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İSRAİL EMEK PİYASASINDA FİLİSTİNLİ İSTİHDAMI: İÇ-KOLONYALİZM BELİRTİLERİ

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Özet

Bu makalede, 1967 Altı Gün Savaşı'nın ardından, İsrail tarafından işgal edilmeye başlanan Batı Şeria ve Gazze'deki değişen mülkiyet ve üretim yapısı ile birlikte Filistin vatandaşlarının İsrail emek piyasasındaki istihdam koşulları tartışılmaktadır. Bu bağlamda, İsrail Devleti'nin söz konusu değişmelere yol açan faaliyetlerinin altında yatan ekonomik kaygılar, mevcut sınırlı tartışmalarda vurgulanan emperyalizm yahut alt-emperyalizm gibi kavramlardan ziyade, iç-kolonyalizm kavramıyla açıklanacaktır. Bunun iki temel sebebi, İsrail ile işgal edilen topraklardaki ilişkinin etnik karakter taşıması ve aynı zamanda ileri seviyede kapitalist bir toplumsal yapının oluşmadığı İsrail Devleti'nin tam anlamıyla emperyalist olarak tanımlanamayacak olmasıdır.

Anahtar Sözcükler: *İsrail, Batı Şeria-Gazze, İç-Kolonyalizm, Emperyalizm, Sömürgecilik*

THE PALESTINIAN LABOUR IN ISRAEL: INDICATIONS OF INTERNAL COLONIALISM

Abstract

The property and production structure in the occupied territories of the West Bank and Gaza, and employment of Palestinians in the Israeli labour market is changing. The concept of internal colonialism offers a better understanding about the economic concerns of Israel on the occupied territories than imperialism or sub-imperialism. This is because the relationship between Israel and the occupied territories has an ethnic characteristic, and additionally, Israel cannot be easily explained as economically imperialist because of the non-existence of advanced capitalist conditions in Israeli society.

Keywords: *Israel, West Bank and Gazza, Internal colonialism, Imperialism*

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1. Introduction

The West Bank and Gaza were occupied by Israel during the Six Day War in June 1967. The aim of the occupation was to change the government of an area of 5,870 km² with a population of approximately 1,436,000 (Rosenhek, 2003 p. 111). Following the occupation, Israel began to conduct an integration programme (both economic and political) of these territories, which were called by the government by their Biblical names of Judea and Samaria. The integration process was also an asymmetric relationship that steadily continued until the first Intifada in 1987. This was a result of the fact that (as stated in the reports of the Israeli Ministry of Defence concerning development and the economic situation in these territories), Israel views these areas as a supplementary market for Israeli goods and services. They are also a source of means of production, particularly with the use of unskilled labour, for the Israeli economy (Ryan, 1974; Oron, 2013).

Israel's interests in the territories and efforts to make such implementations correspond with different concepts, these include economic imperialism that focuses the exploitation of resources in the occupied territories with the expropriation of lands and water resources, employment of Palestinians, etc. (Khouri, 1980; Ryan, 1974) This also includes issues of sub-imperialism (Frank, 1979; Machover and Orr, 2002; Chomsky, 2003) that analyses the semi-peripheral situation of Israel and consequently its sub-imperialist stance in the region, placing the focus on world capitalism (in particular relation to the USA) in the troubled relationship between Israel and the occupied territories. On the other hand, it is difficult to clearly place Israel as an imperialist state, because it is far from having a developed industry and a well-positioned capitalist class, while any capital of its own is non-existent, leading to a reliance on imported capital (Mark, 2005: p.1), Additionally, Israeli exploitation of the occupied territories has an significant characteristic that should not be passed over and is based on a political and military domination over an ethnic group or region.

This paper argues that the concept of internal colonialism affords a better understanding of the economic concerns of Israel in the occupied territories, rather than imperialism or sub-imperialism. This is due to both the ethnic characteristic of the relationship and the non-existence of advanced capitalist conditions in Israeli society. This paper examines on

an empirical level the consideration of Palestinians as a low-wage labour force by the Israeli state during the period 1967-1987. In order to clearly state this argument, the paper will examine critical reviews of imperialist and sub-imperialist analyses concerning the issue, i.e. the concept of internal colonialism as a specific variation of colonialism, changing the structure of property and production in the occupied territories and later the employment of Palestinians, living in these Israeli territories.

