

Jerusalem's Economic Shifting and the Gap between City's Arabs and Jews

Dr. Luay Sabbaneh

The Zionist movement assumed not only to establish Israel, but to maintain its Jewish majority. Therefore, it is obvious to study the economic destruction in Jerusalem within the framework of the general Israeli policies in Jerusalem. The geopolitical changes resulted in coercive demographic changes led, in combination with the natural demographic changes of population, to socioeconomic challenges.

Social, economic and demographic transformation in Palestine, and particularly in Jerusalem, is caused both by the Israeli occupation and natural development. Natural transformations result from population growth, migration, fertility, mortality, technology, and new economic spheres while 'occupation-made' transformations have been imposed through displacement and compulsory economic mobility. Economic establishments and population face direct and indirect challenges to their wellbeing. High population density, limited labour opportunities, lack of investment, poor quality of services, and a failure to meet service-related needs accompanying natural growth all made living conditions extremely difficult and deprive society of the chance for stability.

Since 1948, the Palestinians in Jerusalem have slowly been evicted from their places of residence. Approximately 98,000 citizens have been expelled through forced demographic change aimed at tipping the population ratio. In 1967, low-end estimates (due to the absence of accurate statistics) of the population of East Jerusalem, which was annexed to Israel in that year, indicate the presence of about 69,000 people. The estimated population in 1991 was approximately 151,000. Since 1997, using data from the first Palestinian census, there has been an accurate count of the number of Palestinians in the Jerusalem governorate, which is now comprised of two regions: the area annexed by Israel in 1967 (J1) and the remaining Jerusalem district (according to previous regional divisions) under Palestinian administration (J2).

Two integrated stages could be highlighted in the Israeli policies towards Jerusalem. The first is based on the segregation and limitation of the Palestinian growth in three dimensions; physical Palestinian expansion, increasing the dependence on Israeli resources, and linking the basic population needs with Israel. This was combined with the increase of Israeli settlers and decrease the number of Palestinians in Jerusalem using administrative and legal measures. Israel adopted also a policy of demolishing Palestinian houses and separating Jerusalem from its Palestinian surrounding using the structural scheme of the city, perocratic procedures on the checkpoints, permit system, physical segregation by the separation wall and strengthening the links between Jerusalem and the surrounding Israeli settlements. The second stage is based on weakening the remaining Palestinian existence through weakening the institutional setup, deepening the subordination of the Palestinian existence in Jerusalem to Israeli judicial, and minimizing the opportunities to utilize the natural resources.

The Israeli policies weakened the Palestinian identity and turned Jerusalem down from a resource city for the whole West Bank to a city in need to development aid at the institutional level, and to humanitarian aid at the population level. These policies weakened the infrastructure and replaced

the Israeli economy instead of the Palestinian economy. They also declined the role of the Palestinian institutions in providing the main services and increased the immigration of persons and institutions outside the city.

Recent Statistical Trends

Israel's annexation and expansion wall adds another challenge to these trends. Approximately 62% of Palestinians in Jerusalem 10 years of age or older are forced to move out of areas surrounded by the wall to reach educational and health services, to go to work, for tourism and for social and entertainment activities. In addition, some 33% of Palestinians in Jerusalem changed their last place of residence, 54% of these changing their residence the first time ever after the wall was built. The wall also confiscated land belonging to 19.2% of Palestinian families in Jerusalem.

Some studies show that the annexation and expansion wall has had a major impact on trends of international migration. The number of people who are now thinking of emigrating has risen since the construction of the wall by approximately 22% in the Jerusalem governorate. It should be noted that this tendency is much higher in annexed Jerusalem (J1) as compared with the rest of the Jerusalem governorate or J2 (54% of households compared with 10% in J2). As such, the wall should be viewed as a *system* forcing isolation, rather than as a solitary physical structure. Along with this wall comes a permit system, specified crossing times, and limitations on freedom of movement. Combined studies show that the impact of this system is greater in its ramifications for residents' ability to move than both the *Nakba* of 1948 and the *Naksa* of 1967.

