on Arab workers does indeed exist. In the master-slave relation that has evolved between us, each party enjoys its position purely as a result of the existence of the other party. In my opinion, it is going to be difficult for us to abandon this feeling of mastery. The settlers in Gosh Katif have built their settlements knowing that they will come to depend on cheap Arab labour in their vicinity. Those who ask the government to provide employment for the unemployed Israelis, are also well aware that for this to happen we have to increase the wages offered. These wages have to be a little more decent and a little less black-market than those offered to Arab labour. Very few employers are willing to do this. Force of habit is indeed immense. It would be instructive to see, even once, an Israeli artisan, electrician, or carpenter on the day of the siege. In every instance you will see that man at a loss without his 'special Arab' who, in turn, carries his bag and takes care of the dirty work. In general, I can say that as of 1967 we, in Israel, do not have any metal workers, plumbers, or masons, we only have middlemen who make commissions on plumbing or masonry work. In most cases, the people who ask for shutting down the territories and keeping out Arab labour are the same people who cannot actually afford to lose this labour. Their posturing is a mixture of double standards and self-deception. (*Yadi'ot*, 11 March 1993 – my translation)

Such was the dependency. However, the Palestinian leadership did not configure an alternative, self-reliant, financial support mechanism for commuters. They also lacked control over the accumulated tax fund to which commuters have contributed in Israel. By reasons of Palestinian bourgeois class predisposition, resources were channelled towards servicing already existing national establishments, and not for the creation and/or strengthening of alternative labour organisations and funds. Furthermore, Israeli restrictions on the independent syndicalisation, including that of commuting workers, limit the prospects of labour autonomy.

While, for the above reasons, the Palestinian leadership could not effectively deploy commuting labour to further its political objectives, the Israelis can and did. As noted in the introduction, Israel replaced much of Palestinians with cheaper labour from abroad. In contrast to 'the desire of an Israeli to look into the subdued eyes of the Palestinian', Al-Quds, 31 May 1993, described the long drawn-out periods of closures as follows: 'any look of festivity disappears from the occupied territories and an economic catastrophe wherein hunger and increased poverty represent the main social trends begin to surface'. Hunger is more of a weapon than a point of debate.

Even though commuting labour from the territories comprised about 90% of the wage paid labour employment in construction, Israel's resources and its tapping into foreign labour attenuated the dependency impact. Although seasonal work in agriculture suffered during short-lived closures, the trade-off between the costs of laying down the groundwork for the imperialist objectives, the closure and the subjugation of the Palestinians, and the minor economic costs to this or that sector, as per the pittance recorded in the below passage, is irrelevant:

The closure of the territories has inflicted Millions of Shekels in losses on the farmers of Israel... The main losers are the producers of fruits, vegetables and flowers... The losses to the vegetable market are estimated at 15 to 20 Million Shekels a day, where the majority of the crop is destined for export.... The crops that were saved arrived at the market rather late and were sold cheaply... The crops intended for export fell short of the contractual quota... The preparatory work required fell short of accomplishment due to the lack of agricultural working hands. Mazro Elia, *The Effect of the Closure on Agriculture*, Maariv, 24 May, 1993.

Other messages of distress have pronounced that 'the absence of Palestinian labour generates economic difficulties in Israel and the red line becomes the means of finding alternative working hands', or 'Jewish labour from the former Eastern bloc cannot cope with the hardships of the work carried out by Palestinian labour', or 'the army personnel cannot carry out the tasks that were executed by Palestinian labour' (Yadiout, 9 April 1993, and Maariv, 24 May 1993). Despite that, the resources of the state of Israel afford it with the ability to close down the occupied territories for long periods.

The pressures of redundant commuters coinciding with socialist ideological retreat lubricate the Palestinian Authority's slide into concessions commensurate with the combined cross-national ruling class interests. Recalling war is the big business, and concessions fuel more of Israeli aggression; alternatively, one may say expanded war production. After the extended closure of 1993, commuting labour remained mostly unemployed and/or became the police officers of the mediocre Palestinian Authority – a co-optation and enlistment en masse into a proxy army for occupation. The transformation of some Palestinian *déclassé* worker into a soldier of fortune for the Palestinian authority mimics the transformation of the Israeli settler-soldier-worker forced into 'migrating' to occupy Palestine in the industry of capital's war; the same capital responsible for the atrocities of the twentieth century. In such negative dialectic, things are not so grim. The upside to recent developments occurs as devastation to nature and the rise of China reawaken anti-imperialist struggle.