2. Israel and the Occupied Territories in the Sense of Imperialism and Sub-imperialism

Following the occupation of the West Bank and Gaza in the war of 1967, Israel has isolated these areas and has forced Palestinians to join an ex-parte economic relationship that steadily continued until the start of the first Intifada in 1987. This relationship benefitted these areas by means of exploiting natural sources, using Palestinians as an unskilled labour force and using these areas as a supplementary market for Israeli goods and services (Oron, 2013). Consequently (as will be argued in this section) the literature analyses these asymmetric economic relationships, as more direct exploitation, along with the concerns behind the economic integration, within the perspective of imperialism and sub-imperialism.

One of the prominent studies that explains Israel's interests in the West Bank and Gaza from the point of view of imperialism, (focussing on economic imperialism), is Ryan's 'Israeli Economic Policy in the Occupied Areas: Foundations of a New Imperialism'. In this article, Ryan (1974; pp. 3-28) argues that the relationship between Israel and occupied territories of Palestine might be evaluated as a form of imperialism for the benefit of Israel, in that Israel exploits Palestine for the benefit of Israel as follows: expropriation of Palestinian lands in the West Bank and Gaza; the employment of Palestinian labour as an unskilled and low wage labour force by Israeli capitalists; the exploitation of their natural sources (such as water); and using occupied territories as an export market for Israeli products, while Palestinian export potential is substantially restrained, particularly when it comes to agricultural raw materials.

In a similar manner, Khouri (1980; pp. 71-78) examines Israel's policies on the West Bank and Gaza within the context of imperialism. Khouri

(ibid: p.71) states that, although Israel has suffered from structural economic problems (such as budget deficits and high expenses), it is kept afloat due to the benefits it receives from the occupied territories. Israel exploits the occupied areas and the Palestinians in these lands, in order to provide natural resources, and a cheap labour force. At the same time, it uses these areas as an export market to develop its national industry in an attempt to overcome chronic economic problems. Khouri (ibid; pp. 71-78) also claims that this ex parte economic relationship has benefitted Israel as a unique imperialist character in such a way that (contrary to previous imperial examples) Israel's imperial economy has risen above that of adjacent lands and is based on a strong political pacification and process of isolation. He also claims that these unique features of Israel's imperialism have eased and blurred the subsequent economic domination.

It should be noted that although both studies contain a wide range of empirical data to support their economic imperialism thesis, they attempt to evaluate the issue according the conclusions of the relationship between Israeli and occupied territories. Thus they fail to understand this relationship from the point of determinist dynamics and the mechanisms of imperialism, such as class structure and the forces and relations of production. Moreover, the selected literature passes over the association of the economic relationship between Israel and the occupied areas, which is one of the essential aspects of economic imperialism. This includes the requirement to spread capital thorough new investment areas in order to render continuous capitalism. In this sense, it is difficult to view Israel as an economically imperialist state, at least in the era under discussion, as Israel does not have a developed industry and has suffered from deficits of balance of payments and government expenses. Israel is therefore largely dependent on imported capital, such as gifts from overseas Jews, West German reparations, and in particular, foreign aid from the USA (Mark, 2005: p.1). Accordingly, contrary to imperialist considerations, Israel might be evaluated as an outlying area of American capital (particularly when it comes to military sectors), due to high levels of foreign aid, borrowing and military export.

On the other hand, the aforementioned dependencies of Israel also constitute the main basis of the evaluation of the conflict within a relatively international scale. This is due to the fact that Israel is generally described

as a watchdog of Western imperialism, in particular American imperialism, and its goals are evaluated as reflected interests of Western imperialism (Machover and Orr, 2002; Chomsky, 2003: p. 75). Frank (1979; pp. 281-350), describes Israel as a sub-imperialist and semi-peripheral country, due to the fact that on the one hand it has been strongly supported by Western capitalism (particularly the USA), by means of inflows of capital, military aid and political acquiescence. On the other hand, it follows an imperialist policy within the region, particularly when it comes to the occupied territories, using cheap raw materials and a low-wage labour force in order to obtain a sustainable economic growth and develop its national industry by means of partnerships with Western countries, in particular the USA.

