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**Background Paper**

**Roundtable (4)**

**Discrimination against Palestinian Citizens in the Budget  
of Jerusalem Municipality and Government Planning:  
Objectives, Forms, Consequences**

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## Preface

The conditions and status of Palestinian Arab Jerusalemites (hereinafter Jerusalemites) are the product of settler colonial occupation that exists by force and dictates new realities on the ground, testifying through its own biblical religious narrative to an ideological, geo-political, demographic struggle between Palestinian Arabs and Zionist Jews, to justify its domination on physical and moral grounds. This longstanding struggle took different forms and levels, leaving its direct and indirect impacts on individuals and on the whole community of Jerusalem. Since the occupation of East Jerusalem in 1967 until today, the components and tools of struggle have changed dramatically, in tandem with the demographic, socio-cultural, economic, and geopolitical changes, affected by the balance of power between the Arabs and Jews. This brief paper aims to identify the main areas of economic, social, spatial and cultural discrimination acts that the government of Israel takes against Jerusalemites, and to understand these actions in the Israeli policy context, in an attempt to explore societal, official and international priority actions needed to fill the development needs and gaps in the occupied East Jerusalem.

Since East Jerusalem's occupation in 1967, Jerusalemites have been suffering from the systematic and institutionalized discriminatory policy of the Israeli occupation and its institutions (Jerusalem Municipality, Land Authority, and other ministries). Firstly, they were granted a special status, different from the rest of Palestinians living in the Occupied territory. This status, whether temporary or permanent, encompassed the land/place, the person/human, the official and popular institutions that have changed over a five decades time now, during which Israeli control over land has deepened, and coercive laws have been enforced selectively on Jerusalemites. The selective application of laws and the emanating policies, determined a single official country and municipal tax system that applies on both Palestinians and Israelis, despite the income gap that reaches more than triple the income of Palestinian households compared with their Jewish counterparts residing in East and West Jerusalem.<sup>1</sup> In addition, the development budgets of East Jerusalem spent by the occupation authorities show clear discrimination. This discrimination has led to the neglect of the city's infrastructure, especially streets, health, and educational facilities. On a different note, while maintaining the strategic considerations of the State of Israel regarding the status of Palestinians in East Jerusalem in the wider settler colonial project, there are development and investment programs that were recently launched by the central government targeting Palestinian communities. These programs aim to "improve the quality of life" and "reduce gaps", while supposedly safeguarding the "permanent resident" status of Jerusalemites (Ramon, 2018), even while pursuing a policy that threatens their existence, that turns it effectively into a temporary status. Nevertheless, most Jerusalemites regard this occupation as a temporary situation that must end sooner or later.

The temporary status contributed to the forming of the political and socio-cultural behavior of the majority of the Palestinians, which is affected by the nature and objectives of the Palestinian national project of liberation and establishment of an independent Palestinian state with East Jerusalem as its capital. This Palestinian national discourse and behavior leave Jerusalemites bewildered about how to advance civil and municipal demands, alongside national demands. In contrast, the Israeli government along with Jerusalem Municipality, applies smart policies and a control matrix that have soft and harsh components (Khamisi, 2018) to keep the "permanent resident" Jerusalemites suffering from the temporary status, treating them as individuals rather than a national group with a collective interests. These policies and control matrix establish budgets for expenditure in Palestinian quarters in East Jerusalem that effectively discriminate against Jerusalemites as individuals and groups.

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<sup>1</sup> According to the Jerusalem Institute for Policy Research, the average males wage in Israel is NIS 12,282, and females wage is NIS 8,191. In Jerusalem, the average males wage is NIS 8,834, compared with NIS 7,103 for females, dropping among Arab Jerusalemites to NIS 6,067 for males and to NIS 4,422 for females in 2018.  
[https://jerusalemstitute.org.il/wp-content/uploads/2019/05/PUB\\_503\\_%D7%A2%D7%9C-%D7%A0%D7%AA%D7%95%D7%A0%D7%99\\_%D7%99%D7%9A-%D7%A2%D7%91%D7%A8%D7%99%D7%AA-2019\\_web.pdf](https://jerusalemstitute.org.il/wp-content/uploads/2019/05/PUB_503_%D7%A2%D7%9C-%D7%A0%D7%AA%D7%95%D7%A0%D7%99_%D7%99%D7%9A-%D7%A2%D7%91%D7%A8%D7%99%D7%AA-2019_web.pdf)

Obviously, policies do not treat Jerusalemites as specified by the International law, i.e. as a population under occupation, nor does it grant them citizenship with its entitlements according to the Israeli law. Yet, these policies may contribute to demanding equality in the allocation and disbursement of the government's and municipal budgets,<sup>2</sup> which feature large gaps in treatment of Palestinian neighborhoods and Israeli neighborhoods in settlements in East Jerusalem and in West Jerusalem. These gaps are seen in infrastructure, services, and development opportunities and have significantly affected Jerusalemites quality and standards of life. This fact refutes Israeli allegations that West and East Jerusalem became unified following the annexation and enforcement of the Israeli law in East Jerusalem.

This situation has prompted Israeli and Palestinian voices to raise demands for the development of Palestinian neighborhoods through improving the provision of services and infrastructure, including the alleviation of poverty and improving socio-economic conditions. The motives of the Israeli authorities are different, and even contradict the Palestinian motives and interests. The strength of these voices has changed over the duration of the occupation, which have urged the Israeli government to take several decisions, the most recent of which was Decision No. 3790, according to which sector-specific budgets were allocated for the development of Arab neighborhoods and Jerusalemites conditions.

To start with, the paper attempts to answer the following question: What is behind these Israeli policy decisions? What are their justifications, consequences, and to what extent do they respond to Jerusalemites' needs, as stipulated by the international law (Geneva Convention IV), which may contribute, when the occupation comes to an end, to the Palestinian national project against the Zionist national project. Later, we briefly address the history of Israeli discrimination in policy and service/development, its areas and impacts, with special focus on four sectors: spatial planning and housing, social and cultural services, infrastructure, and local economic development. And then we move to present the new policies and governmental programs: their objectives, fields, and implementation. The last part of the paper addresses possible scenarios and alternatives for safeguarding the geographical, human, and economic unity of East Jerusalem and for confronting Israeli policies and institutions. In conclusion, the paper tries to provide anticipation of the future. The paper relies on data from Israeli statistical sources and on the government's decisions that were presented, and attempt to draw lessons from the critical analysis of these decisions.

### **Jerusalem in the Palestinian and Zionist National Projects**

Sovereignty over Jerusalem, especially the Old City and its basin, is one of the top goals and aspirations of the Palestinian national project, as it is also conceived in the Zionist national narrative. There is an ongoing conflict between the two over sovereignty that encompasses humans, places, institutions, physical and moral resources. This conflict is nothing new. Rather, it is almost a century-old. The horizon for a resolution or settlement is narrow, given the asymmetric balance of power and that of the military power of each project, especially in the last decade. It is a moral, religious/ideological conflict that establishes, adopts, and presents mostly contradictory narratives of self and collective consciousness in order to attain physical sovereignty in the absence of symmetrical balance of powers and their components.

The Zionist project has the state consent and it is supported by its strong presence, which initiates laws, allocates huge financial resources, spreads its own narrative in international forums, and has the support of many countries. In the Palestinian project, the power of the state is absent. Therefore, its advancement relies largely on the moral, national, and political rights in the realization of the right to self-determination supported and documented by international legitimacy and resolutions. All the project's dimensions, economic, social and cultural, contribute to the formulation of its narrative and strengthening the steadfastness of its people and their presence in this place to confront the exclusivist

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<sup>2</sup> Even if Jerusalemites were granted Israeli citizenship, this does not mean that they will receive equal rights to Jewish citizens. Rather, they will remain denied some rights and opportunities as a result of the nature of the Israeli state. This is clearly evident in the conditions of Palestinian Arab citizens of Israel who still suffer from discrimination and gaps.

aggression practiced by the Zionist project, taking advantage of Arab and Islamic support and international legitimacy, although unable to enforce its resolutions. The longstanding conflict over sovereignty and existence between the two projects, had a direct impact on the status of Jerusalemites and the material resources allocated to them from various sources. The material resources, whether earmarked by the Israeli state, its institutions, NGOs, or investors, available to ensure the realization and continuity of the Zionist project, are significant. However, the Palestinian project suffers from a scarcity of material and movable resources and from the legal and procedural limitations and obstacles imposed by the Israeli occupation and its multiple arms (municipal and civil) aimed at ensuring domination by the Israeli nation-state. Needless to refer to the dialectic relation and synergy between the State of Israel and the Zionist project, which has realized part of its programs by establishing the State of Israel in 1948 at the expense of realizing Palestinian national goals (al Nakba). This led to the partition of Jerusalem and the occupation of the Western part of the city, in violation of UN Resolution No. 181 of 1947, which proposed dividing Palestine into Jewish and Arab states while keeping Jerusalem and its surroundings under international/UN auspices. The Palestinian national project continued diminishing with the occupation of the rest of the Palestinian territories in 1967, including East Jerusalem.