9.10 Israel in International Development

The Israeli formation, situated in the orbit of staunch soldiers of empire, reproduces *via* imperial rent. In the constellation of the international division of labour, Israel is the jewel of militarism. It continuously expands by violence and annexation in a conflict that reverberate over the globe. It utilises the desperate self-defence measures of Palestinians, the so-called terrorism, as justifications for further expansion. Israel develops by an expanding cycle. It bombs, expropriates and grows. Of late, it is less aggressive against Lebanon because a small force like Hezbollah has proven the well-known truth, peoples' wars win. War is the self-expansion of the commodity at its best, while capital's reason is that of the commodity, and, as such, Israel will war, win or lose. Warring for capital, imperialism or Israel, used interchangeably, is an end in itself. As a regional force, Israel's power platform emanates from the amalgam of US-led imperialism.

After the closures of 1993, Israel easily substituted Palestinians in low-skill or physically demanding employment positions with cheaper foreign labour. In its selective democratic process, democracy for the Ashkenazi first, and destitute for foreign labour at the tail end of the rights spectrum (see S. Lavie [2014] for an incisive look into the Israeli social class order), right-deprived foreign labour had since filled the ranks formerly occupied by Palestinians. The apartheid of the 'sole Western democracy' in the Middle East then shifted into high gear. The pauperisation and land expropriation in the West bank, especially the siege of Gaza, intensified. After the fact, the continuation of such policies should serve as evidence that colonial immiseration targets more than just the creation of the cheaply waged proletariat. Israel axed most Palestinian workers and got a supposed peace deal, and it did not confine itself to the 1948 UN partition borders. In concomitance with Gaza and the West Bank, since 1993, Yemen, Syria, Libya, Sudan, Lebanon and Iraq are in tatters, hunger prevails in Egypt, and Arab countries reel under the weight of crises. The intensity of encroachment wars and the incapacitation of whole nations have generated trillions in war credit/profits for monopoly finance. It released millions of refugees onto the global job market. Furthermore, it reduced the minimal subsistence costs of labour in the region by millions of dead.¹

Just as the demand for supply-cost rising price of tropical and subtropical commodities did not solely induce Europe to colonise, in Israel it is not flirtation with cheaper Palestinian labour that induced proletarianisation. Capital, colonialism and imperialism are subcategories of each other and sociological relationships. Their state of being is about power and hegemony first, about accumulation by modes that swiftly consume human lives and about regulating the labour process, while

¹Physicians for Social Responsibility as quoted by Mint-Press News. Do The Math: Global War On Terror Has Killed 4 Million Muslims Or More A recent study suggests the "War on Terror" has had two million victims, but reporter Nafeez Ahmed claims this may be only a fraction of the total dead from Western wars. <https://www.mintpressnews.com/do-the-math-global-war-on-terror-has-killed-4-million-muslims-or-more/208225/>

economics is determinant in the last moment. Encroachment wars strip whole nations of their will and deepen commercial exploitation.

Israel rose to the pinnacle of the new world order after the collapse of the socialist bloc. It has held the upper hand in violent and non-violent political interventions before the Cold War and almost a free hand afterwards. It thrived as it annexed the Golan Heights and Jerusalem and declared the Jewishness of the state of Israel. The real factory of Israel is in how it imposes underdevelopment and depopulation measures upon the neighbouring region. The real product is just that of imperialism, waste and wasted lives (see Kadri [2019] for a reading of accumulation by waste from the production side). The elusive argument that such aggressions secure Israel could only imply that because capital is by definition the war of each against 'all', Israel's security will be established only when 'all' have perished.

Illusions aside, the strategic objective of striking separate deals, Camp David-like, with the surrounding reactionary states, other partners of imperialism, catalyses a cycle of reproduction by violence and austerity. The Arab comprador classes, rooted materially in western financial markets as opposed to national industry, already set their states on a course of auto-implosion. Their liquidation of national assets without replenishing the national capital base resembles the Israeli occupation practices visited upon Gaza and the West Bank. The peace deals are extensions of the *de facto* security and air cover Israel provides for its partnered social classes running Arab states. After all, social production is not only about producing commodities, but it is primarily about reproducing the social relations conducive to higher rates of exploitation and imperial rents.