According to Frank (1979) and Chomsky (2003), one of the main reasons behind the Israeli-Palestine conflict is the concurrent imperial interests of American military capitalism and the Israeli state, i.e. the sub-imperialist stance of Israel in the region. The Israel-Palestine conflict (as a more widely troubled situation of Israel in the region) has justified the military expenses of the Israeli government, which correspond to approximately a quarter of the government's budget within the analysed period. Israel, and in particular its need for security, has remained a broad market for the international military industry. It has also established its own military industry and begun to product a wide range of weapon systems, thereby inviting immigration of highly-qualified and specialised personnel from industrialised countries, along with technical and financial assistance, particularly from the United States. Thus the armaments industry has turned into a major source of export for Israel, and employs a quarter of the Israeli work force. Also, due to the constraints on the occupied territories, the Palestinians have been employed as a cheap labour force in order to ensure the profitability of Israeli industries (Frank, 1979: p. 341).

Although the concept of sub-imperialism has been useful in understanding the semi-peripheral status of Israel in the world economy, and its dependency on world capitalism (in particular American capitalism), it also offers a superficial and generic answer to the question of how Israel has economically benefited from the occupied territories. This type of approach looks at the issue from a broad perspective and may not focus on the internal dynamics of the conflict. Moreover, the presupposition of Israel as a sub-imperial power may obstruct understanding of the roles

of occupied territories in the economic development of Israeli industry, due to the fact (as will be argued in the empirical section), the imperial qualification of the relationship between Israel and the occupied territories can be understood under the deeper analysis of production relationships. This is due to the fact that the defining features of economical imperialism lie behind the phases of production and intended purposes of exploited sources.

In summary: The selected literature has evaluated the economic interests of Israel in the occupied areas within the concept of imperialism. This is useful when it comes to the articulation of existing exploitation, but it does not give a strong argument concerning the qualification of this relationship, whether imperialism or colonialism. In order to explain the way Israel benefits from the occupied areas and (as argued in the literature) claims this asymmetric economic integration as imperialism or colonialism, it is required to examine the using of places and aims of these sources. Moreover, it should be noted that the economic characteristics of Israel clearly did not match the features of imperialism, because of the lack of both a strong capitalist industry and capital accumulation. The following section will analyse the colonialist perspective in order to fill these gaps in the selected literature.

3. The Concept of Internal Colonialism

In the literature, imperialism and colonialism are often used interchangeably, due to the fact that both concepts resemble each other from the point of outcomes and the processes of exploitation. They also contain a number of nuances that give distinguished features between them. Based on the views of Marx, it might be claimed that colonialism is a major moment in the historical process of primitive accumulation, and accordingly is a precondition for the domination of the capitalist mode of production. Therefore colonialism, by the means of enslavement, exploitation of natural resources, asymmetric colonial trade, etc. has been an instrument for the reproduction and spread of commercial and manufacturing capitalism until the formation of industrial capitalism (Marx, 1982; pp. 915-926). On the other hand, Lenin (Lenin, 1947, cited in Loomba, 2000: p. 5) defines imperialism as the highest stage of the capitalist mode of production and claims that imperialism can be implicated with the requirements of capital

export. Consequently, it needs to spread to new areas in order to achieve reinvestment. Moreover, political or military domination are not the only means open to imperialism, but colonialism states an infraction and control of a capitalist country to a pre-capitalist or non-capitalist economy, therefore it requires both political and military domination (Loomba, 2000).

In this sense, it is possible to place the relationship between Israel and occupied territories within a colonial context. The occupied territories have played an important role in the industrial development process of the Israeli economy, which is based on the import of raw materials and agricultural manufacture and is mainly constituted of small and medium size firms (Aharoni, 1998: p.132), using differing means of exploitation, such as using as a labour force mainly employed in menial jobs, or as a source of raw or natural materials. On the other hand, this colonialist relationship between Israel has a unique characteristic in comparison with the previous examples. Unlike the overseas colonies of Western states, the colonialist structure of Israel (which was established by the settlement of Jewish people in Palestine) appeared with the occupation of West Bank and Gaza after the war of 1967. Moreover, the colonisation of Israel was constituted on an ethnic and religious basis. Consequently, the term 'colonialism' should be narrowed towards another concept, in order to give a clearer explanation from the point of the above features of Israeli colonialism.