Following the military occupation of Jerusalem, leaders of the Zionist project seized the opportune time to complete their exclusionist project by state force, annexing 71 square km of the West Bank area to West Jerusalem Municipality's jurisdiction, including the area under the jurisdiction of the Arab Jerusalem Municipality, covering 6.4 square km. The abolition of the Arab Jerusalem municipality aimed to eliminate the Palestinian Arab institutional fabric in Jerusalem. The state also granted a special status, known as the "permanent resident", to indigenous Jerusalemites (civilians, villagers, and Bedouins), who stayed within Jerusalem. On the other hand, the state enforced the Israeli law on the ground and implemented its plans to separate Jerusalemites from the state legally. These laws include<sup>3</sup> a Basic Law passed in August 1980 declaring that "Jerusalem is the unified capital of Israel, and the place of residence of Presidents of Israel, the Knesset, the government, and the Supreme Court. As part of the process of the separation model between humans and land/place, Israel confiscated more than 26.3 square km of Palestinian Jerusalem private lands, and took control of lands registered in the name of the treasury of the Hashemite Kingdom of Jordan. The application of the control model matrix over land/space and trying to separate it from Palestinian people is part of Zionist methodology since the settler movement inception, which contributed to its regional reach, all the while geographically restricting and fragmenting the Palestinian national project, its stature and institutions, and even diminishing the aspirations of the Palestinian people wherever they were located, in their fragmented country or outside it.

In this manner, Jerusalemites became yet another component of the Palestinian people characterized by special circumstances, suffering from a distinct existential threat and coexisting in a situation full with paradoxes, duplications, and dualities, which include: the national versus the civil, the current versus the future, the individual versus the collective, dealing with the occupation authorities or rejecting them. Jerusalemites face daily the perseverance of the Zionist project, trying to protect themselves in a struggle for survival and resilience despite many challenges, such as confronting Israeli laws and decisions that contradict and violate the international law. This is especially pertinent since the approval of an Israeli Basic Law, defining Israel as the nation-state of the Jewish People in 2018<sup>4</sup>, denying Palestinians their right to self-determination in their homeland, as well as affirming that "Complete and united, is the capital of Israel". Moving the American embassy to Jerusalem in 2019, and later the announcement of the US "Deal of the Century" in 2020, both dealt a severe blow to the Palestinian national aspirations, especially in regards to Jerusalem. In parallel, the Israeli government approved several governmental decisions and allocated budgets to extend control over Jerusalemites and their subjugation to the interests of the sovereign. Jerusalemites find themselves amidst tremendous challenges and predicaments whereby they must struggle to navigate this conflict, amidst

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<sup>3</sup> <https://www.aljazeera.net/encyclopedia/events/2016/2/21/%D9%83%D9%8A%D9%81-%D8%B3%D9%8A%D8%B7%D8%B1%D8%AA-%D8%A5%D8%B3%D8%B1%D8%A7%D8%A6%D9%8A%D9%84-%D8%B9%D9%84%D9%89-%D8%A7%D9%84%D9%82%D8%AF%D8%B3>

<sup>4</sup> <https://www.adalah.org/ar/content/view/9571>

the need to ensure daily existence as civilians under this hostile state, and retain their national identity, patriotic sentiment, and their role in the Palestinian national project.

### **Israeli discriminatory policies and services\development: areas and impacts**

The nature of contradiction and conflict between the two projects, present daily in structural and procedural discrimination, have created a policy approach and tools applied daily in Jerusalem. This includes budgets allocated for the development of Jerusalem's neighborhoods. Discrimination is seen clearly between West and East Jerusalem in general, and between Palestinian neighborhoods in the city and settlements in East Jerusalem as well. This discrimination had its projections and consequences on the life of Jerusalemites in all possible areas, negatively affecting them and increasing their impoverishment. The following part of the paper presents some aspects and areas of discrimination, based in part of issues raised by the Israeli State Comptroller Report of 2019. Note that this discrimination takes place both at the level of individuals and at the collective level, which has undermined the ability and strength of Jerusalemites to fight for their natural, civil, national, and basic rights.

**The status of "permanent resident":** Granting Palestinian Jerusalemites the "permanent residents" status, created a new status definition for the indigenous people of the country. This status was given to Jerusalemites following their occupation under the provisions of the "Entry to Israel Law of 1952", which is given to those entering Israel for work, denying that they are the indigenous people of the land. Following the 1967 War, Israel imposed on Jerusalemites the Israeli-issued identity cards; a special identity card similar in design and color to the Israelis cards, yet does not grant its holder the same rights and duties, nor citizenship, nor impose on its holder the Israeli citizenship as stipulated by the Israeli Citizenship Law of 1950. On the other hand, Palestinians refuse to apply for Israeli citizenship, and most probably Israel revokes citizenship requests from Palestinian Jerusalemites. Since 2003, around 15 thousand out of 330 thousand Palestinian Jerusalemites filed a request for Israeli citizenship, while Israel approved less than 6,000 applications.<sup>5</sup>

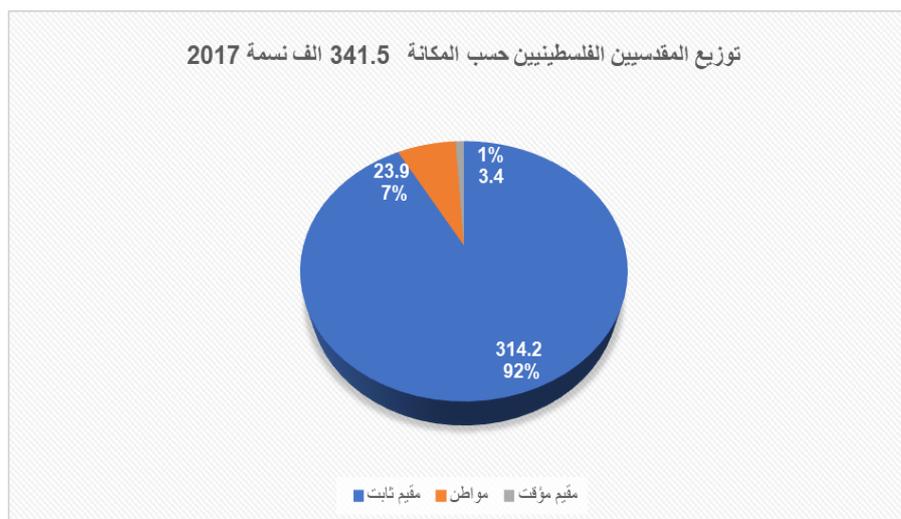
This special status of Palestinian Jerusalemites is the product of the temporary conditional status, which has even created a new culture temporariness and an expectation of change in position and status. According to the status of "permanent resident", Palestinian Jerusalemites are entitled to vote in municipal elections, but not in the parliamentary elections, can't hold an Israeli passport, and thus they remain under the threat of losing their residency identities and even expulsion, in addition to multiple problems associated with their travel outside their country. This conditional status, which has been used over more than 53 years of occupation, has deprived Jerusalemites of their rights in their own city, in the sense of participating and sharing the place, even though they are using it. The vast majority do not participate in municipal elections (voluntarily) or the Israeli general elections (voluntary and forced) for national considerations, and refuse to normalize their status. Because of their national position, their presence and political influence, and their share of the municipal power of decision-making regarding their budgetary allocations and disbursement for improving their conditions, have weakened. However, their adherence to the national project and international law drive them to avoid participation and safeguard their national rights refusing to sacrifice it for material gains, some of which might be illusory.

