

ceiling on the wages of unskilled Jewish labor, creating a fairly large wage differential between skilled and unskilled Jewish employees.”⁶⁷ Thus, the wage gap between and within Arab and Jewish labor is explained by the segmented labor market whose segmentation was strengthened by organizational and institutional efforts.

Metzer’s own analysis of the effect of the supply of Arab labor on the wages of unskilled Jewish labor is one instance that undermines his assumption of two separate economies that implies no mutual impact, although he allows for interaction between them. In a similar vein and in connection with the numbers and percentages of Arab labor employed in the Jewish economy mentioned above, one writer raised “the question of which degree of interaction is permissible in order to affirm the existence of a ‘divided economy.’”⁶⁸ At the same time, the adherence to a segmented labor-market approach allows Metzer to avoid coming to terms with the colonial exploitation of the indigenous Palestinian labor as was the case of other colonial situations, regardless of the extent of use of that labor, which was not insubstantial in Palestine.

The critical importance of Palestinian wage labor to the settlers can be more fully gauged when looked at in its distribution. In citrus, and according to Metzer’s own estimates for 1935, Arab wage labor represented “60 percent of all employed

⁶⁷Ibid.

⁶⁸Frank Peter, “Review of the Divided Economy of Mandatory Palestine by Jacob Metzer,” *Journal of the Economic and Social History of the Orient* 44, no. 4 (2001): 600-2.