Due to the above-mentioned ethnic and regional characteristics, Israeli colonialism can be defined as a case of internal colonialism. This is a form of exploitation whereby one ethnic group establishes economic, political or sociological superiority over another and takes advantage of its distinctive racial or ethnic characteristics (Blauner, 1969: p. 395). Contrary to classic colonialism that is based on exploitation of the land, the raw materials, labour, and other resources of colonised nations, internal colonialism occurs when a country exploits a racial, ethnic or regional population within its own borders and forces it to undertake low-paid, menial occupations that carry low prestige.

Internal colonialism is not a new phenomenon. It can be traced back to Lenin's depiction of the forced migration of small industrialists and

handicraftsmen from the central, long settled and economically advanced regions of Tsarist Russia to the steppes. This was seen as a manifestation of the colonisation of outer regions in order to promote industrial development in central Russia (Lenin, 1960; p. 339). However, there has been resurgence in interest in internal colonisation following studies examining racial developments within the United States of America in the late 1960s. In one prominent study, Blauner (1969) focuses on the sociological rather than economic reflections of this internal colonialism, which discriminates against those who are black, he states that the internal colonialist history of United States began with slavery and created a racially-based underclass, due to the fact that this internally colonised minority is frequently denied access to education and lives in poverty, and consequently has not been allowed a means of economic and social improvement. To Blauner (ibid), this internal colonialism has continued against black people, who were forced to work in menial jobs, exposed to various restraints in their social lives (such as education, health, transportation) and also were obligated to live in bordered and excluded areas, or ghettos like Harlem.

Wolpe (1976) approaches the subject from the point of capitalist modes of production in South Africa. He states that segregation and the apartheid periods were reflections of internal colonialism in the South African state in favour of 'white capitalists', whereby (due to their politically disadvantaged situations) 'Bantustans' or 'native' people were exposed to the destruction of their non-capitalist, agricultural production and were then forcibly absorbed into the capitalist modes of production as a low-wage labour force. Hence they have been regarded as an instrument of capital accumulation in the process of industrial capitalist development.

Hechter (1975) applies the concept of internal colonialism in order to analyse uneven development in Britain in the industrialisation process, and emphasises not only ethnic features, (i.e. the Celtics), but also geographical dimensions of the internal colonialism of England. Hechter (1975) accepts the importance of colonisation in the process of industrialisation and states that the colonial spread of England was not limited to overseas lands. Conversely, England, by way of invasion, political domination and social restrictions, colonised these areas and groups and prevented the establishment of their own industries, with the purpose of promoting its own industrialisation.

Zureik (1979) argues the case for internal colonialism in the case of Israel, but he focuses on the social conditions of the Israeli Arabs and dwells on the system of political domination of Israeli Jews as a colonial power over the Arab population. Thus Israeli Jews submitted the Arab population to various limitations and cultural distinctions with various political controls. This has led to Israeli Arabs being kept from certain socio-political positions and activities, and also suffering from other discriminatory policies, their land being exposed to appropriation, etc. It is for this reason that the Arab population constitutes the largest component of the lowest socio-economic class of Israeli society.

In summary, the interest of Israel in the Palestinian lands began to appear with the Six Day War, following which a strong isolation, domination and economic integration process began in the occupied territories, in line with the interests of the Israeli state. Therefore, it can be seen that Israel, in order to grow its own economy, has used these lands as an internal colony, by exploiting its people, resources, lands, etc. On the other hand, the problematical and uncertain structure of the occupied territories in international law, and the occupant situation of Israel, may be viewed as a limitation for the explanation of the issue as a case of internal colonialism. However, the ethnically based isolation and political domination of these territories and economic rent, and the unique character of Israeli society, (which is based on the proposed superiority of the Jews) make it possible to analyse this issue through the concept of internal colonialism. Thus, using this concept should not be thought as a legitimisation of the occupation, and an acceptation as a part of Israel, which is a matter for further debates.