On the other hand, Israelis took advantage of the status of Jerusalemites, their political behavior, and held them guilty of not participating, which is the reason for the lack of disbursement of resources for developing their neighborhoods, opening up opportunities for economic and social development. However this paper does is not concerned with the pros and cons of the political participation of Jerusalemites in the Israeli political system, at the municipal and country levels. Rather, it is important to highlight how the "permanent resident" status granted forcibly by the Israeli occupation, deprives Jerusalemites of a fundamental right; the rights inherent in permanent stable citizenship, thus paving the way for all forms of discriminatory policies planned and exercised to steer their daily individual and collective lives.

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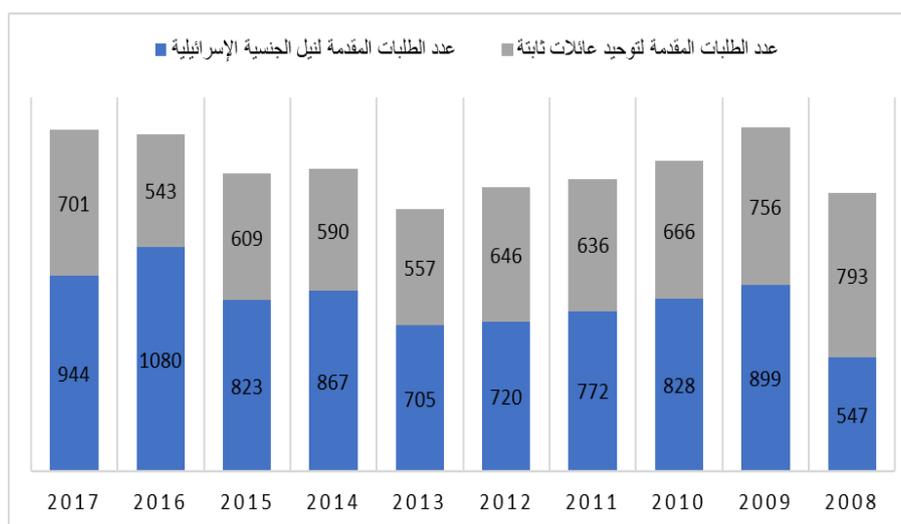
<sup>5</sup> <https://www.hrw.org/he/news/2017/08/08/307607>

**Figure 1: Distribution of Jerusalemites by Status, 2017**



According to the State Comptroller data (2019), between 2008-2017 around 8185 requests for Israeli citizenship were filed, and about 6497 fixed reunifications of Jerusalemite families were applied, the majority of which were revoked (see Figure 2).

**Figure 2: The number of applications for Israeli citizenship and fixed reunification of families filed by Jerusalemites between 2008-2017**



Source: The State Comptroller's Report, 2019

**The demographic situation:** By the end of 2017, Jerusalem's population was estimated at 901 thousand, living within municipal boundaries of approximately 125 square km. About 341.5 thousand are Palestinians, representing about 38% of the total population of the city (see Table 1). Jerusalemites features a young society, with a median age of 21.4 years in 2017 compared to 25.6 years in the Jewish community, compared to 29.8 years in Israel. This means that the dependency ratio (population/number of workers) exceeded 1092 per 1000 all over Jerusalem, indicating a poor community. Therefore, Jerusalem is the second poorest city in Israel following Bnei Brak, which is inhabited by a majority of Jewish Orthodox-haridam, who make 35% of Jerusalem's inhabitants.

This demographic construct diminishes the potential labor force participation rate, which has reached 52% in 2017 among Jerusalemites in the age group 25-64 versus 78% among Israelis in Jerusalem. Another factor that worsens Jerusalemites poverty, the Jerusalemite females' participation rate in the labor force, which is less than 27% compared to 80% among Israeli females in Jerusalem. The low participation rate translates into low-income for large households. In 2017, the average Jerusalemite household size was 5.2 people compared to 3.4 for the Jewish household.

As well, the demographic construct deepens the economic gaps between Arabs and Jews, which requires increased spending on services while generating low income because of the low participation rate, the high unemployment rate and the construct of the labor market, where Jerusalemites are concentrated in low-income sectors, undermining their economic capacities. Jerusalemites under the poverty line reached 75% compared to 50% for Arab Palestinians in Israel and 29% among Jews in Jerusalem.<sup>6</sup> Such an economic reality highlights the fragile middle strata Jerusalemite society, in need of government subsidies to services and infrastructure. Add to that, the discriminatory policies and control against Jerusalemites, which have exacerbated their economic and social conditions.

**Table 1: The Increase in Jerusalem's Population by National Group, between 1967 -2017**

Year	Total population	Year on year change (%)	Jews	Year on year change	Palestinian Arabs	Year on year change	proportion of Arabs to total population (%)
1967	266.3		197.7		68.6		25.76
1980	401.1	3.3	292.2	3.1	114.8	4.0	28.62
1990	524.5	2.6	378.2	2.6	146.3	2.5	27.89
2000	657.5	2.3	448.8	1.7	208.7	3.6	31.74
2010	788.1	1.8	504.2	1.2	283.9	3.1	36.02
2017	901.3	1.9	559.9	1.5	341.5	2.7	37.89
Increase rate between 1967 - 2017	238.4		183.2		397.8		

Source: Jerusalem Statistical Yearbook 2019, the Jerusalem Institute for Policy Research, Jerusalem, p. 24

**Spatial planning and housing:** One of the clear areas of discrimination against Jerusalemites is the system of Statutory and Regulative Spatial Planning and Housing. Planning sometimes is used as a controlling tool that hinders Jerusalemites' access to decent housing and jobs. The building license and land ownership document -Kushan al Tabu-are used to discriminate between Jerusalemites and Israelis in Jerusalem similar to other Palestinian spaces (Khamaisi, 2018). Palestinian neighborhoods, as defined statistically by Jerusalem's Municipality, extend over approximately 46.711 dunums, which is the left area following Israel's confiscation and acquiring of about 26.3 thousand dunums of East Jerusalem's area. The area of these neighborhoods planned and designed for housing/building permits is approximately 9.844 dunums or about a quarter of the area used for housing in the whole of Jerusalem (41.690 dunums in 2013).<sup>7</sup> The total area of land for development uses reached 18.627 dunums out of 37.300 dunums included in structural schemes for the Palestinian neighborhoods, which occupy 14.8% of the area currently under Jerusalem's Municipality jurisdiction. Around 8.5% only of these Palestinian-inhabited areas is zoned as residential areas, where some roads and open spaces serve Israeli settlements as well. Notably, the majority of endorsed local structural planning schemes for Palestinian neighborhoods grants low-height building permits ranging between 25%-75% of other Jerusalem neighborhoods,<sup>8</sup> dealing with Jerusalemite neighborhoods as "rural

<sup>6</sup> [https://jerusalemstitute.org.il/wp-content/uploads/2019/05/PUB\\_503\\_%D7%A2%D7%9C-%D7%A0%D7%AA%D7%95%D7%A0%D7%99\\_%D7%99%D7%9A-%D7%A2%D7%91%D7%A8%D7%99%D7%AA-2019\\_web.pdf](https://jerusalemstitute.org.il/wp-content/uploads/2019/05/PUB_503_%D7%A2%D7%9C-%D7%A0%D7%AA%D7%95%D7%A0%D7%99_%D7%99%D7%9A-%D7%A2%D7%91%D7%A8%D7%99%D7%AA-2019_web.pdf)

<sup>7</sup> Israeli Central Bureau of Statistics, 2018 Jerusalem Municipality profile, local authorities in Israel 2017, Bulletin No. 1759: Page 180

<sup>8</sup> Bimkom 2013, Survey of Palestinian Neighborhoods in East Jerusalem: Planning Problems and Opportunities, Bimkom, Jerusalem.

neighborhoods”, as in the case of Sur Baher, or areas listed as protected heritage sites like the Old City and its Basin, which means prohibiting issuing building permits in these areas.

Other problems complicating the issuance of building permits are associated with land settlement and registration, like; lack of proof of ownership accepted by the Israeli law, despite the availability of registry extract or possession as in common practices. Around 90% of Palestinian Jerusalemite neighborhoods (46 square km) need land settlement, following the dismissal of the official officer responsible for the process upon a government decision. Because of the difficulty of providing proof of ownership, the issuance of building permits is suspended currently, especially after the Israeli decision passing amendments of the Construction and Regulation Law No. 101 and 104. The amendments oblige local regulation committees, in this context Jerusalem’s Municipality, not to issue licenses in the absence of proof of land ownership, which also should be regulated by a structural plan and an official division by the competent authorities, are presented. Following these legal amendments, Jerusalem Municipality started to reject what is known as the “Mukhtar signature” as proof of ownership for licensing purposes.