Normalisation of relations between Israel and Arab countries is ruling class to ruling class normalisation. Normalisation is never about integration based on universalistic solidarity of any sort. That sort of integration necessitates Israel to come apart with itself, to shed Zionism and its ties with the dominant social class of imperialism, of which Israel is the leading force. Imperialism must create the Gaza model in as much as it has reproduce the value wrought from lesser necessary labour and a more impotent working class. Israel's inroads into the Arab world and Africa are a rehearsal for accumulation by wars and the commercial exploitation of mass slavery with the highest rates of surplus value. The historical motives of such moves are not related to some essentialist 'evil' characteristic of any ethnic group. History is impersonal, objective and incongruous with ethics. Of late, and under the weight of the socialist ideological crisis, history has become capital. In a world plagued by overproduction crises and the requirement to underutilise resources, especially the necessity of reducing the social cost of reproducing the population where countries serve as repositories for raw material, the Gaza model, a population cheap to feed and expensive to bomb, is capital's trophy.

The articulation of the modes of production appears as the eviscerated Arab formations assume the position of underlings to Israel in relation to the cycle of revalorisation by militarism. Arab formations are liquidated, as per the example of Iraq, or self-liquidate to imperialism's rate of metabolic reproduction by waste. The backing of Israel to Arab reactionary regimes is the command mechanism of capital that has reproduced the current conditions, the immediacy given as phenomenon. The

concessions of the comprador Palestinian class, reared under the auspices of the Gulf monarchies, have provided a legitimacy for Israel to pursue the vested interests of imperialism farther afield.

As to self-liquidation, consider the blatant example of Egyptian de-development after the Camp David deal and the supposed normalisation. There is enough evidence in the poverty on display in Egypt to prove that imperialist peace is as devastating as war. After four decades of peace, peace dividends and second highest US aid package destined for Egypt, one out of three children was malnourished in 2009 (IRIN 2012).² The abolition of land reform and many subsidies to the working class, and overall a privatisation process, resulted in the dislocation of vast numbers from the countryside. Little effort has taken place in either Egypt or Israel to engage each other culturally. Although Israel acts as if it wants to engage the Arabs, it simply cannot because cultural ties humanise the Arab that it needs to destroy, as per the edicts of its production and accumulation cycle. Apart from fuels, trade in other commodities with Egypt was negligible. Doing peace in line of Camp David secures imperialism's strategic gains and unleashes real war or austerity against the Arab masses. Israel's capital grows as it expands into the surrounding region, but not to sell its civilian end products; it sells imperialist securitisation and produces waste. In terms of forced migratory phenomena, the European genocide against Jews and their displacement to Palestine as migrant-worker-soldiers earning wages to displace the Arabs and setting the region on war course is additional proof that the law of value allocates resources under capital.

Israel specialises in armaments, petrochemicals, artificial intelligence and other high value-added gear. It carries out its trade on a world scale. Distance does not hamper its trade. Its access to European markets, and especially its preferred trade status with the US, make trade with Arab states comparatively insignificant. The surrounding Arab-pauper market's demands and Israeli products are incompatible. Shimon Peres had deceived the audience, in the Middle East Economic Conference in Amman on the 27 October 1995, when he says 'Israel does not need to trade with the Arab world'. Israel may not trade in food or clothing articles, the consumables, but as mentioned in the previous chapter, it trades imperialist security and power build-up at the behest of imperialism. Wars of encroachment are the pedestal for civilian goods trade and an industry in their own right. For a while, they bred the massive slavery that supported industry, now enslavement by wars of encroachment, the enslaving of whole countries, is a bigger industry with only an offshoot that supports central industrial development. Israel's real advantage remains its militarisation and geographical location. Counterfactually, had Israel been anywhere else away from the strategic Gulf, it would not enjoy the current imperialist rents. Zionism in Palestine remains faithful to Balfour's vision; the almost-white people of the settler nation in Israel will promote the empire's interest in the East (Gowan 2019a, b).

²IRIN (Integrated Regional Information Networks) (2009) 'Egypt: Nearly a Third of Children Malnourished'. <http://www.irinnews.org/report/86,893/egypt-nearly-a-third-of-children-malnourished-report>

The victory of imperialism in the Cold War shifted the balance of power between the differing circles of capital within Israel. The Israeli peace movement nearly evaporated. The growth in military and high-tech merchandise has expanded, further widening the incompatibility with the demands of the surrounding underdeveloped region. The flux inside Israeli capital had been predetermined by its foundational role in accumulation by encroachment wars. The state as arbiter of income distribution from war rents favoured the sections of the working classes who were staunch supporters of the imperialist class. Here one can see the commodity taking charge and alienated social control. As an example of a cultural identity politically empowered as a conveyor belt of rents and or incomes in a culturally diverse region, Israel has been a bourgeois role model in the politicisation of traditional identity and, hence, a nucleus of inter working-class wars.

