



DIRECTORATE-GENERAL FOR EXTERNAL POLICIES OF THE UNION
POLICY DEPARTMENT

**JERUSALEM: THE HEART
OF THE ISRAELI-PALESTINIAN CONFLICT**

POLICY BRIEFING

Abstract

The city of Jerusalem has a special meaning for Jews, Muslims and Christians. In East Jerusalem and its environs, the year 2011 will be recorded as the year of the greatest expansion of Israeli settlements since 1967. In general, the question of Jerusalem represents one of the most sensitive and complex red lines of the conflict between Israelis and Palestinians. For Palestinians, East Jerusalem — *al-Quds* — is to be the capital of the future Palestinian State. For Israelis, the entirety of Jerusalem — *Yerushaláyim* — is the sole and indivisible capital of the Jewish State. Given the intractable nature of the dispute and its social, economic and religious implications, multiple attempts at negotiations have stalled over the question of Jerusalem, and there is little sign of change on the horizon. The Israeli policy of severing political, economic and social links between the West Bank and East Jerusalem has caused a serious deterioration in Palestinian living conditions. The EU should take effective action on this issue by promoting its policy of Jerusalem as the open capital of two coexisting and peaceful States.

This Policy Briefing is an initiative of the Policy Department, DG EXPO.

AUTHOR:

Paolo NAPOLITANO (under the supervision of Pekka HAKALA)
Directorate-General for External Policies of the Union
Policy Department
WIB 06 M 071
rue Wiertz 60
B-1047 Brussels

Feedback to pekka.hakala@europarl.europa.eu is welcome

Editorial Assistant: Agnieszka PUNZET

LINGUISTIC VERSION

Original: EN

ABOUT THE EDITOR

Manuscript completed on 30 March 2012.

© European Parliament, [2012]

Printed in [Belgium]

This Policy Briefing is available on the [Intranet](#) of the Policy Department of the Directorate-General for External Policies of the Union: [Regions and countries](#) or [Policy Areas](#)

This Policy Briefing is also available in the catalogue of the European Parliament's [Library](#).

To obtain copies, please send a request by e-mail to: poldep-expo@europarl.europa.eu

DISCLAIMER

Any opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

Reproduction and translation, except for commercial purposes, are authorised, provided the source is acknowledged and provided the publisher is given prior notice and supplied with a copy of the publication.

TABLE OF CONTENTS

1. THE STATUS OF JERUSALEM IN INTERNATIONAL LAW	4
2. TWO CONFLICTING VIEWS	5
2.1 ISRAELI CONCEPT OF JERUSALEM (<i>YERUSHALÁYIM</i>)	5
2.2 PALESTINIAN CONCEPT OF JERUSALEM (<i>AL-QUDS</i>)	6
3. DEMOGRAPHIC TRENDS	8
4. ISRAELI SETTLEMENTS	10
4.1 HISTORICAL OVERVIEW	10
4.2 CURRENT SITUATION	11
4.3 SETTLEMENT EXPANSION PLANS IN EAST JERUSALEM 2010-2011	12
4.4 CURRENT STATUS OF PLANS AND TENDERS IN JERUSALEM AREA	13
4.5 DESCRIPTION OF THE PROCEDURE	16
5. SITUATION IN EAST JERUSALEM	16
5.1 SOCIAL AND ECONOMIC SITUATION	16
5.2 PROBLEMATIC MUNICIPAL POLICIES	17
5.3 TENSIONS BETWEEN RELIGIOUS COMMUNITIES	17
6. INTERNATIONAL REACTIONS	19
7. EU POLICY ON JERUSALEM	20
7.1 PRINCIPLES	20
7.2 THE HEADS OF MISSIONS REPORT 2011	20
7.3 FOLLOW-UP TO THE REPORT	21
8. SOURCES	22

1. THE STATUS OF JERUSALEM IN INTERNATIONAL LAW

The history of Jerusalem, a holy city for Muslims, Christians and Jews, has hardly grown more humdrum in the course of its 5 500-year span. The city has experienced more than its share of sieges, attacks, conquests and catastrophes, with the last 65 years adding new layers turbulence to Jerusalem's extensive record.

Between 1948 and 1967, Jerusalem was a **divided city** under two states: Israel controlled the western part, whereas the eastern part, which including the Holy City, was subject to Jordanian rule. The 1967 Six Days war dramatically changed the situation: **Israel occupied** the eastern part of the city as well as the majority of its suburban neighbourhoods. This occupation contravenes international law, confirmed by a series of United Nations General Assembly and Security Council resolutions, which defines the eastern part of the city as an inalienable part of Occupied Palestinian Territory. Therefore, the **Fourth 1949 Geneva Convention**¹ on the protection of civilians in occupied territories is fully applicable to the inhabitants of East Jerusalem. Israel claims it occupied East Jerusalem in 1967 in response to the war that Jordan waged in violation of the 1947 Armistice Agreement². Most international law experts contest this position and argue that the right to self-defence does not imply the right to extend sovereignty into new geographical areas. Most of the international community considers Israel's annexation of East Jerusalem its modification of the status of the city to be **illegal**.