Given that the statutory and regulative spatial planning system does not consider East Jerusalem and its neighborhoods as a city with urban functions, and rather enroots its dependency functionally on West Jerusalem and prevents the designation of lands for residential uses, it is natural that Jerusalemites have continued to erect unlicensed buildings, ignoring risks of legal prosecution. Today, unlicensed residential units are estimated at some 20 thousand, or around a third of the housing units inhabited by Jerusalemites (57,235 units in 2017).<sup>9</sup> These units are under the threat of demolition and their inhabitants are threatened with penalties and costly fines, let alone psychological, penal, social, and economic suffering. Between 2004-2019, Israeli authorities demolished about 970 houses, that is 65 house per year on average. Based on Jerusalem Municipality's budget for 2018, the Municipal court income generated from fines charged over unlicensed buildings reached about NIS 25 million, noting that 70% of these buildings are in East Jerusalem. According to the Israeli organization “Peace Now”, Jerusalem’s Municipality issued building license for 9,536 housing units between 1991-2018, only 16.5% of which were granted to Jerusalemites. Jerusalemites suffering from discrimination exacerbates with the large gap between supply and demand for housing. During the period 2009-2018, construction works began in 26,737 housing units in Jerusalem, around 4,900 unit only (18.3%) were zoned for Palestinian neighborhoods of Jerusalem.<sup>10</sup> Between 2011-2017, the shortage in residential units needed for housing Jerusalemite households was estimated at 11,326 units (refer to Table 2 below).

**Table 2: A comparison of the housing needs gap between East and West Jerusalem, 2011-2017**

Area	2011			2017			Projection of households number between 2011-2017	Estimated Annual Increase	Average number of residential unites supplied	Average annual shortage (-)
	Population (thousands)	Household size	Number of households	Population (thousands)	Average size of households	Number of households				
East *Jerusalem	282566	5.4	52327	337900	5.2	64981	12654	2109	490	1618
West Jerusalem	505486	3.4	148672	563400	3.4	165706	17034	2839	2184	655

\*Excluding Israeli settlements in East Jerusalem.

Source: Data were extracted and calculated based on: Central Bureau of Statistics (2018), summaries of the Jerusalem Statistical Yearbook, multiple years, Jerusalem.

<sup>9</sup> <https://jerusalemstitute.org.il/yearbook/#/207/1447>

<sup>10</sup> Ibid

**Structural and procedural discrimination in spatial planning;** Land and housing issues have a direct impact on the lives of Jerusalemites and exacerbate their suffering as well. It is worth mentioning that the state's control over confiscated public lands, some of which were owned by the treasury of the Hashemite Kingdom of Jordan, aimed to allocate these lands for the establishment of Israeli ad hoc projects to preclude their allocation to Palestinians. The dominant feature of the Palestinian housing sector and licensing is that it features individual projects, while the dominant feature of the sector among Israeli housing in Jerusalem is that it is provided collectively through the Ministry of Housing or companies supported by the ministry. The methods of building and housing is related to their access to subsidized housing loans which are facilitated for Israeli households, but not Palestinian ones.

**Social and cultural services;** Jerusalem is the oldest Palestinian city with the oldest municipality, yet it suffers from insufficient social and cultural services. Following its occupation, the cultural urban life started to diminish with the shrink of the middle class, and inclusion of rural communities in its municipal administrative surroundings. These rural communities include most of Jerusalem's inhabitants and have passed a stage of distorted selective urbanization. Isolating Jerusalem from its peripheries (i.e. the suburbs and surrounding and adjacent towns (Khamaisi 2019 b)), by the separation wall since 2000, following the Israeli policy known as "center of life" which works on reducing the number of Jerusalemites and control their functional and generational movement in the space. Before this policy, Israel applied another policy under which the Israeli Government and the Jerusalem municipality deal with Jerusalemites as separate national/ethnic group that hinder and obstruct the formation of a collective participation in urban life, development of sustainable institutions and social and cultural services. This has weakened cultural and social life in Jerusalem. Jerusalemites attempts to revive the cultural and social life by activating theaters, sports teams, colleges and universities, programs like Al Quds Arab Capital of Culture 2009, reopening the Orient House, Al-Hakawati theater, ... etc., face a systemized counter policy to combat these efforts and hinder organizing any activity unless through community centers, which faces opposition by Jerusalemites. Given the religious significance of Jerusalem, the cultural life in the city is connected basically with religious anniversaries and events. Usually, cultural events are conducted locally among the neighborhoods/villages near the city, concentrate in mosques and churches, or connected with families and their occasions.

By examining the budget allocated to cultural and social activities in East Jerusalem Budget for 2013, it is clear the scarce resources allocated to and spent in each sector; 1.9% for cultural activities, 11.5% social activities, 1.5% sports activities, and 4.2% social welfare.<sup>11</sup> When we examined these sectors' allocations in the Budget of 2018, it appeared that the same allocated percentages remained unchanged.

**Infrastructure:** Discrimination between East and West Jerusalem in infrastructure development is obvious. By infrastructure, we mean all the needed facilities to provide a decent human life in urban spaces such as roads, public squares, public facilities, road cleaning and wastes collection, the general landscape, water networks, sewerage network, rainwater drainage systems, electricity grid, ... etc. This discrimination was monitored and reported by the State Comptroller Report (2019).<sup>12</sup> The dilemma of infrastructure development, provision, and maintenance in East Jerusalem and its governance are much ascribed to the different and multiple Israeli and Palestinian service institutions responsible for execution. In this case, they include: Jerusalem District Electricity Company (JDECO), Israel Electric Corporation (IEC), Jerusalem company for Sewerage and Water (Gihon), and Ramallah Water Authority, which serves the north of East Jerusalem (Shuafat and Beit Hanina, Qalandiya and Kufr Aqab) (Shlomo, 2017). On the other hand, West Jerusalem enjoys quality services of well-organized governmental and administrative institutions affiliated with the Israeli government and municipality.

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<sup>11</sup> <http://www.fairobserver.com/wp-content/uploads/2014/08/Ir-Amim-report-on-JLM-allocation-of-funds-Heb.pdf>

<sup>12</sup> The State Comptroller, 2019. Ibid.

Most of the built, paved, and used roads in Jerusalem neighborhoods were not built according to professional standards and requirements in terms of width, cross-slope, sidewalks, the separation between moving vehicles and pedestrians, all of which hinders the movement of public transport. Additionally, third of these roads are not properly paved, which impedes their cleaning or the entry of waste collection vehicles, ambulances, and civil defense vehicles as well. The wide gap between East and West Jerusalem is seen in the scarcity of resources allocated to waste collection and disposal. Based on the data presented by the State Comptroller (2019:522), it is evident that only: 10% of waste collection workers, 7% of waste containers, 6% of the number of waste collection routes serving houses, and 4% of the containers' sizes in the city were allocated to the Palestinian neighborhoods in 2016 (refer to Table-3). In 2017, based on the government's decision No. 2684, the Israeli Ministry of Environmental Protection allocated NIS 107 million for bridging the gap between the two regions in the field of waste collection and infrastructure.

**Table 3: Resources Allocated by the Municipality for Cleaning East and West Jerusalem (Nov. 2016)**

	No. of Workers	No. of Vehicles	No. of Containers	Number of Routes	Total Size of Containers (Liters)
Cleaning West Jerusalem	696	109	11.846	135	27.220.470
Cleaning East Jerusalem	81	16	871	9	1.240.000
total	777	125	12.717	144	28.460.470
% East Jerusalem	10.4	1.28	6.85	6.25	4.35

Source: State Comptroller Report, 2019: 552.

The deterioration of East Jerusalem's infrastructure basically stems from the absence of planned zoning. When there is no approved zoning plan, the municipality does not allocate the needed financial resources for implementing the structure, nor does it expropriate (confiscate) land to build roads or public spaces to provide public facilities or buildings, and provide the needed infrastructure. This in turn increases environmental distress and social violence. In contrast to the deteriorating infrastructure in East Jerusalem's Palestinian neighborhoods, developed and maintained public buildings in West Jerusalem and settlements according to urban zoning plans further widens the gap between the city's regions.

