

encouragement of the military government. However, there are inherent limitations in this type of investment due to its heavy dependency on women's labour. Van Arkadie summed up the problem of joint investments:

The subcontracting system is entirely based on the availability of cheap labour. The growth of the system will require an increasing mobilization of female labour, since the alternative employment opportunities make it unlikely that there will be a ready supply of low-wage male industrial labour. It can be argued that subcontracting-related employment provides jobs for the workers who are unlikely to find incomes elsewhere. It can also be argued, however, that it only survives as long as wages are low, and that, because it involves only labour-intensive steps in the industrial process originating and being completed in Israel, its contributions to the industrial development of the territories will be minimal (Van Arkadie, 1977:124-125).

Another main obstacle for industrial expansion is the under-developed state of the infrastructure of the economy, that is, a network of transportation and communication linking the various subdistricts of the occupied territories, a banking and monetary system to facilitate investment and capital accumulation, and a training programme for creating a skilled labour force -- in effect, and indigenous state apparatus whose rationale is the balanced growth of the economy. In this respect, the Israeli military government in the two regions seems to be interested in creating programmes which have catered so far (understandably) to the needs and deficiencies of Israeli industries. Thus vocational training centres have offered short-term courses with the aim of improving the performance of unskilled workers in specific jobs and services (Bull, 1975:123-124).