Israel considers Arabs living in East Jerusalem '**permanent residents**' — the same status accorded to foreign citizens who choose to reside in the country. This status gives residents the right to vote in local elections, but not in elections for Israel's legislature, the Knesset. If residents meet certain conditions — such as swearing allegiance to the State of Israel, demonstrating knowledge of Hebrew, and proving that they are not citizens of another country — they may apply for full Israeli citizenship. The great majority of Palestinians do not participate in municipal elections and have not requested Israeli citizenship. Among the obvious political reasons for this is the fact that their new citizenship would imply they recognise Jerusalem as Israeli. Given Israel's settlement activity in Jerusalem, the demographic balance of the city's 'permanent residents' and Israelis has substantially changed over the past years.

The position of the international community on Jerusalem is based on a series of UN Security Council (UNSC) and General Assembly (UNGA) Resolutions: 181, 242, 252, 476, and 478.

Resolution	Content
UNGA Res. 181 (1947)	United Nations Partition Plan - Jerusalem as <i>corpus separatum</i> and international status
UNSC Res. 242 (1967) ³	Withdrawal of Israel from territories ⁴ occupied in the 1967 Six Days War

¹ See <http://www.icrc.org/ihl.nsf/full/380>

² Galia Golan, 'Israel's Positions on Jerusalem', *Palestine-Israel Journal of Politics, Economics & Culture* No17, March 2011, pp. 207-213.

³ <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/240/94/IMG/NR024094.pdf?OpenElement>

⁴ The text of the Resolution lends itself to different interpretations as the English language version calls for the Israeli withdrawal *from territories* (some territories) occupied in 1967 while the French language version calls for the Israeli withdrawal *des territoires* (from **all** the territories) occupied by Israel during the Six Days War.

UNSC Res. 252 (1968) ⁵	Urging Israel to refrain from the unification of Jerusalem
UNSC Res. 476 (1980) ⁶	Calling on Israel to desist from altering the character and the status of the Holy City through legislative and administrative measures
UNSC Res. 478 (1980) ⁷	Censuring the 'Jerusalem Law' that considers Jerusalem as the unique and invisible capital of the State of Israel

Cumulatively, these resolutions call on Israel to not alter the legal status of the city. Israel has categorically refused to observe any of these resolutions, claiming in particular that the first of these resolutions lacks a legal basis. In fact, this 1947 resolution is the foundation of the international legal stance on Jerusalem, stating that the city is a *corpus separatum*, the status of which must be settled by negotiations. As Jordan, Egypt and other Arab States rejected this partition plan, Israel does not consider it binding.

Of the remaining resolutions, it is UNSC resolution 242 that matters most significantly for the remainder of Palestinian territory. The resolution urges Israel to withdraw from occupied territories and confirms East Jerusalem as the capital of the future State of Palestine⁸. This resolution forms the legal base for the Oslo Accords and for subsequent the peace talks, although Israel interpret the text differently than do the Palestinian authorities: Israel argues that the resolution does not call for the withdrawal of Israeli troops from **all** occupied territories and notably not from Jerusalem.

2. TWO CONFLICTING VIEWS

2.1 Israeli concept of Jerusalem (*Yerushaláyim*)

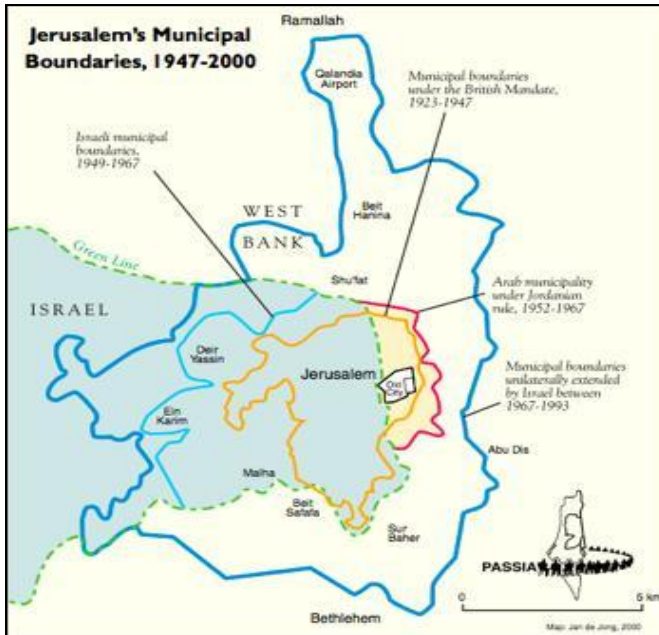
In 1980 Israel unilaterally declared the entire city of Jerusalem (East and West) the 'unique and indivisible capital of the State'. This nomination has been contested by the Palestinians as well as by the international community. Jerusalem is the largest city of Israel, with a total area of 125 km². The territory of East Jerusalem is 70 km², of which 10 % is the historical centre, occupied and annexed by Israel in 1967, and the remainder constitutes other neighbourhoods.