**Local Economic Development:** East Jerusalem suffers from proliferation of individual actors and local and national economic marginalization, despite the Palestinian desire and aspiration to transform it into an economic hub that the whole region benefits from as is the case of every capital city. However East Jerusalem has remained on the margin of the municipal economy, owing to the localization/centralization of the Palestinian national economic activities and institutions in Ramallah, away from the annexation and expansion wall, the reliance of the majority of Jerusalemites on work in the city, and the application of Israel's policies that aim to enroot Jerusalemites' dependence on jobs and economic institutions operating in West Jerusalem. Additionally, some structural and functional conditions, such as the distribution of Jerusalemites throughout neighborhoods/villages that have arisen and developed as economic centers and workshops for local services owing to the prevention of establishing urban and national economic centers in East Jerusalem, also contributed to the weakening of the local economy. \

According to the municipal tax (Arnona) data, 30% of non-residential property subject to the Arnona are located in East Jerusalem. The total area zoned for trade and workshops in endorsed structural schemes reached 350 dunums out of 4,950 dunums zoned for industry, trade, and offices in Jerusalem, i.e. 7% of this area is located in East Jerusalem. To elucidate the gap, we present an example the master scheme for Sur Baher no. 0124412-101, which was prepared in 2017. The scheme includes 19.14 dunums (0.39% of the total area of the scheme) endorsed as economic enterprises, around 72 dunums were suggested (1.48% of the total area of the scheme) (including the endorsed) allocated for establishing local economic enterprises by the target year 2035.

As an indicator of the scarcity of local economic development opportunities, we examined the area from which Jerusalem's Municipality collected Arnona in 2017. Non-residential business activities (service and trading offices, industrial enterprises, workshops, banks, insurance companies, and hotels) were required to pay Arnona. The area of these activities' properties was 3,550.9 thousand square meters. The Municipality collected NIS 828.7 million, about 344.4 thousand square meters of which are located in East Jerusalem, representing 9.7% of the area used for economic activities in Jerusalem. Tables 4 and 5 present comparative data on Arnona collection in the years 2019 and 2018.

**Table 4: Comparison of the Distribution of the Municipality's Arnona Revenues by 2019 Budget Items**

Area	Item	2019 Budget	% Revenues by Item, West Jerusalem compared to East Jerusalem	Comparison % Revenues by each item, West Jerusalem compared to East Jerusalem
West Jerusalem (including Israeli settlements in East Jerusalem)	Current collection of Arnona on residential unites- West Jerusalem	810,000,000	53.3	86.4
	Current collection of Arnona on non-residential unites- West Jerusalem	605,000,000	40.0	90.3
	collection of Arnona arears on residential unites- West Jerusalem	35,000,000	2.3	50.7
	collection of Arnona arears on non-residential unites- West Jerusalem	68,000,000	4.4	74.0
	<b>Total budget revenues from West Jerusalem's buildings</b>	<b>1,518,000,000</b>	<b>100</b>	<b>85.9</b>
East Jerusalem (excluding Israeli settlements in East Jerusalem)	Current collection of Arnona on residential properties- East Jerusalem	127,000,000	50.8	13.6
	Current collection of Arnona on non-residential properties- East Jerusalem	65,000,000	26.0	9.7
	Collection of Arnona arears on residential properties- East Jerusalem	34,000,000	13.6	49.3
	Collection of Arnona arears on non-residential properties- East Jerusalem	24,000,000	9.6	26.0
	<b>Total budget revenues from East Jerusalem's buildings</b>	<b>250,000,000</b>	<b>100</b>	<b>14.1</b>

**Table 5: Levying Arnona from Non-residential Enterprises in Jerusalem by Quarters, 2018**

	Total Property	Imposed debts Thousand shekels	Arnona deductions		Arnona collection		Remaining debt	
			Thousand shekels	%	Thousand shekels	%	Thousand shekels	%
Total for Jerusalem	33,766	1,502,513	295,128	20	955,458	64	234,208	16
Kufr Aqab	702	37,328.4	2,152.4	6	22,687.9	61	12,488.0	34
Shuafat	1,490	66,586.6	8,049.2	26	37,770.3	2	20,704.0	62
Shufat Refugee Camp	9	71.2	0.0	0	0.0	0	71.2	100
Anata	80	3,825.8	1,403.2	37	1,648.1	43	774.5	20
Issawiyya	105	2,590.2	634.7	25	429.1	17	1,428.0	55
Al Tur (Mount Scopus)	384	11,839.1	3,958.6	33	4,778.0	40	3,084.1	26
Wadi Al-Joz and Sheikh Jarrah	627	33,440.0	4,494.2	13	21,598.9	65	6,431.0	19
Bab az-Zahra and Almsaadh	1,532	40,747.5	4,549.2	11	25,582.5	63	10,277.9	25
Muslim Quarter	1,060	26,001.1	3,389.1	13	14,726.2	57	7,533.5	29
Christian Quarter	293	6,423.8	1,839.2	29	3,708.9	58	790.0	12
Armenian Quarter	177	3,748.7	832.2	22	1,250.8	33	1,665.7	44
Silwan	139	3,142.5	1,054.6	34	546.7	17	1,505.6	48
Abu Tor	46	1,418.1	960.6	68	168.7	12	288.8	20
Ras Al-Amud	202	5,760.9	1,536.5	27	1,238.3	22	2,836.6	49
Jabel Mukaber	243	4,988.5	1,432.4	29	1,204.0	24	2,320.8	47
Sur Baher	384	10,963.1	1,637.2	15	6,794.3	62	2,531.6	23
Umm Tuba	48	925.1	513.4	56	176.3	19	235.5	26
Beit Safafa	236	8,928.1	2,678.1	30	1,742.3	20	4,424.7	50
Total for East Jerusalem	7,757	268,728.8	41,114.9	15	146,051.2	54	79,391.5	30
East Jerusalem to total Jerusalem	30	17.9	13.9		15.3		33.9	

Source: Calculated based on Table 21- Levying Arnona from non-residential enterprises in Jerusalem by Quarters and type of properties, 2018

As shown in the above Tables, the Municipality's income from the Arnona tax in Jerusalem is estimated at 14.1% of its total income in a regular budget (around NIS 250 million). However, the municipality's total spending on Palestinian neighborhoods is less than 16% of its general budget, including governmental grants. Notwithstanding that East Jerusalem residents make up about 40% of the city's population, and 45% of the generation below 17 years old. A policy paper by Ir Amim on Jerusalem Municipality's Budget of 2013, provided an analysis of the actual funds spent for developing East Jerusalem. The paper showed that the percentage of spending on the different major budget items did not change.<sup>13</sup>

### **New governmental policies and programs: objectives, scopes, and implementation**

The deterioration of the socioeconomic conditions and services provision in East Jerusalem is not recent. It has for long been clear to the Israeli municipality and government policymakers that because of the open borders between the city's two regions, the continued socioeconomic weakening of Jerusalemites has direct ramifications on West Jerusalem. Currently, about 90% of Jerusalemites were

<sup>13</sup> [http://www.ir-amim.org.il/he/policy\\_papers/%D7%A2%D7%99%D7%A8%D7%99%D7%99%D7%AA-%D7%99%D7%A8%D7%95%D7%A9%D7%9C%D7%99%D7%9D-%D7%AA%D7%A7%D7%A6%D7%99%D7%91-%D7%91%D7%99%D7%A6%D7%95%D7%A2-3102-%D7%A9%D7%99%D7%A2%D7%95%D7%A8-%D7%94%D7%94%D7%A9%D7%A7%D7%A2%D7%94-%D7%91%D7%9E%D7%96%D7%A8%D7%97-%D7%99%D7%A8%D7%95%D7%A9%D7%9C%D7%99%D7%9D](http://www.ir-amim.org.il/he/policy_papers/%D7%A2%D7%99%D7%A8%D7%99%D7%99%D7%AA-%D7%99%D7%A8%D7%95%D7%A9%D7%9C%D7%99%D7%9D-%D7%AA%D7%A7%D7%A6%D7%99%D7%91-%D7%91%D7%99%D7%A6%D7%95%D7%A2-3102-%D7%A9%D7%99%D7%A2%D7%95%D7%A8-%D7%94%D7%94%D7%A9%D7%A7%D7%A2%D7%94-%D7%91%D7%9E%D7%96%D7%A8%D7%97-%D7%99%D7%A8%D7%95%D7%A9%D7%9C%D7%99%D7%9D)

born after Jerusalem's occupation on 5 June 1967 and were raised under colonial occupation, suffering from its discriminatory policies and procedures. On the other hand, the deterioration of infrastructure, the shortage of facilities in East Jerusalem and the widening gaps between East and West Jerusalem, emphasize the false allegation of the Israelis and their demand to "unify" the two regions of the city. In order to fail every geopolitical initiative that depends on monitoring Jerusalemites conditions and discrimination forms against them, whether in residency or condition- as we have discussed above, Israelis formulated new policies and programs focusing merely on East Jerusalem.