Expectedly, the Gulf region is on a war footing once more, especially as the containment of China *via* the containment of Iran represents an intersection of US and Israeli interests—not that they part much. The issuance of US credit to finance the prolonged war and the spending on military security will underwrite and mobilise much of the fictitious capital of the US-led financial class. It will back the enormous credit that financial capital has created with the toil of working classes in the centre and the lives of working classes in the periphery. More important, the war industry as an engine of surplus value creation through the combined input of living and *dead* labour simultaneously in production will resituate the wealth and power of US-led imperialism firmly at the helm of history. The dead labour is literally dead not machines; in the Marxian sense, labour serves as both living and dead labour, the latter with its dead flesh as the product. In the primacy of politics, the rule of capital comes first, its blood-letting, and that is what really matters. Although the reasons for the fall of the Soviet Union are class based, only the show of force of American weaponry against Soviet weaponry in the swift Arab defeats may have been a significant prop that contributed to its demise. Through war incitement, investment in the settlement of Palestine has more than paid off.

However, the rise of China, the intervention of Russia in Syria and the growing presence of Iran and Turkey cut down to size Israel's role. Israeli capital is in a state of existential crisis; only capital the relationship, otherwise all of humanity is really in a state of existentialist crisis. The balance of forces that sustain Israel is changing. As to the world's existentialist crisis, the depth of the crisis is such that capital utilises a Swedish schoolgirl to address the thingified presidents at the UN, the personification of capital, to arrest capital or to fix the problems that capital has created. To not address history, the agency of reigning western ideology, the waste and wars as the principal moneymaking mechanisms, the totality of European heritage standing for class, serves only to bamboozle. At any rate, Israel must upgrade its hegemony. To relieve its predicament, it is being supported by all sorts of aid, more so colonially sponsored investment, from the USA and Europe. Israel, like South Korea and Taiwan, is a principal outpost of the imperialist cordon sanitaire (Kadri 2017). Unlike the other pawns of empire, it is a settler state. It was born advanced and European. To pun the drivel of ancient history as often projected to induce war in the current times, just as Ituraea's population enjoyed high standards of living as

soldiers of the Roman empire against the Parthians, Israel's white strata enjoy better standards of living than many in European nations.

Droll historical analogies aside, the cleavages within the circle of imperialism over strategies in the Middle East are growing. In the second half of the twentieth century, the differences over the redistribution of imperialist rents amongst the imperialist formations were politically smoothed out by the arraying of powers against the Soviet Union. NATO, OECD and other European institutions functioned as the umbrellas that strengthened the anti-Soviet momentum. With China's power and buying spree on the rise, the scores are different this time around. China, unlike the Soviet Union, has the four biggest banks in the world and so on. The splits within the US-European imperialist camp are similar in their vulgarity to white trash displays of infidelity of white American TV.

The bourgeoisie is divided between those who wish to continue with neoliberal globalisation, to the benefit of China, and those who want to return to a more firmly nation-based capitalism as the way out of the crisis (Lausen 2018). China is considerably socialised. As its power grows, the ideological tide associated with US-European-led power and civilisation for over 500 years will wane. By implication, the ideological hegemony of US-led capital will also wane. The European ushers of the bizarre notion that a monotheistic god or a mythical memory of a people across millennia can be justification for ethnic cleansing in the twentieth century will be exposed for what it is, a story to further colonial plunder. The point is not to argue metaphysically that China is a perfect model as the economic western Marxists who measure Africa's contribution to civilisation by the contribution of its slaves in dollars; there are no perfections. Questions of degree matter. The point is to deconstruct through struggle the intellectual legacy of a most barbaric European civilisation, its aggressive tenets of white democracy, scarce resources, lifebuoy ethics and its *mission civilisatrice*. The point is to tear apart its historical surplus value, and possibly as a minor task, to denude the ideologically charged neoclassical economics, hardly a serious theory of anything.

Engrossed in its dogmatism, received theory does not question the social forces that shape poverty manifest in poor wages and unemployment. It works with accounting frameworks of prices and quantities, prejudicially put together and assumed given. There is nothing 'given', everything is a product of history, and history is a class struggle. The more powerful class in that history is imperialism. Through the eloquence of class-evasive mathematics, neoclassical economics has reproduced the ideas that support piling up wealth in the form of global poison. It proposes paying for the dead fish as a result of pollution, its concept of externality, while the very act of production by social labour, the dead people that had to be extinguished before their due time to produce the labourer and the commodity, remain unpaid for or poorly paid, to generate profits. The externality is the internality of capital, and the product is waste, especially the prematurely wasted lives in the Third World.