Labour and Wages

The labour force in the Jerusalem governorate is comprised of those who work in Israel, the settlements, and the Palestinian territories. The Israeli labour market provided work opportunities for 35.6% of workers in 2004, in comparison with 39.1% in 2002.

The labour force in the Jerusalem governorate is comprised of those who work in Israel, the settlements, and the Palestinian territories. The Israeli labour market provided work opportunities for 35.6% of workers in 2004, in comparison with 39.1% in 2002.

Residents of the Jerusalem governorate have also suffered from a rise in unemployment since the outbreak of the al-Aqsa Intifada at the end of 2000.

Unemployment rose by 53%, from 11.5% in 2000 to 17.6% in 2005. Comparatively, unemployment in the West Bank rose to 26.8% in 2005, in comparison to approximately 11% in 2000. This high rate is due largely to the closure policy that Israel has imposed upon Palestinian population centers since the end of 2000.

Relatively speaking, the unemployment rate in J1 is lower than that in J2 because of the relative ease of accessing labour markets in Israel. The unemployment rate in J1 was 15.5% in 2005, in comparison to an employment rate of 21.9% in J2.

Even though wages in Israel are higher than those in the Palestinian labour market, and although Palestinians in the J1 area are able to move easily within Israel, the rate of Palestinian workers who receive a monthly wage under minimum wage is more than four times (at 43.5%) the rate of Israelis (at 10%) in the same situation. Further, the main source of income for 32.2% of Palestinian families in J1 comes from salaries and wages from the Israeli labour market, compared with 14.2% of Jerusalem residents of J2.

Poverty and Social Security

Average household consumption and expenditure are major indicators in determining quality of life and proximity to the poverty line.

Even though rates of expenditure and consumption in the Jerusalem governorate are better in comparison to other districts in the Palestinian territories, the percentage of Palestinian residents of J1 who live under the poverty line (61.8%) is four times that of Israeli residents (17.5%). Nearly 70% of children in the J1 governorate live under the poverty line, as opposed to 26.7% of Israelis—i.e. poverty is three times more prevalent among Palestinian children than it is among Israeli children.

The above challenges faced by Jerusalemites contribute to growing deterioration, as seen in poverty, low standards of living, low school enrolment rates, low levels and quality of health services, and the lack of entertainment and cultural centers. This deterioration is compounded by the isolation, geographic alteration, and confiscation of land that has come hand-in-hand with Israel's annexation and expansion wall. Social, physical and psychological ills are up, including the spread of crime, corruption, deviance, hatred and mental illness. Some studies have shown that 38.3% of families polled in Jerusalem believe that someone in their locality is doing drugs, and 16.1% say members of their family have been harassed by these people. Twenty percent of families attribute the spread of this phenomenon to the deteriorating economic situation.⁸

Results also show that 84.6% of families report being unable to visit socially with their relatives that live beyond the wall. Another 56.3% of families report being unable to participate in entertainment, cultural and social activities because of the wall.

The Gap between the City's Arabs and Jews

At the end of 2005, the population of the Jerusalem governorate was approximately 324,000. The Palestinian residents of the area annexed to Israel constituted about 34% of this number (following the Israeli-defined borders of the Jerusalem municipality). Ultimately, Israel has acknowledged its desire to lower the percentage of Palestinian residents of Jerusalem to comprise only one-fifth of the city's population (22%).

In 2005, the population of the Jerusalem governorate constituted approximately 17% of the population of the entire West Bank, with 62.2% of Jerusalemites living in the area annexed to Israel's borders after the occupation of 1967. Statistical data indicates that the average housing density in this area today is approximately 1.8 persons per room, as opposed to 1.1 individuals per room among Israeli counterparts.