⁵ <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/248/33/IMG/NR024833.pdf?OpenElement>

⁶ <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/399/69/IMG/NR039969.pdf?OpenElement>

⁷ <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/399/71/IMG/NR039971.pdf?OpenElement>

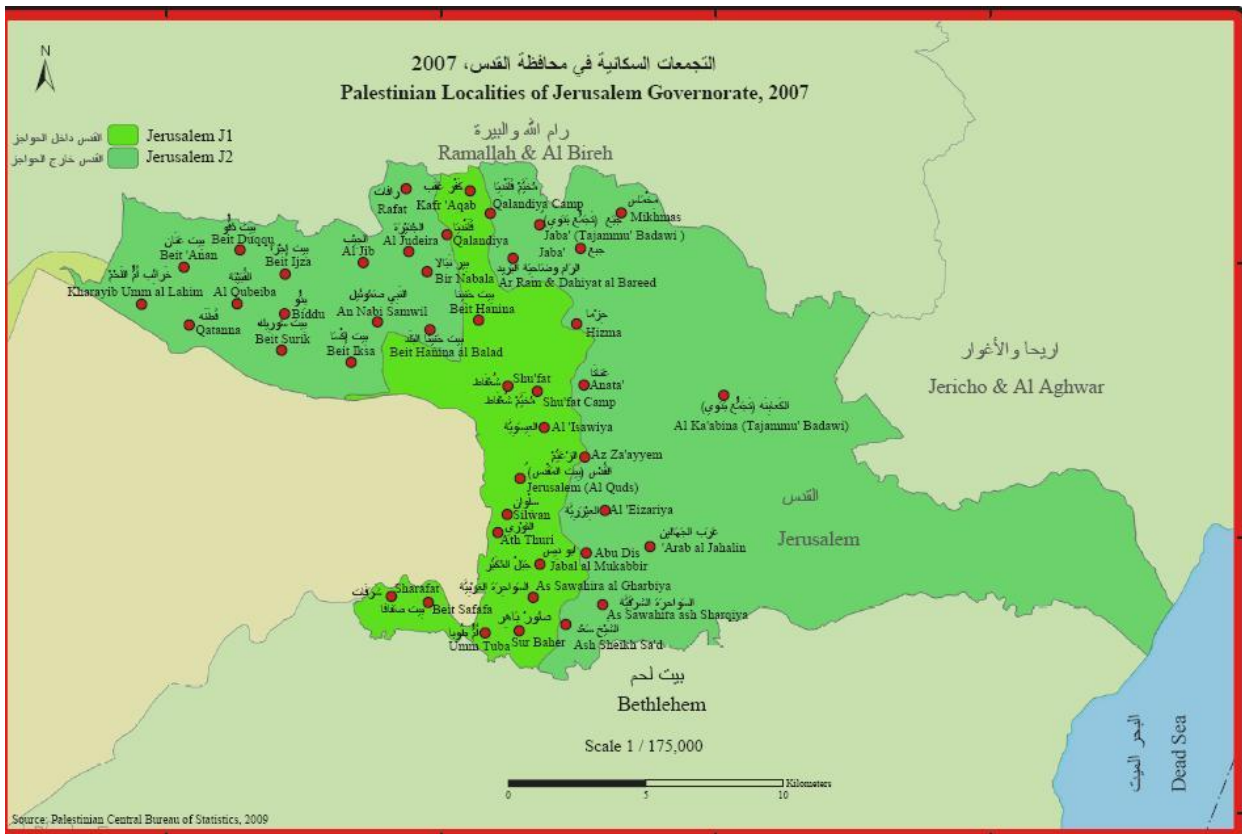
⁸ For Israel the capital of the future Palestinian State could be actually the neighbourhood of Abu Dis, which is now situated beyond the wall.



Source:Passia

2.2 Palestinian Concept of Jerusalem (*al-Quds*)

Palestinians divide the Governorate of Jerusalem into zone **J1** and zone **J2**. The first, J1, refers to the territory of East Jerusalem (the 70 km² annexed into Jerusalem municipality), and the second, J2, refers to the surrounding suburban areas, which link Jerusalem to the rest of the West Bank.



Source: Palestinian Central Bureau of Statistics, 2009

Israel is constructing a **separation wall**⁹ that divides what Israel considers Israeli territory from the West Bank. The placement of this barrier has been a bone of contention, as the barrier 'adds' territory to the Israeli side that has been considered part of the West Bank. In the area surrounding Jerusalem, the placement of the barrier creates additional difficulties, as many zones in the Governorate have been split or separated from other neighbourhoods. In some places, the wall crosses the J1 area, while in others the wall coincides with the border between J1 and J2. This division deeply influences the lives of local residents, affecting their freedom of movement and their economic activities.

