

## **The Subjugation of the Arab Economy in Israel to the Jewish Sector, 1958-1967**

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By the end of the 1960s, the Jewish establishment achieved the central objective it had set itself regarding the Israeli Arab economy, which included preventing the Arab sector from developing as an independent economic sector, and moving all its means of production to the Jewish sector, thus creating complete dependence on the Jewish economy and its fluctuations. This central objective was achieved through a series of actions and plans which took place during the second decade of the State, simultaneously and in a complementary manner. The first action was the expropriation of lands, as early as 1948, until approximately 60% of the land which had been in the hands of Israeli Arabs – either used and/or owned by them – was moved to the Jewish sector. The second action was the expropriation of the second agricultural means of production – water – by routing most of it to intensive Jewish agriculture. The third action was an organized plan to eliminate 72% of Arab farms and place the remaining 28% under control of the Zionist agricultural establishment. These three actions caused much unemployment in the Arab sector unlike the great economic prosperity in the Jewish sector, which, at the time, was unheard of in international terms. The economic prosperity in the Jewish sector created a great need for labor, which could easily be found in the Arab sector. The fourth action was the regulation of the numbers, type and timing of unemployed Arabs given the least wanted jobs in the Israeli labor market. The fifth action was a plan to improve the infrastructure in the Arab sector with the aim of its ability to consume products which were purchased in modern Jewish shopping centers, thus returning the Arab laborers' pay to the Jewish economy. The sixth action was prevention of the industrialization of the Arab sector, thus causing complete Arab economic dependency on the Jewish economy, and preventing the possibility of the development of a competitive Arab economy.

The first and second actions mentioned above have been discussed extensively in the literature. The present article will focus on description

of the remaining four actions. Through use of all of these six actions the Jewish establishment has managed, together with raising the standard of living of some of the Arab citizens, to squash the development of the Arab economy in Israel, making the Arabs' livelihood and economy dependent on the Jewish market and its fluctuations, and move all the means of production left in the Arab sector: land, water, personnel and capital to the service of Jewish economy.