4. The Israeli Internal Colonialism of The Occupied Territories

4.1. The Changing Property and Production Conditions in the Occupied Territories

The Six-Day War in 1967 was one of the turning points of the Israel-Palestine conflict. Although there were a number of reasons and consequences of this war, this section will focus on the significant consequences of the occupation of the West Bank and Gaza by Israel, from the point of Israeli economic interests. A short while after the occupation, the West Bank and Gaza was dominated and isolated from the rest of the world by the efforts

of the Israeli state. Further to this, there was also an asymmetric economic integration process (continued until the first Intifada in 1987) to use the population of the occupied territories as a cheap labour force. This was possible due to undermining of Palestinians' economic capacities, mainly based on small scale agricultural production, by means of occupation policies, which included dispossession of Palestinians, the control of water resources and administrative restrictions on the production and marketing of Palestinian commodities that might compete with Israeli products.

As Gilmour (1980: p.97) emphasises, farming has been the backbone of the Palestinian economy, and the majority of the Palestinian population worked in agriculture. Consequently, the land-based planning policies of Israel in the occupied territories have directly affected both the properties of the Palestinians and their production abilities. It is possible to analyse these policies under two aspects: expropriation of lands, and restrictions on the use of lands for production or settlement. First, during the years following the occupation, Israel expropriated a large amount of land with various justifications, such as new settlements, security, public use, etc. As a consequence of this strategy, which is only in place in the West Bank, within two decades after the 1967 war approximately half the land had been seized by the Israeli state, while this comprised only two per cent before the war. Agricultural lands were a significant part of these expropriated lands, such as the way that approximately 340 km² of arable land has been declared to be nature reserves and has been expropriated by Israel on the pretext of environment protection (Gazit, 2007: p.130). Secondly, the Israeli government has applied administrative restrictions on the use of lands by Palestinians for the same reasons. Namely, in some areas, where the army considered them to be harmful to 'public security' or declared as 'combat zones', building and construction were prohibited, and existing residential areas were emptied, forcing the majority of those who lived in these areas to migrate (Benevisti, 1986). Due to these policies, until the beginning of the 1980s more than 500000 people have been removed from their lands, accounting for approximately one third of the total population, while approximately 100,000 Jewish people have been settled in these areas (Ayyash, 1981).

On the other hand, the restrictions and expropriations were not limited to the lands but have also covered water resources. As stated by Ayyash (1981), the water resources of the occupied territories were considered

as a 'water reservoir of Israel'. Therefore, since the occupation in 1967, the Israeli state has attempted to prevent the use of water resources by Palestinians with various measures, mainly focussed on banning the drilling of artesian wells, and placing limits on the amount of water to be pumped out of existing wells. These were enforced by heavy penalties, along with prevention of other drilling of any well for agricultural purposes. The use of water by Palestinians was limited, in particular in agricultural use, so that between 1967 and the early 1980s, the total water consumption for the Palestinians increased approximately 20% and reached 115 mcm, but the water quota for agriculture and irrigation has been frozen at 90-100 mcm, according to official development plans. On the other hand, the use of water for the agricultural settlements of Israel in the occupied territories increased by more than 100% in the 1980s (Benvenisti, 1986). In addition, the Palestinians also suffered from water costs that were almost twice as high as subsidised Jewish settlements and Israel itself. More importantly 'special zones' and areas have also been imposed, restricting the use of agricultural water, including the prohibiting of planting of fruit trees and vegetables in the West Bank without a permit from the Israeli authorities (Farsakh, 2005: p. 96).