Palestinian areas and Israeli settlements in area J1			
Palestinian areas	Population	Israeli Settlements	Population
Atarot-Beit Hanina	38 266	East Talpiot	13 365
Sheikh Jarrah	10 704	Gilo	29 263
Shu'afat	36 543	Givat Hamatos - Har Homa	1 194
Al Isawiya	1 300	Har Hatzofim	8 350
Sharafat, Jabal al Mukaber, Surbaheer	38 355	Neve Yacov	21 495
At Thur/Wadi al Joz	44 541	Old City	3 000
Umm Tuba	4 000	Pisgat Zeev	41 061
Bet Safafa	5 400	Ramot (N-S)	41 000
Silwan	47 710	Har Homa	13 000
Jerusalem/Old City	35 000		
TOTAL	261 819		171 728
Palestinian areas and Israeli settlements in area J2			
Ar-Ram	26 730	Givat Binyamin	1 647
Abu Dis	12 648	Givat Hadasha	1 280
Al-Judeira	2 215	Givat Zeev	11 013
Beit' Anan	4 453	Almon	756
Beit Duqqu	1 671	Pesagot	1 238
Beit Ijza	700	Kfar Adumim	1 877
Biddu	6 650	Kidar	614
Jaba'	3 382	Ma ale Adumim	30 000
Mihmas	1 962	Har Adar	1 815

⁹ Palestinians most commonly refer to the wall as 'racial segregation wall' and Israelis most commonly refer to it as the "separation fence" and "security fence" or 'anti-terrorist fence'.

Qatanna	7 829	Kakhov Yoakov	3 409
Al-Jib	4 848	Maaleh Mikhmas	991
Al-Ka'abina	1 019		
Al-Qubeida	2 160		
Beit Hanina	1 447		
Al- Za'ayem	2 568		
Beit Iksa	1 639		
Bir Nabala	6 650		
Kafr 'Aqab	10 873		
Qalandiyah (Camp)	10 000		
Rafat	2 215		
Anata	10 048		
Arab al Jahalin	1 258		
Sawahri Al-Sharqya	5 441		
Al- Shaikh Sa'd	2 513		
Beit 'Anan	4 454		
Al-Izarya	NA		
Beit Surik	3 987		
Hizma	6 367		
Kharabyib Umm al Lahim	389		
TOTAL	146 116		54 640

Source: EP Policy Department on the basis of the Jerusalem Statistical Yearbook N 8/2007

3. DEMOGRAPHIC TRENDS

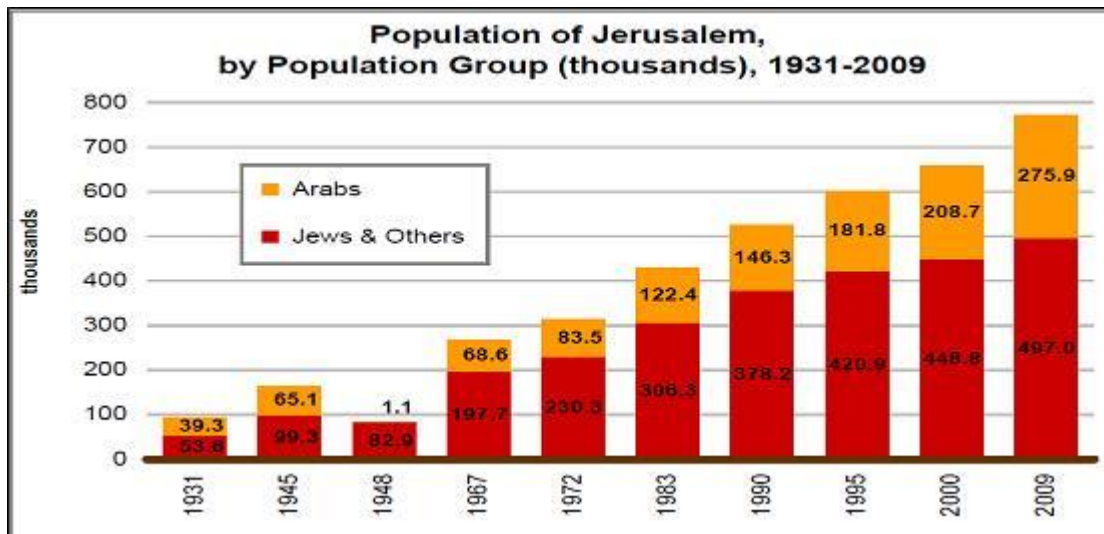
In 2010, the total population of the municipality of Jerusalem was 789 000. The so-called 'Jewish and Other' population ¹⁰ included 504 000 people, while the Arab population totalled 285 000.