9.11 Back to Labour

The social type of Israeli capital, the superbly armed Israeli formation, in which the militarised state and the rents devolved as incomes are moulded by imperialist hegemony, cannot impart more in value outlays upon the working class than that which it usurps from it. The class struggle is the primary sphere of production because it is the exercise of power over production processes. A capitalist class cannot but create surplus value. In its more pertinent measures, the rate of surplus value is the rate of disempowerment, the de-subjectification of labour. The rate of surplus value is only presupposed by additional commodities. The rate at which labour crumbles is the rate at which capital's power forms; subsequently, capital's symbols etched in money and prices command more of social production structures. The real commodities produced by other commodities, including labour power, serve as inputs, in which the life and effort of man are the only consequential inputs and measure. In any case, the betterment of Palestine did not happen, and as soon as dependency in the West Bank on remitted wages deepened, Israel weaned them to squash them.

The politics of Israeli occupation, a surrogate of the law of value, are couched within the strategic objectives of imperialism. There was more to this law of value than simply disciplining and cheapening Palestinian labour for an Israeli industry. Imperialism is war and a theory of war, and as a law of value, it implicates the surrounding region. It promotes militarism and cheapens the resource inputs and redirects finance to the centre. The magnified law floods the whole region with refugees and war dead. In both processes, it reduces the global costs of necessary labour. To capture value through the financial channels, the US empire must ride on the robust tides of power emanating from Israeli military supremacy. History happens as the identity of coincidence with necessity. In Palestine, imperialism, with the help of its Zionist hirelings, has hit a jackpot-not a dull moment since 1948 as the stock market buoys and the working-class shudders at the prospects of an Israel incited war in the Middle East. The name Palestine is an equivalent of regional war readiness.

Capital's cycle prefers a working class that costs little to maintain, workers that live only long enough to produce and humans that overconsume to the point of self-consumption. These are more like a maximum sentence upon society. From 'the products of labourers turned into independent powers, products as rulers and buyers of their producers, which confront the labourers as properties of their products, it is the further alienation of labour power as a commodity from society which is the principal target of capital' (Marx 1893). Convincing people to produce waste, to consume waste and that the wage for the waste they produce to consume is commensurate with their labour epitomises the effectiveness of capital's ideology. Judging by the 1 or 2 min to midnight state of the world, capital has spiritually eviscerated society. Once received theory obscures by a phantasmagorical story the reality of self-alienation, the autophagia of society, then the story of a god granting Palestine to European settlers supported by the secular masses of the developed world, becomes just another minor detail in the larger frame of obscurantism.

Sowing the intellectual landscape with *faux theory*, *the intellectual corruption*, to deepen the socialist ideological crisis is capital's prize.

The power of capital's ideology orients working-class hatred against ideas devoid of structures. The hate of abstract ideas is racism, albeit contingently upon the power rapport. The hate of the idea of the Arab is one such example. The idea of the Arab is not the metaphysical ideal of Arab, the synonym for what is immanent in consciousness, or phenomena represented or thought; while everything outside consciousness is just a material object, such separateness of subject from substance does not exist (Ilyenkov 1977). The war on terror, for instance, is a war on the idea of Muslim or Arab, which is a form of thought unrelated to the material world reflected by the human mind, but which at the same time justifies the obliteration of Arab masses. The war does not question whether Arabs are concrete people who belong to social classes and who might differ culturally. As such, any or all Arabs are targets of drones.

Europe, on the other hand, with the USA as the country cousin, is the principal structure whose ideas, its science and code of practice have so far devastated the planet. Because of its power, it is the leading civilisation that remains an idea without a structure or an ideal without content. As a social formation, Europe is a class structure with institutions and ideology adhered to by thingified people. Europe is wealthy, awash with capital, both real and financial. *Ipsa facto*, its wealth has accumulated by the exercise of ideological power and colonial or imperialist violence. Its amassed wealth, the practice of violence as a wealth making industry on its own and foremost, the stock of ideology that drives its accumulation are altogether *the historical surplus value*. Because European civilisation can impose itself as an idea, its warring structure can inflict immense harm, yet as a matter of principle, it cannot be repelled by violence because for its victims to self-defend, to fight the idea of Europe would be a hate of an idea and therefore fascism. As it may be recalled, liberal intellectuals justified the war on Iraq as a war against fascism – Fred Halliday, for example. European civilisation turns its ideas of the others into real structures to decimate, while its historical surplus value, stocked as the reason of the commodity, would quash any attempt at its own reification. While it bombs, imposes embargoes, starves with neoliberalism, its ideas being put to practice, no matter the outcome, are not unethical. Ideas are non-corporeal and cannot be sentenced in court for wrongdoing. Ideas are proven wrong or unethical by the standards of science; here science is just another idea of Europe as well. The real and ideological balance of power is such that whole nations subjected to systemic depopulation cannot speak of a white European structure. The developing world working classes have nothing to combat but ideas, while combatting the abstract idea of Europe is allegedly fascist hatred. Such is the abyss of socialist ideological defeat.

