

November, 2007

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Senat 329 on Socio-Economic Issues:

Jerusalem – Between the Defensive Barrier and a Settlement or an "Historical Basin" and an "Outlying Neighbourhood"

Main Conclusion:

- After 40 years of so-called "(re)unification," Jerusalem still functions as two distinct capitals: one for Israel, the other for the Palestinians in the West Bank.
- Israel's government has been forced to erect a barrier wall in Jerusalem due to the heavy price paid by its residents during the terror attacks experienced in the city. However, it chose to situate the barrier along the municipal border despite the irrelevance of that demarcation to the causes of the wall's creation or the weighty, well-known Israeli interests to be served.
- The separation of 97% of East Jerusalem from the 180,000 Israelis and 250,000 Palestinians living in the city could have been implemented on a demographic basis. For the 3% that would remain in the "historic basin," special arrangements are to be made that would guarantee their freedom of observance and access to the holy places of the three religions.

The new borders of Jerusalem, established after the Six Day War, were meant to further the Israeli capital's political and defensive prospects given any settlement with Jordan more than to emphasize its new or historical municipal boundaries, established prior to the city's imposed division in 1948. Defensible territory, enhancement of Jewish demographic superiority by attaching open spaces for the construction of new Jewish neighbourhoods, a municipal airport, a Jewish cemetery, the economic isolation of Jerusalem from the West Bank and land ownership were the main considerations that motivated Israel's government to approve, only 17 days after the war, the proposal forwarded by the Special Commission to extend Jerusalem's jurisdiction by 70,000 dunams (1 dunam=1,000 sq.m.) in the direction of the West Bank. This was done despite the fact that East Jerusalem sat on 6,000 dunams and that the Old City was spread over only 1,000 dunams. The Palestinian villages that had for years occupied the agricultural expanse for East Jerusalem, Ramallah and Bethlehem became, overnight, the new neighbourhoods forming the extended perimeter of "Greater" Jerusalem, the capital of Israel.

After 40 years of such "(re)unification", the political, security, economic and demographic realities of Jerusalem indicate that this move represented a "grab as much as you can" approach. All the processes that might have transformed the capital into an economically thriving Jewish metropolis enjoying a solid Jewish majority lost their influence in the reality created under the pressure of other trends.

In 1988, Jordan relinquished rights to territory east of the Jordan River to the PLO given the latter's unwillingness to renounce East Jerusalem as the Palestinian capital. Jerusalem thus became one of the core issues to be discussed within the framework of negotiations on a permanent status agreement. In response, the international community annually demanded that Israel retreat to the "green line" passing through East Jerusalem as well. As determined by interim agreements, we should recall, residents of the Palestinian portion of the city participate in elections the Palestinian Legislative Council as well as for the chairman of the Palestinian Authority.

Israel subsequently relocated 180,000 Israelis in the 10 new neighbourhoods it established on one-third of the land attached to East Jerusalem, which extended the city's perimeter westward to an area covering 126,400 dunams – 2.5 times the size of Tel Aviv. However, the 69,000 Palestinians concurrently added to the city's population, which represented 24% of the city's population in 1967, have since grown to 260,000 or more than one-third of Jerusalem's residents. This population, the majority of which is denied Israeli citizenship, maintains an autonomous lifestyle, quite independent from that of the Jews. Their health, educational, transport, occupational and leisure systems operate in total isolation from Jewish systems.

In addition, the Palestinians' permanent boycott of municipal elections simply highlights the contradictions characterizing the city's "(re)unification". A change in the boycott policy is likely to conclude in reallocation of the capital's centres of power. The Jewish quarters in East Jerusalem have expanded to form the external perimeter of the municipal boundary and are spread along all the surrounding southern and northern hills controlling entry into the city from the west. Israel's intention to expand its control over the land dominating the new quarters will require re-capture of the Beit Jala-Bethlehem Ridge to the south and the Ramallah-Betuniya Ridge to the north, both of which are densely populated by hundreds of thousands of Palestinians.

Burial in the Mount of Olives Cemetery has almost entirely ceased and construction of Jerusalem's municipal airport has been delayed for economic reasons. Despite the original intent, in the absence of any physical obstruction along its borders, East Jerusalem has gradually become the economic, commercial and touristic centre for the one million Palestinian residents of the West Bank, similar to the functions fulfilled by West Jerusalem for the 100,000 Israelis living in the suburbs that sprouted around it – Maale Adumim, Givat Zeev, Beitar Ilit and Efrat, among others.