Demographic data	
Jewish population	504 000
Arab population	285 000

¹⁰ non-Arab Christians and people not affiliated with any religion

Total population (2010)	789 000
Population in East Jerusalem	
Arab population	285 000
Jewish population	200 000 (approximately) ¹¹
Total population	485 000

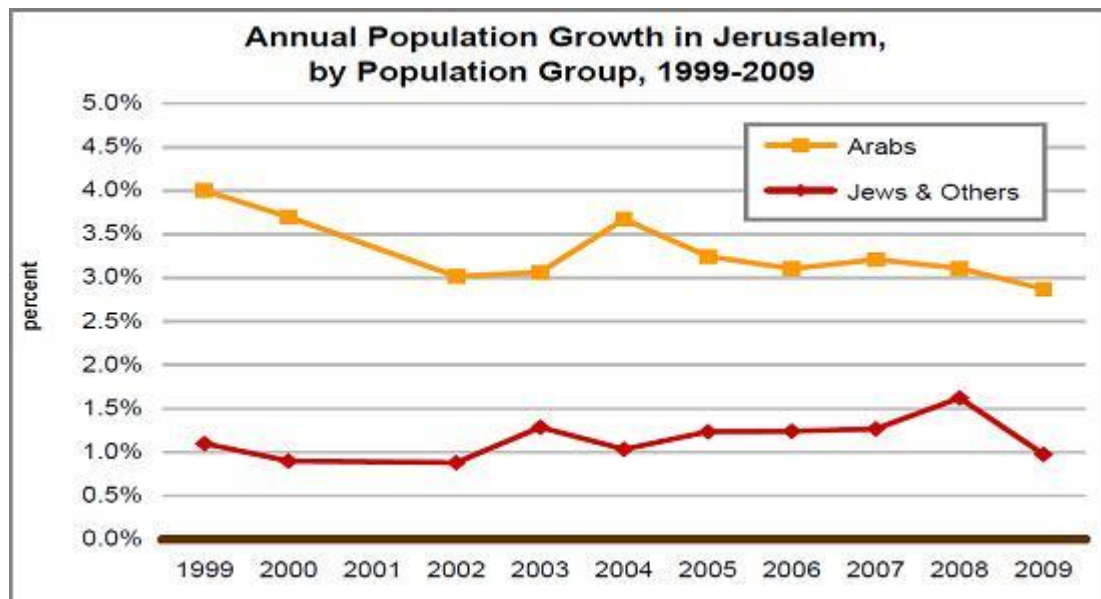
The Israeli authorities have openly stated that they do not wish the Palestinian population to exceed 30 % of the total. In order to maintain this ration, the authorities are implementing a new 'Master Plan' for the city. In fact, the Jewish population's growth rate has declined in the past years, and the proportion of Jerusalem's Jews has fallen. The current ratio of Jews to Arabs is 64 % :36 % (2009), compared to the 74 % : 26 % it was in 1967. In large part this is due to the divergent growth rate of the two communities: that of the Jewish population is 1.0 % and that of the Arab population is 2.9 % (2009). The Arab population's growth rate seems to be stable, and demographic projections suggest that by 2030, the ratio between Jews and Arabs will be 53% : 47%. Given constant rates of population growth, the Arabs will eventually become the majority in the city¹².



Source: Jerusalem Institute for Israel Studies (2011)

¹¹ The exact figure of Jewish population living in East Jerusalem is difficult to determine as the Jewish people living beyond 1967 municipal borders (J2) are usually counted in the national statistics.

¹² See the Jerusalem Yearbook 2011, available at <http://jiis.org/?cmd=statistic.424>



Source: Jerusalem Institute for Israel Studies (2011)

4. ISRAELI SETTLEMENTS

4.1 Historical overview

Israeli settlement activity in East Jerusalem began immediately after the 1967 war, in which Israel assumed control of the Palestinian territory. Israel's first phase of settlement was intended to create an external ring of settlements that would separate 'Arab Jerusalem' from the rest of the West Bank and undermine the territorial contiguity between the two parts. This would *de facto* prevent East Jerusalem from becoming the capital of any future Palestinian State. At least **three buffer zones composed of settlements** exist between East Jerusalem and the West Bank: the first one is located in the southeast and separates Jerusalem from Bethlehem; the second one is eastern and divides Jerusalem from Jericho; and finally the third zone is north-east and separates Jerusalem from Ramallah and its surroundings.

Israel's drive to settle Jerusalem and its environs has completely changed the boundaries of the city, altering demographic trends and the historic skyline in order to achieve the ambitious objective of a 'Greater Jerusalem', the capital of the State of Israel, unified and indivisible from the West to the East with a strong Jewish majority. The settlement project in East Jerusalem has been entailed the acquiring, including by confiscation, the greatest possible area of land in East Jerusalem and settling Jewish populations in the surrounding areas of the city.

In the second phase of settlement, which started in the 1980s, Jewish settlements were established and expanded within the territory of the occupied Jerusalem. This contributed to increased political, social and economic tensions between Arabs and Jews.

The third and still ongoing phase started with the construction of the separation wall and the imposition of its 'curious' path through the Jerusalem governorate, dividing the city from its suburbs, enclosing a number of Arab villages. The wall and the settlements have jointly strangled the livelihoods of many Palestinians living in East Jerusalem.

4.2 Current situation

Israeli settlements lie both within the Jerusalem municipality (J1) and in the surrounding suburban area (J2). The largest settlements are Gilo and Pisgat Zeev in J1, and Maale Adumim and Givat Zeev in J2. A newly announced plan for National Parks will result in the confiscation of more land.