While Western ideology decapitates the planet, which is just an idea whose ethical validity is yet to be demonstrated wrong by capital's own science, the Palestinians' war to liberate their homeland is dubbed a terrorist war. But there is more to Palestine than meets the eye. To display excessive power against Palestinians, firing American rockets against poorly armed masses, incites the wars and austerity that reduce regional and global costs of the reproduction of the working class. The real

cost-benefit analyses to capital are conducted over the life cycle of society, not in the arithmetic of the firm in one period, with numbers and monies that US imperialism designed, but in the chronological time designed by capital as the solitary confinement of labour. That is social or the real time into which peoples' lives are organised. The costs that society incurs in relation to how much it earns over its lifecycle is the background for such calculations. Accordingly, Arab de-development is evidence of income lost, of value outlays squandered or usurped, because Israel disempowers working classes.

Capital's rule is universal. In response to its rate of accumulation, it transforms remnants of private labour into social labour. It commodifies and proletarianises labour. Although the making of cheaply paid commuters serves Israeli industry, the purpose of Palestinian proletarianisation is more decisively about the strategic objectives of imperialism. Crushing Palestine and the Palestinian question is war and causes endless wars. Writing in Hegel's prose with the present in mind, imperialist war promotes in earnest the vanity of temporal goods and concerns, 'it is the blowing of the winds that preserve the sea from the foulness which would be the result of a prolonged peace' (Hegel 1952). War is the lifeline of imperialism, and Zionism is vital to war industry. Defeating the Palestinian resistance defeats the spirit of resistance elsewhere; it preserves the sea from foulness. War is capital's historical necessity because capital, as the personification of commodity, issues itself an ultimatum, which is to only exist by violently ripping use from exchange value; it turns the public or social assets into private assets.

Yet, Israeli capital has a labour predicament. However, it is not a lack of labour. It is not just about getting more of the cheap labour, although that computes. It has imperialism's problem of doing away with existing labourers. To disclose the obvious, imperialism cannot get enough of the massacres and the genocides; these are big business. The issue is the violent measures that imperialism – the law of value writ large – has to reproduce cheap and evermore indentured labour, which also involves an industry of reducing the numbers of labourers. However, regarding Israel's own labour requirements, the more Israel shuts the territories to bar commuting labour, the more aid its affected industry had received – aid is the imperialist investment in Israel to bludgeon the surrounding region. Analytically and only analytically, the historical requirement of war plays an antecedent role to the civilian-end industries. Because the act of bludgeoning itself, the war, is social production, the triad of war, civilian business cycle and the social regulatory framework of the law of value realised in depopulation are a unity of the rational and historical. Ironically, Israel's historical function is first to perpetuate the power and accumulation of the very Western capital responsible for the atrocities of the twentieth century.

Just as the pauperised Palestinian has no choice but to commute, Israel too has no choice but to coordinate its imperialist assault upon the Arabs in Palestine. But that is not to say that Israel is alone in this or it does not have Palestinian or Arab class partners. Class constitutes and supersedes the nation state. Judging by the irrelevant measures the Gulf-backed Abbas leadership has afforded to the economy of resistance by self-reliance, the organisation of Palestinian labour and the promotion of alternative forms of social protection, it is clear that the Arab compradors feared

their own labour more than they feared Israel and imperialism. The strength of US-European imperialist ties with Israel, the state that replicates European colonial chauvinism, is sturdier than that of Arab comprador with imperialism. Central capital often sacrifices its own Arab sub-partners along with their social formations in its accumulation by militarism.