In addition, restrictions directly targeting cultivation were the most damaging from the point of view of production, so that after the occupation cultivation in the occupied territories was controlled by the Ministry of Agriculture of Israel, and farmers could cultivate only permitted crops. These were those that benefitted Israeli, such as tomatoes and aubergines, which were exported by Israel after processing. This strategy was supported by the banning of export possibilities by the occupied territories, in order to prevent any negotiation power of Palestinian farmers (Ryan, 1974: p.180). Consequently, many small scale olive producers in the West Bank have been forced to cease production and leave their lands, due to falling profit rates. Moreover, the independent commercial cultivation of some products that might have competed with Israeli production, have been almost prohibited. These include citrus production in Gaza, Additionally, Palestinian producers have been exposed to additional land tax, while Israeli producers have benefited from government subsidies and tax breaks (Farsakh, 2005). As a reflection of these strategies, the property and production structure has significantly changed to the detriment of Palestinians, in such a way that, as Farsakh (2005) emphasises, the cultivated lands and total domestic agricultural production in the occupied

areas has fallen to nearly half within the two decades following the occupation. Even more significantly, the decrease of wage earners in the domestic agricultural sector was more dramatic than the decrease of total production and cultivated land. Thus more than 15000 wage earners lost their jobs during this period, in addition to those who were forced to stop production.

In summary: During the period following the occupation of the West Bank and Gaza, Israel has attempted to change social and economic conditions in these territories with various policies, including expropriation of land and water resources and other administrative restrictions on property and the production possibilities of the Palestinian people in the occupied territories. This has resulted in many Palestinians losing their jobs and many being forced to leave their lands. As a consequence, as argued in the following section, Israel has greatly benefited from the inhabitants of these territories as a cheap labour force, mainly in menial jobs. It has also gained other benefits, such as cheap raw materials, captive markets, exploitation of land and water resources, etc.

4.2. Employment of the Palestinians in Israel

One of the most marked indicators of the internal colonial activities of Israel on the occupied territories is the proletarianisation of Palestinians by Israel. This is due to the fact that, as mentioned above, one of the main aims of integration policies is transforming these areas into a labour supplier for Israeli capitalists. Simultaneously (as discussed in more detail below) with this dispossession of Palestinians, and administratively restricted production in the West Bank and Gaza, Palestinians have been obliged to work in Israel following the occupation. This has led to Palestinian labour power migrating to Israel, which has rapidly become a crucial factor in capital accumulation for the Israeli economy, due to fact that they constituted a labour force for unskilled and low-wage jobs, generally in the agricultural and construction sectors. At the same time they also earned less than Jews doing the same job.

As mentioned above, an inherent consequence of changes in the property and production structures of the occupied territories has been that the majority of Palestinians have been obligated to work for the Israeli state and

capitalists. The number of people who work in Israel grew at a steady pace until the first Intifada, increasing from 20,000 in 1970 to a peak of 115,600 in 1987 (Farsakh, 2005: p.70). These numbers mean that approximately one-third of Palestinians worked in Israel following the 1970s, while it had been only 4.2 per cent in 1968. Additionally, as Portugali (1989) emphasises, beside the significant ratio of Palestinian workers in the total Israeli labour market, these workers have also played a role in keeping wages generally low, and so they have been considered an important part of capital accumulation in Israel.

When the Palestinian labour force is analysed from the point of sectoral distribution, it points to the fact that many of these workers were in low-wage and unskilled jobs, generally in the agricultural and construction sectors. In the analysed period, while nearly half Palestinian workers were employed in the construction sectors, the agricultural sectors hired an average of 15 per cent of Palestinian workers in Israel (Farsakh, 2005: p.74). On the other hand, although a small number of Palestinians were employed, they were forced into working in the non-strategic goods sector and some industrial sectors, such as furniture making, woodwork and upholstery. Jews, on the other hand, were concentrated in the managerial, industrial and strategic sectors of the economy, such as the diamond, military, electronic and associated industries (Zureik, 1983: p. 778).

The workers were channelled into these menial jobs in accordance with the strategies of Israeli governments in such a way that they were hired mainly by Israeli employment offices. These are operated by the Israeli Ministry of Labour, not with the purpose of serving the general needs of the area for employment referrals, but to recruit workers for Israel (Ryan, 1974: p. 178).

On the other hand, it should be noted that these numbers represent only those working ‘legally’ in Israel, i.e. workers who have permits from the Israeli government. However unregistered workers, including child workers, from the occupied areas worked ‘illegally’ in Israel. Unregistered workers were often preferred by Israeli employers to registered workers due to the absence of nominal rights, compensation and taxation. They were generally hired from ‘slave markets’, where workers gather daily in the early hours of the morning in Gaza, Jerusalem and the West Bank. They

were usually employed on a daily basis and came back to the territories at night. Although it is difficult to be certain of the numbers of unregistered workers, it has been estimated that the number of unregistered workers from the occupied territories fluctuated between 40 and 70 per cent of total workers employed in Israel (Gordon, 2008: p.81).