Gilo

Located in southern East Jerusalem (Area J1), this settlement has a population of around 40 000 inhabitants. It is considered an illegal settlement under international law as it is situated beyond the Green Line, the Israeli border established in the 1949 Armistice Agreement. Gilo is wedged between Bethlehem and the Arab neighbourhood of Beit Jala, and represents a clear obstacle for any further negotiations on the borders. In October 2011 Jerusalem's Regional Planning Committee approved a plan to create an additional 1 100 housing units here.

Pisgat Zeev

Located in the northern East Jerusalem (Area J1), this is the the most populated settlement, counting more than 50 000 inhabitants. It is also considered illegal under the international law. A new light tramline connecting the West of Jerusalem with Pisgat Zeev has recently opened, raising concern and tensions among Palestinians.

Maale Adumim

Located in the West Bank (**Area J2**), east of Jerusalem, this settlement covers a large surface area and has a population of 39 000. Also illegal under international law, the settlement is part of the **E-1 plan**, a proposal to create an administrative area linking northeast Jerusalem to the west of Maale Adumim. The plan, if implemented, will divide the northern and the southern sections of the West Bank, as well as East Jerusalem from the rest of West Bank.

Givat Zeev

Located in the West Bank (**Area J2**) northwest of Jerusalem, this settlement has a population of approximately 11 000 inhabitants and is also illegal under international law. This is one of the five blocs of settlements that Israelis insist that should remain under Israeli control when the final borders will be drawn.

National Parks

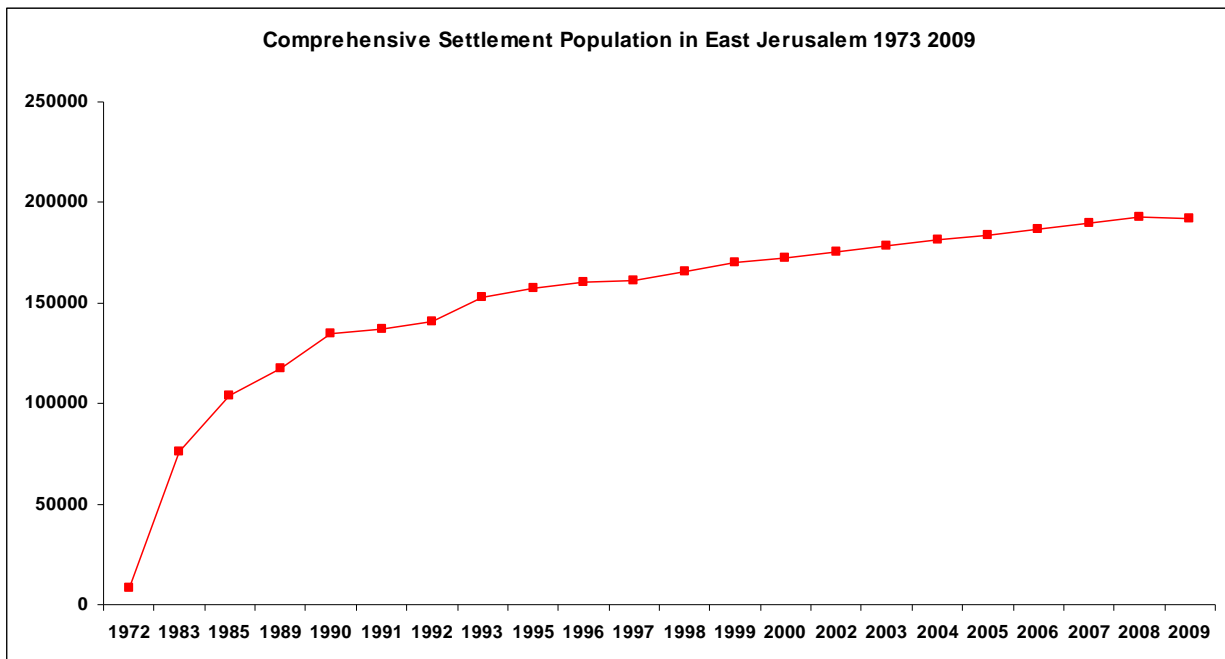
On March 2012 a new plan for establishing **National Parks** in southern East Jerusalem was unveiled by the **Israeli Planning and Construction Committee**. More than 1 200 dunums of land — 1.2 km² — would be confiscated by the Israeli authorities in the village of Al-Walajah, southern Jerusalem. The new plan will be part of Emek Refaim Park, the biggest national park ever constructed in Israel, with a total area of 5 500 dunums (5.5 km²). The plan will be implemented by the **Jerusalem Development Authority**, the body in charge of building National Parks.

Migron outpost

The Migron outpost, built on Palestinian land, deserves a special mention. Located in West Bank, east of Ramallah, this illegal outpost has been at the centre of a long-standing dispute between Israel and Palestinian landowners for more than 10 years. In August 2011, the **Israeli Supreme Court** ordered the outpost to be evacuated by the end of March 2012, thereby reaffirming Migron's illegality. In February 2012 the Israeli government proposed the '**Outpost Draft Law**', which would retroactively cancel the Supreme Court decision, causing an unprecedented breach in Israel's rule of the law. On 25 March 2012,

the Supreme Court rejected a government-proposed compromise on the outpost, and setting a new deadline of 1 August 2012 for its evacuation.