The stark imbalance in indicators of social and economic status between the Palestinian and Jewish communities in Jerusalem affects all aspects of social and economic life. For example, statistics show that the average number of children to each Palestinian pediatrics centre is approximately 69,000, while the average number of Israeli children per centre 1,821. The percentage of Palestinian schools equipped with computers is 16.5% in comparison with 83.5% of Israeli schools. There is no shortage in classrooms in Israeli schools in Jerusalem, while there was a need for an additional 650 classrooms in the city's Palestinian schools in 2005. In addition, 40% of Palestinian classrooms were originally designed as houses. The average number of Palestinians to each public park is 7,362 in comparison to 447 Israelis to each public park, each in their respective areas of the city. Furthermore, Palestinians have no public athletic facilities,

while Israelis have 36 sports facilities. In Palestinian areas, there are 2,620 buildings that remain unconnected to sewage systems, while only 70 buildings are unconnected in Israeli areas. The Palestinian Authority is prevented from providing services in the city, while the services offered by Israeli officials are not distributed equally among the city's residents. These disparities place residents under continuous pressure to leave the city and escape the prohibitions against construction and the high costs of obtaining a building permit (between US\$25,000-30,000).⁶ According to a special study conducted by Meir Margalit, former Jerusalem councilman, the cost of a building license in Palestinian areas for a 200-meter-square apartment runs at NIS 492,109 (nearly \$100,000 dollars, an exorbitant fee given Palestinian earning potential). This fee does not include additional required fees for connecting the property to sewage, or for paying lawyers. This means that the cost of attaining a building license might exceed the cost of the actual construction.

Conclusion

The Palestinian vision in resisting the Israeli plans in Jerusalem is based on the political and legal basis concerning Jerusalem amongst the PLO resolutions, Arab summits, UN General Assembly resolutions and the Arab position from the security council resolutions. The operational materialization of this vision was affected by the actual sovereignty on the ground, the generally supporting but rarely competing Arab role, and the changeable international position regarding the political and legal status of Jerusalem. The Palestinians relied on strengthening the institutional setup, rising and reviving the religious and national feelings and mobilizing international support to put more pressure on Israel. But the conflict in Jerusalem was imbalanced. The Palestinian efforts were loyal but lack organization and coordination

References

1. Al-Shamishi, Maytha'. *Population Policies and Demographic Transformation in the Arab Homeland*, United Arab Emirates University, 2004 (Arabic).
2. Ghneim, Ahmad. *Jerusalem and the Zionist Movement*, 2005 (Arabic).
3. Shabaneh, Luay. *Jerusalem's Shifting Demographic Profile: A Statistical Reading of the City's Demographic Map*. Institute for Jerusalem Studies; Jerusalem Quarterly, Issue 27, 2006
4. Shabaneh, Luay. Forty Years of Occupation... Forty Years of Hindering Development, Impact of Israeli policies on the socioeconomic structure in Jerusalem. Palestine Economic Policy Research Institute (MAS), 2007.
5. Israeli Policies and their Impact On the Socioeconomic Structure in Jerusalem
6. Margalit, Meir. *Discrimination in the Heart of the Holy City*, Jerusalem, 2003.
7. Mohammed, Shtayyeh. *The Possibility of Economic Development under Siege*, 2005 (Arabic).
8. Palestinian Central Bureau of Statistics & Badil, *Impact of the Wall and its Associated Regime on the Forced Displacement of the Palestinians in Jerusalem*, June, 2006.
9. Palestinian Central Bureau of Statistics, *Jerusalem Statistical Abstract No. 7*, Ramallah, Palestine, 2006.
10. Palestinian Central Bureau of Statistics, *Jerusalem Statistical Abstract No. 8*, Ramallah, Palestine, 2006.
11. Palestinian Central Bureau of Statistics, *Labour Force Survey Database 2000-2004*, Ramallah, Palestine, 2006.

12. Palestinian Central Bureau of Statistics, *Palestinian Statistical Abstract* No. 6, Ramallah, Palestine, 2005.
13. Palestinian Central Bureau of Statistics, *Social Survey of Jerusalem Database* 2005. Ramallah, Palestine, 2005.
14. Tufakji, Khalil. *Jerusalem: The Key to Peace and Freedom*, 2005 (Arabic).