

and the level of income per capita.<sup>43</sup> In essence then and despite his differences with the other adherents of the dual economy discussed above, Metzger makes a full circle to join them in using the differences between the Palestinian Arabs and the Jewish community as his starting point and basis for the dual-economy thesis.

Again, Metzger, unlike the others, allows interaction between the two economies while insisting on their separateness. He adopts Arthur W. Lewis's "four channels" of interaction: (a) the labor market, (b) the goods market, (c) the public sector, and (d) "demonstration and other effects" from the "modern" to the "premodern" sector, "thus bringing about some intersectoral convergence over time."<sup>44</sup> However, he then uses Myint's concept of "organizational dualism" to explain the persistence of disparities between the two sectors in all markets.

The two theoretical models, according to Metzger, are consistent with his observations of differences between the Arab and Jewish economies. In addition, it is these differences that play a major role in the interaction between the two economies. Metzger puts it as follows: "Precisely the same marked dissimilarities that distinguish the two economies from one another were largely responsible for their different comparative advantages, and were thus instrumental in facilitating bilateral trade."<sup>45</sup> Thus, the dual-economy model is appropriate for Mandatory Palestine. The only exception to the dual-economy model was that in the case of

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<sup>43</sup>Ibid.

<sup>44</sup>Ibid., 11.

<sup>45</sup>Ibid., 9-10.