Settlements population in East Jerusalem (2009)



Source: The Jerusalem Institute for Israel Studies, Statistical Yearbook of Jerusalem, 2001-2010.

4.3 Settlement expansion plans in East Jerusalem 2010-2011

Israeli settlement activity is considered a **clear obstacle to the Peace Process**.

Israel has expanded settlements in East Jerusalem and in the West Bank in three distinct ways:

1. creating new housing units in existing settlements without confiscating land,
2. confiscating land in order to create new housing units in existing settlements,
3. creating entirely new settlements.

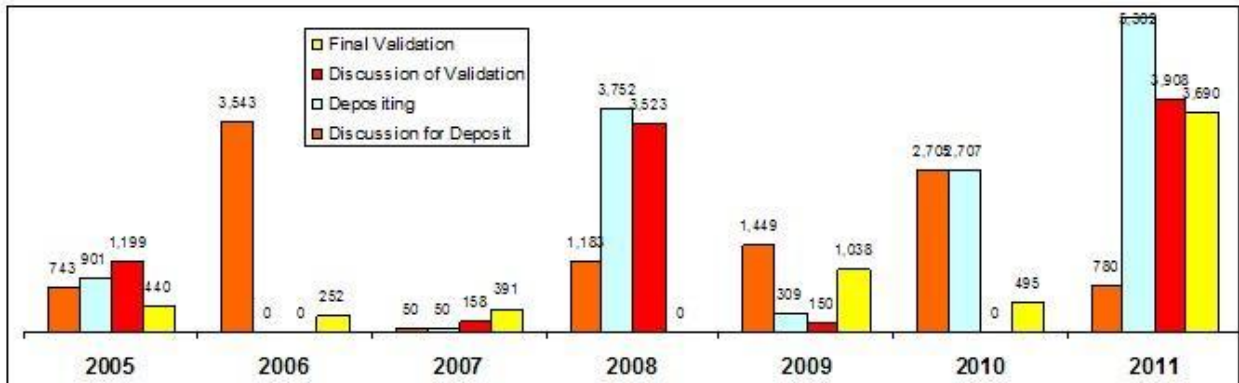
Almost every week Israeli authorities (the government, the Israel Land Authority [ILA], the regional planning committee, or Members of Knesset) issue press releases about new settlement activity — new housing units, new tenders, new plans — to focus public and international attention on the topic. Their announcements, however, do not necessarily mean that bulldozers immediately start working in the settlements. Announcements about approvals or validations of settlement activity may refer simply to one of the many stages of the ongoing process, rather than to new settlement activity.

For 10 months, Israel observed a moratorium on settlement activity in areas other than the municipality of Jerusalem, which Israel considers its own territory. Since this moratorium was ended, in 2010, Israel has continuously played the '**settlement card**' in order to pressure Palestinian authorities to abandon their activities in international fora. For example, when Palestinian President Mahmoud Abbas presented the Palestinian bid for UN membership in September 2011, the Israeli government 'announced' new house units in Ramat Shlomo. Similarly, after UNESCO admitted Palestine into the organisation in November 2011, the Israeli government instantly approved new building plans for East Jerusalem.

4.4 Current status of plans and tenders in Jerusalem area

The map and the table below include the principal settlement expansion plans issued on March 2010 — during the moratorium—that are currently being implemented by the Israeli government. During 2011 the Israeli government decided to expedite the construction of **7 869 units in East Jerusalem**. Plans for **3 690 housing units** were approved for validation and 'plans for another **2 660 housing units** were deposited for objections in East Jerusalem¹³. The year **2011 witnessed the greatest expansion of settlements since 1967**.