The increase over time in the number of Jerusalemites, who now make up close to 40% of the city's population, means they can't be ignored quantitatively and qualitatively. A crisis is evident in high poverty rate among the Jerusalemite society, with 75% of the society below the poverty line, the shortage in schooling rooms that exceeded 2,000 room in 2018, and the number of children in the age group 3- 18 years, reaching 23,000 who are not enrolled in schools and are not subject to the effective compulsory educational law. This means that the school dropout rate, in the compulsory educational stages, is high. In other words, Jerusalem's Municipality is not doing its job or what is needed to bring those students back to their school seats.

The conflict in Jerusalem does not exclude the educational curricula. Though the Israeli Ministry of Education and the Municipality of Jerusalem work hard to impose the Israeli curriculum, residents object and insist on Palestinian curricula. Despite the Israeli control and dominance which requires and supports the introduction of the Israeli curriculum into Jerusalemites' schools, only 8% of students are studying the Israeli curriculum.<sup>14</sup> The actual female labor force participation is not more than a quarter,<sup>15</sup> which has weakened the Jerusalemite families' economy, where most families depend on a sole breadwinner, mostly earning a low wage. This data and many others, as we mentioned before, are based on Israel's State's Comptroller's report which has been put on the table of Israeli policymaker and cannot be ignored. On the other hand, the political horizon for reaching a political settlement between Israelis and Palestinians, which would settle the geopolitical position and status of Jerusalemites' future has steadily faded, which caused concern to grow among the Jerusalemite street.

In conjunction with these concerns, loud voices have been raised, among Jerusalemites on one hand, and among the Israeli government and municipality, on the other hand, demanded concluding other issue related to the temporary status and coexistence. Moreover, the growing social violence and poverty, chaos, personal attacks in public spaces have driven Jerusalemites to seek the PA's and its agencies intervention, as well as the assistance of the Israeli police, to settle disputes and to prevent domestic aggressions. The Israeli authorities do not wish to create a gap, when it comes to the security of individuals, while they prevent and hinder the PA and its agencies' intervention in the support and protection of Jerusalemites. Hence, the authorities have developed different tools and policies, and allocated the necessary resources for their successful implementation, to ensure complete control over East Jerusalem, to segregate Jerusalemites from the Palestinian national project and leave them without any role therein, and to transform them into a static minority with no voice seeking merely to survive and secure their livelihoods. Such Israeli policies aim also to push Jerusalemites towards emigration from the city, to keep them in a state of daily dilemma and struggle for survival, livelihood, coexistence, coping, and even integrating economically and functionally within the Israeli governmental and municipal power.

Yet, in order to avert a socioeconomic and environmental deterioration in the Palestinians' individual and collective situation that would have immediate spillovers into West Jerusalem and Israel, recent governmental decisions have allocated financial resources to be spent and invested for the benefit of Jerusalemites. These allocations were accompanied by a change in the discourse language and actions, ostensibly aiming to increase integration and bridge gaps. The three governmental decisions

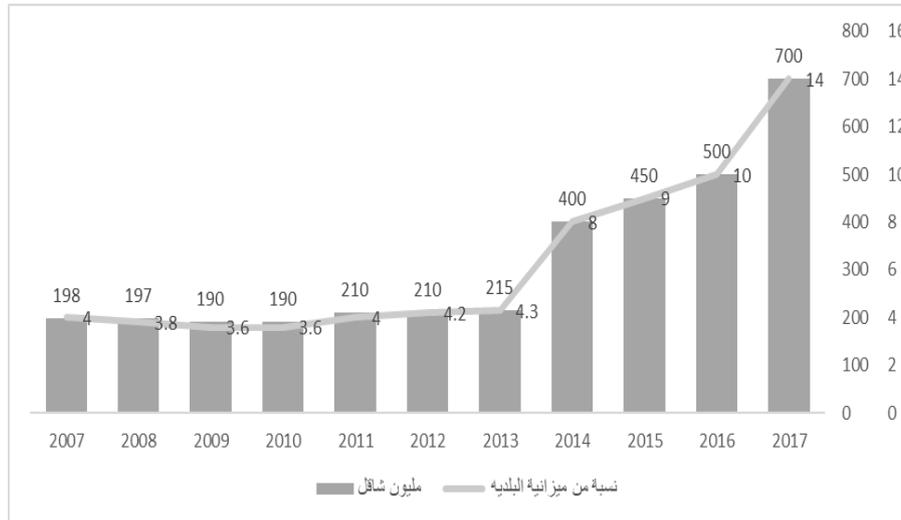
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<sup>14</sup> State Comptroller's Report-2019-Third Section- P: 340

<sup>15</sup> Jerusalem Statistical Yearbook- 2019- Jerusalem Institute for Policy Research- p: 78

reviewed below, explain well these policies. In addition, the government allocates special grants to Jerusalem Municipality for the development of the city, enhancing its position and achieving unity. However, most of these budgets are not spent in East Jerusalem. Our review has shown that the Israeli government has allocated a grant of around USD 200 million to Jerusalem Municipality, around 4% of the municipality’s budget in 2007. This grant was increased to about USD 700 million in 2017, i.e. 14% of the municipality’s budget (see Figure 3), and specifies how it should be spent and in what field.<sup>16</sup>

**Figure 3: The Size of the Governmental Budgets Granted to Jerusalem Municipality as an Annual Special Grant, and their % of the Municipality’s Regular Budget, 2007-2017**



On June 29, 2014, the Israeli government took decision No. 1775; designating NIS 200 million for the period from 2014 to 2017<sup>17</sup> under the title: “A plan to increase personal security and socio-economic development in Jerusalem for the benefit of all its residents”. Funds were allocated in two main fields: Increasing personal security and enhancing the infrastructure needed for the work of the police in East Jerusalem. The preamble and rationale of the decision state that: “ In accordance with Article 4 of the Basic Law: Jerusalem is the capital of Israel, and subsequent government decisions dealing with the development of Jerusalem and its minority sectors, and recognizing the importance of a systemic solution to the issue of personal security in East Jerusalem, which includes combating violence and crime along with economic growth”. This was the first governmental program/plan since occupation to explicitly target Arab residents in East Jerusalem (now re-branded as one of Israel’s “minority sectors”). However, the overall impact of the program during the first three years of its application in the eastern neighborhoods of the city was very limited and did not have an evident beneficial impact. This may be partially due to targeting a small portion of residents in five of the targeted neighborhoods. The allocated budget (NIS 200 million) for bridging the gaps was not sufficient for making any concrete improvement in the targeted fields, such as education, employment, welfare, and entertainment, but simply helped to prevent further deterioration.<sup>18</sup>

To implement the abovementioned plan, the government took a decision on 28/5/2017 to allocate about NIS 177 million for processing environmental components, which include waste collection, sanitation, and increasing environmental awareness to minimize gaps between East and West Jerusalem.<sup>19</sup> This governmental decision relied on an implementation plan developed by Environment Protection Ministry, determining areas of spending and the targeted regions.<sup>20</sup>

<sup>16</sup> State Controller’s Report-2019-reference mentioned above.

<sup>17</sup> [https://www.gov.il/he/departments/policies/2014\\_dec1775](https://www.gov.il/he/departments/policies/2014_dec1775)

<sup>18</sup> State Comptroller 2019- Introduction- Ibid.