The ethnic discrimination between Palestinians and Jews was observed on not only in the sectoral distribution of workers, but also the salary system within the same sectors (Gilmour, 1980; Farsakh, 2005; Zureik; 2005). The official figures reveal that by the middle of the 1970s, the gross annual income of a Palestinian employee amounted to 84 per cent of a Jewish employee who worked at the same job (Zureik, 2005: p.780). Moreover, the workers from occupied territories were obligated to face more taxation and other systematic re-payments than their Israeli counterparts. Therefore, although they paid the same social benefit taxes and National Insurance as Israeli workers, they also suffered from punitive additional taxes (for example the costs of the Lebanon War or 'security' expenditure in the occupied territories), which amounted to between 30 and 40 per cent of a worker's wages. Further to this, they were required to pay approximately one fifth of their salaries for National Insurance. These payments went directly to the Israeli treasury, as the workers from the occupied territories (the majority of them employed as 'casual labour') were unable to benefit from the social payments of the National Insurance Institution, including pensions, sick pay, unemployment, widow's pensions, etc. (Swirski, 2005). When these additional payments are calculated, the real income of Palestinian workers from the occupied territories working in Israel decreased to nearly one half of their official salaries in comparison with their Israeli counterparts (Sa'di, 1995: p. 436).

In summary: From the point of the Palestinians, the means of occupation (besides a considerable amount of suffering) are dispossession, the destruction of production opportunities, and subsequent proletarianisation. All of these, including the proletarianisation of the Palestinians comprised systematic policies of Israeli state. They were directed to menial jobs in Israel, employed as an unskilled and low-wage labour force. Further to this, they earned less than their Israeli counterparts. On the one hand, the Israeli economy itself has developed away from agriculture and towards the development of industry, commerce and services. On the other, it has

managed to overcome labour shortages and keep wages low in menial jobs that are not generally attractive to Israeli workers. Moreover, this process has also served to create another phenomenon from the point of Israeli society: Palestinian workers have made up a significant proportion of the work hierarchy dominated by Israelis, and consequently they have an important role in the creation of the distinctive, ethnic-based, class structure of Israeli society.

5. Conclusion

The occupation of the West Bank and Gaza Strip in 1967 might be stated as the starting point of a twenty year ceaseless economic integration process which was dominated and imposed by Israeli State. The integration process was mainly designed by Israeli state with expropriations and restrictions on use of lands and water resources and additionally administrative restrictions and prohibitions on productions and so on. Thus the property and production structure in occupied territories have been dramatically changed to the detriment of Palestinians in these territories and Israel has benefit from this occupation and following economic integration process with various methods such as exploitation of natural resources and raw materials, using as a captive markets and, as argued in the empirical level, proletarianisation of Palestinians in order to employment as a low-wage labour power in Israeli economy.

This paper argues that the aforementioned economic relationship between Israel and the occupied territories has a colonial character in other words the occupied territories were turned into colonies by Israeli. Namely, because of the destroying domestic production abilities of Palestinians in the occupied territories, a significant part of the Palestinian people were obligated to work for Israel state and firms but they were mainly employed by Israel in menial jobs such as agriculture and construction and as unskilled and low-wage labour power in direction of the Israeli employment strategy. Thus they became a crucial factor for capital accumulation in the Israeli economy and development of national industry of Israel.

On the other hand, as argued in empirical section, Israeli colonialism has some distinctive characteristics that cannot be stated with the concept of classic colonialism due to the fact that the colonialist concerns of Israel

prioritized the ethnic and religious factors which base on Jews superiority on Palestinians in such a way that the Palestinian workers were exposed to various discriminations such as lower wages and worse working conditions than their counterparts, extra stoppages and taxes, limitations on their advancements to more skilled jobs, and so on. Thus, Israel colonialism can be stated as a significant example of internal colonialism rather than classic colonialism.

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