The wave of terror initiated in 2000 in response to the two parties' failure to arrive at a mutually agreed-upon division of the city within the framework of the Oslo peace process harmed Jerusalem and its residents more than any other city in Israel. The enormous political, economic and social difficulties raised by the determination of the eastern route of the barrier has forced the Israeli government to construct the barrier in three separate phases over five years, with no conclusion date in sight. Previous lessons have not been learned: Situating the barrier wall's route along and beyond the municipal perimeter for the purpose of imposing, by force, an irrelevant boundary and thus transforming the Palestinian fabric of daily life in a West Bank without East Jerusalem, has simply intensified the damage and threatened Israeli interests regarding the capital. Formal removal of the city's 60,000 Palestinian residents – in addition to a similar number of Palestinians entitled to an Israel identity number although residing in the West Bank – beyond the barrier, together with the fatal blow to their freedom of movement and contacts with East Jerusalem, did not receive an appropriate government or municipal response. Construction of the Government Campus at the Kalandia crossing has not eliminated the "outsiders'" need to enter the city in order to obtain an education, health services and employment. The small number of transit points constructed and their limited capacity to reasonably manage the more than 100,000 movements into and out of Jerusalem conducted by Palestinians carrying an Israeli identity card eventually transformed Jerusalem's demography.

Whether legally or illegally, tens of thousands of Palestinians have been thronging to the crowded Arab neighbourhoods, 50% of which have still not been fully connected to municipal water and electricity systems or other environmental services. Housing prices have skyrocketed and intensified internal migration toward the Jewish quarters at the city's edge, proximate to the barrier wall. As a result of security and social tensions between the populations, out-migration of the Jewish population from Jerusalem to other cities has accelerated. Current forecasts predict that in the 2020, the ratio of the Jewish to the Arab population in the city will decline to 40:60.

The sweeping prohibition against the entry of Palestinians into Israel has been extended to East Jerusalem as well, an action exacerbating still further the rise in prices and the cost of living in East Jerusalem at a time when suppliers of food and other staples who lack an Israeli identity card are being kept outside its gates. The declining presence in East Jerusalem of individuals wanting to pray, conduct business and study, among other things, has brought with it a decline in municipal tax collection and fees paid by its residents, a trend aggravating the economic deterioration in the area but also in the city as a whole.

This portrait of the current reality is reinforcing the voices calling for a halt to these trends by redefinition of the city's boundaries. Three main routes among the various suggested can be identified:

The first would remove the designation of "peripheral neighbourhoods" from those neighbourhoods, with their 100,000 residents, lying north of Beit Hanina as well as those south and east of the Armon HaNatziv ridge.

The second would retain only the 6,000 dunams of East Jerusalem along the Shuafat- a-Tur-Mount of Olives-Abu Tur perimeter within municipal boundaries, a step that would official reposition more than 150,000 Palestinian residents outside the city limits.

The third and final proposal would apply the criterion set by President Clinton in December 2000 to all the city's eastern quarters: Arab neighbourhoods would be shifted to Palestinian sovereignty and Jewish neighbourhoods to Israeli sovereignty. This would conclude in the transfer of Jerusalem's 250,000 Palestinians to Palestinian sovereignty. Several attitudes have been expressed regarding this option as well as the associated control over "the historic basin" it embodies, an area spread over 2200 dunams and including the sites central to the three major religions: the Old City, the City of David, the Mount Zion, the Mount of Olives and the Kidron Stream. Some have demanded that Israeli sovereignty be extended over the entire area while others have demanded the division of sovereignty together with the introduction of a shared administration based on various municipal models. Still others argue that only an international agency can ensure the freedom of religion and ritual to observers of the three religions.

Many Israeli and Jerusalem leaders have enacted a policy of gobbling up land over the long years while excluding the Arab population. In recent years, the latter has finally comprehended what half of the Jewish population responding to recent surveys has long understood: The attempt to preserve a "(re)united" city by force will only undermine the interests of the State and its capital in the medium and long run. The future of Jerusalem is tightly linked to the character of the Israeli-Palestinian conflict. Yet, the territorial, security and economic arrangements to be applied to Jerusalem will nevertheless rest on those same principles that will dictate a comprehensive settlement – return to the 1967 borders, territorial exchanges, dispersion and so forth – in addition to special arrangements attuned to the city's religious, historical and international uniqueness.