The narrow economic consideration of a migrant receiving an average pay of about 25 US\$ daily is only significant to imperialism in its working-class disciplining role. Israel indentures Palestinian labour as a feeder for the avalanche of wars creating indigency and cheaper global labour. The real value is the consideration that the defeat of Palestine echoes as defeat for the international proletariat. All incomes under capitalism are rents, and those with more power capture more rents. Aside from the heavy coverage of the Arab-Israeli conflict in the media, the bearing of the Palestinian question upon the global accumulation structure in terms of value capture and redistribution is relevant. Although the world is interrelated, the suppression of Palestinians is a noose to the international working class in regard to its global value share. Conversely, support for Palestine is inalienable from the struggle of the international working class. This is not so because of some proletarian love; it is ontological. Each repressive measure Israel exercises is a value relationship integrated in a global, social and organic production process. These social or value relationships are inputs into production that generate the product and the social relationship governing the reproduction of labour and other products. The class nature of production under finance is more liquid in money form and more integrated globally. Internationally resisting imperialism is the same as resisting the cheapening of inputs, the lowering of wages, which enter production. Resistance increases the share of labour from the global social product. The reasons for failed struggle so far are never apart from failed or wrong theory. The concepts that have sown into consciousness, borrowed from and content from Western Marxism and the positive philosophy of the mainstream, are now the bitter harvest of the current class struggle.

The opposition to the Palestinian authority has developed in a roundabout way to cement the economy of self-reliance. Zionism may still desire to mass-expel the remaining Palestinians, but with the rise of China the power balances have soured for Israel. The follies of moving embassies to Jerusalem and annexing the Golan Heights are the last spasms of a defunct empire. The world is either tolerating the US madness as it envisages an orderly workout of its dollar debt or because the unthinkable war might happen. Reversing the western powers responsible for the joint Nakbas of Palestine and the planet, reverses the iron law of commodities consuming commodities. The endless waste spiral. It is perhaps the only time a rational man might wish for a saccharine-sweet Hollywood happy ending.

Annex

Table 1 Data employed in empirical analysis

WWB	WYEE	IYEE	EWBA
3.5	14.5	7.3	132.5
4.75	15.2	7.6	129.9
6	15.9	8	127.3
9.4	17	8.6	131.5
16.6	17.6	9.5	132.8
32.8	15.5	7.9	131.3
89.2	15	7.1	133.4
201	16.6	7.5	140.9
487.4	17.3	8.5	147.2
2205.3	18.5	8.8	154.1
9190	17.7	7.8	151.2
15,530	19.9	8.9	167
20,480	22.8	11	177.6
25,960	21.7	10.2	183
4.7	27	21.5	132.5
6.3	25.1	18	129.9
7.9	23.2	15.7	127.3
12	24.6	16.7	131.5
21.6	26.8	18.8	132.8
42.7	25.8	19	131.3
122	27.7	20.3	133.4
266	30.2	22.5	140.9
656.1	33	24.8	147.2
2663.7	34.2	24.8	154.1
10,810	33.9	23.9	151.2
19,100	36.6	25.3	167
25,080	40.2	29.6	177.6

(continued)

Table 1 (continued)

WWB	WYEE	IYEE	EWBA	
33,920	40.3	31.4	183	
3.3	7	4.4	132.5	
4.45	6.95	4.2	129.9	
5.6	6.9	4.5	127.3	
8.6	5.9	4.1	131.5	
14.4	5.9	4.1	132.8	
29	5.1	3.5	131.3	
70	5.7	3.7	133.4	
183	6.3	3.9	140.9	
457.7	6	3.9	147.2	
1696.1	7	4.8	154.1	
7300	7.3	4.9	151.2	
14,000	7.6	5.3	167	
19,540	8.8	6.1	177.6	
25,040	9	6.5	183	
3.4	26.6	5.3	132.5	
4.8	53.5	5.7	129.9	
6.2	26.9	6.5	127.3	
9.65	27.4	6.7	131.5	
16.15	27	6.7	132.8	
32.3	26.6	6.9	131.3	
93.4	28.6	7.3	133.4	
208.25	30.1	7.3	140.9	
514.22	31.3	8.4	147.2	
2529.9	33.8	9.1	154.1	
9912	32.9	8.6	151.2	
16,740	35.7	9.4	167	
20,997	39.9	13.2	177.6	
25,242	36.7	12.7	183	
EI	U	WI	LFF	TLF
38.3	1.2	4.2	133.9	366.9
36.5	1.2	5.1	131.3	373.1
34.7	1.2	7	128.8	379.4
36.1	1.2	11	132.8	389.7
39.1	1	19.1	134.1	398.6
37.3	1	37.7	137.2	400.9
38.4	1.6	97.8	135.3	402.9
41.2	1.4	236	142.8	405.9
45.6	1.3	577.9	150.2	420.7
47.5	2	2308.7	160	436.3
45.2	3.7	9240	159.2	443.8

(continued)

Table 1 (continued)