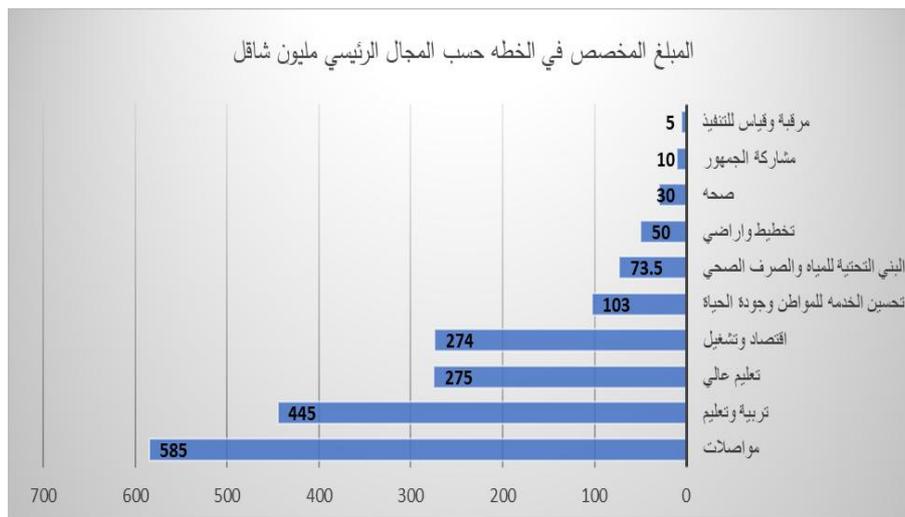
<sup>19</sup> [https://www.gov.il/he/departments/policies/2017\\_des2684](https://www.gov.il/he/departments/policies/2017_des2684)

<sup>20</sup> [https://www.gov.il/BlobFolder/pmopolicy/2017\\_des2684/he/secretary\\_govdecisions\\_2017\\_documents\\_2684.pdf](https://www.gov.il/BlobFolder/pmopolicy/2017_des2684/he/secretary_govdecisions_2017_documents_2684.pdf)

The governmental intervention for bridging the gaps was extended by decision No. (3790)<sup>21</sup> which was issued on 13/5/2018 and which is considered the first semi-comprehensive decision on “Reducing Socio-Economic Gaps and Economic Development in East Jerusalem” after 51 years of its occupation.<sup>22</sup> Pursuant to the decision, about NIS 2.1 billion was allocated to be spent within five years according to the areas shown in the following figure (4). This sum included a governmental grant added to the regular funds spent by Jerusalem Municipality annually.

Unlike previous governmental decisions on East Jerusalem, whereby security objectives predominated, the fundamental objective of governmental decision No. 3790 was improving the economic, social, and humanitarian status of residents. The decision had a different discourse, as well as, the language and vocabulary used in the decision wording, with the inclusion of security considerations in the program’s outputs. This may be due to Palestinian-Israeli negotiations deadlock, especially on the issue of Jerusalem, and failure to reach an agreement in this regard. This has driven the Israeli government to tighten its control over East Jerusalem and re-shape it in its preferred image. In parallel with the prolonged negotiations deadlock on Jerusalem, Israel continued to change facts on the ground to hinder any possibility of settlement according to the International legitimate references. Part of this change, was seen when Israel accelerated annexation following the 2000’s Intifada (uprising). At that time, Israeli ambitions and greed revolved around the annexation and expansion wall around Jerusalem. United States policy towards Jerusalem and settlements at the time encouraged Israel’s ruling party to expedite implementation, culminate their project of the annexation of Jerusalem, and to completely shut the door to any political settlement. Approval of the suggested plan in decision No. 3790 was intended to mitigate any possible negative reaction by Jerusalemites toward this “culmination” and to absorb external and internal objections to Israel’s plan perpetuating of the apartheid regime, which will be at its most pernicious in Jerusalem. However, the words/components of the plan uncover its embellished nature, which is evident from its local and international presentation.

**Figure 4: The Distribution of Financial Resources Allocated by Decision No. 3790 by the Main Disbursement Areas (NIS millions)**



A review of the plan’s components shows that the disbursement of funds is conditional on achieving its goal of integration and individual development. The same applies to allocating funds to those applying to study at Israeli universities and colleges, and subsidies to schools adopting the Israeli

<sup>21</sup> [https://www.gov.il/he/departments/policies/dec3790\\_2018](https://www.gov.il/he/departments/policies/dec3790_2018)

<sup>22</sup> [http://www.ir-amim.org.il/sites/default/files/%D7%94%D7%97%D7%9C%D7%98%D7%AA%20%D7%9E%D7%9E\\_%D7%A9%D7%9C%D7%94%203790%20%D7%93%D7%95%D7%97%20%D7%9E%D7%A2%D7%A7%D7%91%20%D7%A8%D7%91%D7%A2%D7%95%D7%A0%D7%99%2005-2019.pdf](http://www.ir-amim.org.il/sites/default/files/%D7%94%D7%97%D7%9C%D7%98%D7%AA%20%D7%9E%D7%9E_%D7%A9%D7%9C%D7%94%203790%20%D7%93%D7%95%D7%97%20%D7%9E%D7%A2%D7%A7%D7%91%20%D7%A8%D7%91%D7%A2%D7%95%D7%A0%D7%99%2005-2019.pdf)

educational curriculum. The plan allocates no resources to housing, and those allocated to planning and land settlement do not exceed NIS 50 million, which is less than 2.5% of total allocated resources. Additionally, the plan inspires to increase female employment and reduce unemployment, yet, it does not come with suggestions for expanding infrastructure and operational capacity to enable the local economy and the development of the Jerusalemites in East Jerusalem. One of the main objectives of the plan is deepening Israeli sovereignty over East Jerusalem, especially developing the Old City area and its Basin, complementing the government's decisions No. 3788 issued on 13.05.2018<sup>23</sup>, and No. 4651 issued on 20.05.2012, as the former decision allocated NIS 400 million for the implementation of a five-year plan for the development of the Old City and its basin from 2019-2024. We infer from the plan's wording, the deepening of Jerusalemites engagement with and dependence on the Israeli economy, the plan's concentration on individuals and their daily life needs, and neglect of the collective Jerusalemites, all matters relating to land and housing, allocation of economic resources, which contribute to the possession of the space and attachment to the land, have been neutralized. The concentration on female employment has socio-demographic implications, while it is presented as a factor enhancing economic development and household income.

The preliminary reports, published by Jerusalem Institute for Israel's Research<sup>24</sup> and Ir Amim<sup>25</sup> Association, tracking the implementation of these governmental and municipal plans, show the obstacles that confronted their implementation as described in these decisions. Some of these were due to Jerusalemites' refusal to cooperate and distrust of the plans. Others were due to internal disagreements among Israeli entities involved in the implementation process, or exploiting these budgets and investing them in infrastructures outside the Palestinian neighborhoods to serve Israeli settlements in East Jerusalem indirectly.<sup>26</sup>

### **Feasible Options to Preserve the Unity of East Jerusalem and Expectations**

The Israeli government and municipal authorities, private institutions, and the Zionist NGOs have all exercised coherent, integrated, and cumulative policies aiming to create new facts and reality that perpetuate Israel's control over East Jerusalem and connect it to West Jerusalem and Israel, as stated earlier in this paper. The raised question here is: What alternatives are available to preserve the geographic, demographic, and economic unity of Jerusalem to address Israeli policies and the occupation's institutions, to contribute to the completion of the Palestinian national project given the asymmetric balance of military, political and economic powers.

Some may argue that possible options became more limited after the establishment of the separation wall, in addition to the divided and fragmented Jerusalemite political presence, the weak middle-class power and political leadership and domination by Israel of the institutions operating economically and socially. However, we think that some of the possible alternatives summarized in this paper, require additional assessment and examination. Jerusalemites do have points of strength that need to be enhanced. Yes, they are materially and economically weak but have strong beliefs, political and ethical narrative, as well as their attachment to their land and city and their efforts to realize their rights. Despite the economic weakness of Jerusalemites, indicators show that their general average socio-economic situation is better than that of the West Bank. Jerusalem is a young society and is being urbanized in most areas. Further, East Jerusalem is the biggest Palestinian Arab city after Gaza. Based on the abovementioned points of strength and weakness, we present the fundamental features of future scenarios and alternatives with special focus on their economic ramifications.