EI	U	WI	LFF	TLF
49	3.8	16,970	172.2	441.8
60	2.5	22,630	182.2	455.8
60.9	2.7	29,410	188.1	459.1
38.3	1.2	4.8	133.9	366.9
36.5	1.2	5.9	131.3	373.1
34.7	1.2	8	128.8	379.4
36.1	1.2	12.1	132.8	389.7
39.1	1	22	134.1	398.6
37.3	1	43.2	137.2	400.9
38.4	1.6	115.1	135.3	402.9
41.2	1.4	270	142.8	405.9
45.6	1.3	653.4	150.2	420.7
47.5	2	2563.4	160	436.3
45.2	3.7	10,840	159.2	443.8
49	3.8	19,600	172.2	441.8
60	2.5	25,820	182.2	455.8
60.9	2.7	35,340	188.1	459.1
38.3	1.2	3.5	133.9	366.9
36.5	1.2	4.1	131.3	373.1
34.7	1.2	5.5	128.8	379.4
36.1	1.2	8.5	132.8	389.7
39.1	1	14.2	134.1	398.6
37.3	1	29	137.2	400.9
38.4	1.6	76.7	135.3	402.9
41.2	1.4	190	142.8	405.9
45.6	1.3	479.1	150.2	420.7
47.5	2	1675.1	160	436.3
45.2	3.7	7050	159.2	443.8
49	3.8	14,160	172.2	441.8
60	2.5	20,410	182.2	455.8
60.9	2.7	26,790	188.1	459.1
38.3	1.2	4	133.9	366.9
36.5	1.2	5	131.3	373.1
34.7	1.2	6.8	128.8	379.4
36.1	1.2	10.9	132.8	389.7
39.1	1	18.5	134.1	398.6
37.3	1	36.1	137.2	400.9
38.4	1.6	100.4	135.3	402.9
41.2	1.4	231	142.8	405.9
45.6	1.3	568.5	150.2	420.7
47.5	2	2374.7	160	436.3

(continued)

Table 1 (continued)

EI	U	WI	LFF	TLF
45.2	3.7	10,130	159.2	443.8
49	3.8	17,720	172.2	441.8
60	2.5	22,750	182.2	455.8
60.9	2.7	28,330	188.1	459.1

WWB Wages in the West Bank

WYEE Employed in the West Bank

IYEE Employed in Israel

EWBA Total Employed in the West Bank

EI Total Employed in Israel

U Unemployment in the West Bank

WI Wages in Israel

LFF Active Labour Force

TLF Total Labour Force

Table 2 A translation of the survey

1. date: Place: Age:... Sex: M F
2. Marital status: Married Unmarried
3 How many persons in family other than you:...
How many persons in family other than you are working full or part time:
How many persons in family other than you are working in Israel:
4 Does your family own any land in the West bank: Yes no
If yes, was any of the family land confiscated: yes no
If yes What was the size of the family land before and after confiscation
:before... after...
If no confiscation, What is the size of the family land now:....
Approximately, what percentage of this land is arable: 0% 25% 50% 75% 100%
4 Do you work in Israel continuously: yes no
If no.. In ordinary times when not working in Israel are you employed or unemployed in the West Bank: employed unemployed
5 In what sector were you employed in Israel on an ordinary day this week: Construction Industry Agriculture Other
Is this the usual sector in which you are employed: yes no
6 How long have you been with your last employer:....
7 How do you define your relationship with your employer: good bad ordinary
8 Hours worked on an average day this week:...
9 Wages earned on an average day this week:...
10 Are you registered: yes no
If yes, taxes and social insurance premiums paid on that day:...
What is the transportation cost on that average day:...
11 How long does it take to get to work:...

(continued)

Table 2 (continued)

12 When did you decide to work in Israel for the first time:...
13 Were you employed or unemployed when you decided to work in Israel for the first time: employed unemployed
14 If you were unemployed before deciding to work in Israel for the first time, did you receive any money from your family or any social insurance system:yes no; if yes by how much did your income in Israel surpass your unemployed income: 10% 25% 50% 75% 100% more....
15 If you were employed before deciding to work in Israel for the first time, what was the sector of your employment in the West Bank: Construction Industry Agriculture Other
16 Before you decided to work in Israel for the first time, were you an employee or self employed: employee self-employed
17 How many days were you off work due to extraordinary security or political conditions as of a year ago:...
18 Is it possible for you to do the same job in the West Bank now but you chose to work in Israel: yes no
19 If you were working in the West Bank now, how much more would you have to be paid over your West Bank wage for you to do the same job in Israel: a tenth a quarter a half three quarters double more than double

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