Pursuing civil disobedience, refraining from participation in Israeli labor market and the continuous rejection of the government's decision to improve Jerusalemites' conditions to tame/Israelize them

<sup>23</sup> [https://www.gov.il/he/departments/policies/dec3788\\_2018](https://www.gov.il/he/departments/policies/dec3788_2018)

<sup>24</sup> <https://jerusalemstitute.org.il/projects/%D7%94%D7%A2%D7%A8%D7%9B%D7%94-%D7%9E%D7%9C%D7%95%D7%95%D7%94-%D7%9C%D7%AA%D7%9B%D7%A0%D7%99%D7%AA-%D7%94%D7%97%D7%95%D7%9E%D7%A9-%D7%9C%D7%A4%D7%99%D7%AA%D7%95%D7%97-%D7%9E%D7%96%D7%A8%D7%97-%D7%99/>

<sup>25</sup> [http://www.ir-amim.org.il/sites/default/files/%D7%94%D7%97%D7%9C%D7%98%D7%AA%20%D7%9E%D7%9E\\_%D7%A9%D7%9C%D7%94%203790%20%D7%93%D7%95%D7%97%20%D7%9E%D7%A2%D7%A7%D7%91%20%D7%A8%D7%91%D7%A2%D7%95%D7%A0%D7%99%2005-2019.pdf](http://www.ir-amim.org.il/sites/default/files/%D7%94%D7%97%D7%9C%D7%98%D7%AA%20%D7%9E%D7%9E_%D7%A9%D7%9C%D7%94%203790%20%D7%93%D7%95%D7%97%20%D7%9E%D7%A2%D7%A7%D7%91%20%D7%A8%D7%91%D7%A2%D7%95%D7%A0%D7%99%2005-2019.pdf)

<sup>26</sup> <http://ajalia.com/article/17203>

and to integrate them into Israel is one of these scenarios. This entails establishing a municipality, or even a shadow municipality, that is formed by appointment or election to manage Jerusalemites' practical affairs and represent them municipally and nationally. Disobedience risks the eruption of clashes and confrontations with the Israeli municipality and security institutions. This scenario is dependent on Jerusalemites' ability to withstand security and economic pressures, and the existence of some horizon for achieving the Palestinian national project and reintegration and connection between East Jerusalem and the rest of the occupied territory, and to be part of Palestine as its capital. Such a scenario will be challenged by Israel's continuous weakening of Jerusalemites' economy and increased pressure to combat disobedience.

Additionally, the majority of Jerusalemites are not in favor of such a scenario under the current circumstances. Recalling their experiences in the First and Second Intifadas, they fear jeopardizing some of the economic and service *acquis* they enjoy in a relatively stable life, which is contingent on the continuity of the maintaining peaceful coexistence. The opposing argument is based on the positive effects of the Intifadas and uprisings in Jerusalem in recent years, evoking patriotic sentiments and forming a collective identity, especially with regard to preserving the holy sites, especially Al-Haram Alsharif. These have shown that a large segment of Jerusalemites are ready to risk their limited material gains to preserve their national dignity. However, another credible segment of Jerusalemites believe they have the right to benefit from the municipality's budgets in return for the taxes and fines they pay to the occupying state. These rights are provided for by International Law, provided that their gains should not be at the account of national interests.

There is a second scenario that concentrates on involvement and integration of Jerusalemites into the Israeli market, accepting economic governmental plans, and even participating in the municipal election and running for the presidency of the Municipality to participate in running the city. This scenario aims to bridge the gaps and diminish disparities among the city's different neighborhoods which is a popular demand. The conscious and organized involvement and integration scenario may increase economic opportunities, social and economic development of Jerusalemites in the current and foreseen future of the Israeli economy. In this scenario, the Israeli authorities would enhance the role of Community Centers and turn them into Quarter Committees or Executive Directorates under the supervision of the municipality, with allocated budgets agreed upon by representatives of the municipality, the Israeli government, and local community.

However, the Israeli Zionist movement practically rejects this scenario, although it would be allegedly welcomed or officially endorsed. This is because it threatens Israel's control over Jerusalem and contributes to reshaping Jerusalemites' status by achieving equality, involvement, and counterpart sharing. An indication of this is the Israeli government's refusal of naturalization requests submitted by Palestinians. The scenario, as well, is rejected by Palestinians because it implicitly recognizes Israeli sovereignty over East Jerusalem. This mutual and asymmetric rejection of this scenario by the two parties, each according to his principles and justifications, will keep Jerusalemites living in a limbo of dualities and contradiction in their daily and future life and coexistence. The ongoing Israeli occupation and its practices that violate the International Law and contradict the Palestinian national project that recognizes and demands East Jerusalem as the future capital of Palestine, is a fundamental cause of the described conditions of Jerusalemites. Realizing this demand means ending the state of marginalization, and provides Jerusalemites with huge opportunities for economic development and growth, which would radically change their conditions and status.

The third possible scenario can be summed up as follows: the continuation of the status quo, which is a slowly-changing condition. This means that the temporary status and individuals' struggle for survival would continue, in addition to the limited governmental spending on upgrading the infrastructure, cleaning, and environment work to mitigate their impacts on West Jerusalem. This scenario also encompasses implementing a policy for improving individuals economic conditions, reducing unemployment rate, increasing female labor force participation, reducing schools' dropout rates, increasing the number of students and schools introducing the Israeli educational curriculum, including the teaching of the Hebrew Language and students favoring study in Israeli universities and

colleges, which would increase their work opportunities in the Israeli market. Some of them may replace Arab Palestinian citizens of Israel who have found jobs in Jerusalem and work as “semi-mediators” between Jerusalemites, the PA, and Israeli institutions. According to such a scenario, Jerusalemites will continue to live in separate neighborhoods. A large portion of Jerusalemites chooses this life voluntarily to promote the local interests of their quarters. Other Jerusalemites were forced by Israeli policies that seek always to fragment Jerusalemites on the social level, weaken them economically, scattering them spatially inside East Jerusalem and its Palestinian, rural, and urban neighborhoods (Khamaisi, 2019).

These are the main characteristics of the possible scenarios that will play out in the coming years, based on which one can derive its other details and components. Some aspects of these scenarios could serve to preserve the unity of East Jerusalem, while others threaten its unity. Restoring and restructuring the tormented Jerusalemite society under the current Israeli colonial policy and state of internal and external polarization is not an easy task in the foreseeable future. Therefore, Jerusalemites, as individuals and groups, will most likely continue to struggle in a divided city with cultural diversity, traditional social clan arrangement, and economic fragility, suffering a deep geopolitical, national and civil conflict, that burden the complex future they have to face with the multiplicity of borders in the city (Dumper, 2014). Also, Jerusalemites will continue to stagger between the demand for incomplete citizenship and socio-economic equality under the sovereignty of the Israeli authorities (the Palestinian Arabs model in Israel), and the demand for independence and ending colonial occupation, the disengagement from the temporary status, the conditional permanent resident status, and the transition to be part of the Palestinian state. In the event this dualism deepens, Jerusalemites will continue to suffer from economic hardship and the discriminatory policies that enroot their economic and political weakness, pushing the middle class to immigrate, and escalating confrontations, especially among the young cohort with high economic, social and national ambitions.

It should not be expected that the Israeli government and municipal authorities will spend sufficient resources and budgets to meet the growing needs of the Arab population, especially in the housing sector, and land provision, and provision of an equal services basket for the two regions of the city, despite the policy of "uniting" the city that the Israeli authorities seek to impose according to the Israeli law and plans. Rather, many gaps in the daily life of the Jerusalemites and Israelis will remain, despite the slight increase in the minimal budget allocated by the government. On the other hand, because of the PA's economic hardship, the change in the aid priorities of Arab and Islamic countries, and the Israeli repression practices preventing the transmission of any funds to East Jerusalem, these economic gaps are not diminishing and even getting relatively wider.

## **Conclusion**

The urban development of Jerusalem continues in such a complex situation, established by the Israeli authorities expansion policies seeking to deepen and empower their governance and control over East Jerusalem. However, Jerusalemites believe that such a policy that does not meet their civil, economic and national needs, would push them into paradoxical positions and conflicts between their individual interest and the collective national interest. This would increase their self-justification or adaptation to deal with condition through a hybrid identity construct that enable them to “coexist” under the occupation without falling prey to either what is known as “normalization” or having to engage in conscientious civil resistance. This struggle and hybrid approach may contribute to the struggle for resilience and the resulting distorted development path.

To mitigate the damage of the hybrid condition of coexistence and adaptation, a comprehensive action program must be prepared to enable and assist Jerusalemites in managing their crises, preparing and strengthening them for a new era when reaching a geopolitical settlement is possible. Until then, work should be institutionalized through rebuilding the society and its economic and life institutions based on selective participatory, civil disobedience/resistance and through benefiting from opportunities, avoiding damages, and balancing between the civil and national interests with neither negligence nor excess.

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