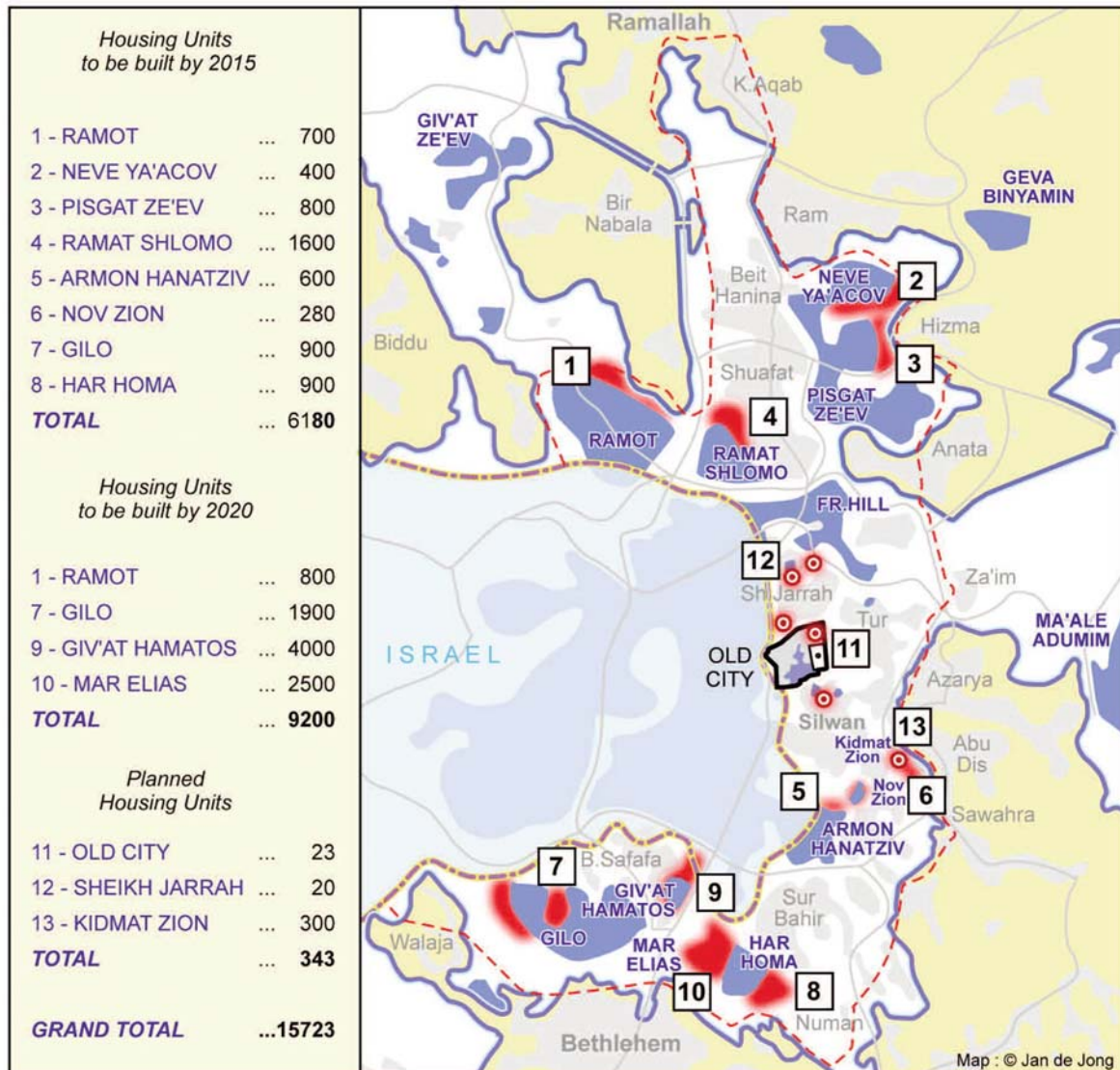
Plans for settlements in East Jerusalem



Source: Peace Now (2011)

¹³ See Peace Now, *Torpedoing the Two State solution*, 2012, available at <http://peacenow.org.il/eng/2011Summary> and http://peacenow.org/entries/jerusalem_facts_and_figures

Reported Settlement Expansion Plans in East Jerusalem - March 2010



Source: Terrestrial Jerusalem (2011)

Recent settlement Expansion			
Name of the settlement	Plan	Units	Status
Givat Hamatos Located between the settlement of Gilo, the Arab village of Beit Safafa and the city of Bethlehem, the construction would prevent any possible border between Israel and the future State of Palestine	5834A	2 337	Approved for validation
	5834B	549	Deposited
	5934C	813	Objected and revised at the Regional Committee level
	5934D	1 100	Not yet approved
	5843A		Approved on August 2011
Efrat Located South - East of Jerusalem, this settlement is critical for the connection between West Bank and Bethlehem		40	Two tenders issued on Dec 2011
		213	
Pisgat Ze'ev North		600	Approved by regional committee in 2010
		65	New tender issued on Dec 2011
Neve Ya'acov	6513A	393	Published for validation. tenders to be issued
Har Homa C			
The settlement is on the border between Jerusalem and Bethlehem/Beit Sahour		983	Approved on August 2011 and tenders published
Ramat Shlomo	11085	1 600	Approved on August 2011
Mordot Gilo It will definitely separate East Jerusalem from Bethlehem		780-1 380	Proposed Plan
Gilo	13290	130	Approved by the Municipal Plan Committee

4.5 Description of the procedure

The procedure to authorise a settlement involves several stages in various state local and national institutions. At the local level, Israel has three types of administrative authorities: **local councils**, which preside over a town, or area that do not have the status of a city, **municipal councils** that oversee cities, and **regional councils**, presiding over several cities. At the national level, both the Ministry of Defence¹⁴ and the Ministry of Interior have the power to issue building permits and to publish call for tenders for construction. Different state authorities can promote a plan —the Government, the municipal council or regional council. Each adopts the following procedure¹⁵:

1. A plan is designed and approved by the local municipal committee (a special municipal committee in charge of urban planning).
2. The regional committee (the regional committee in charge of urban planning) may ask for changes.
3. The plan is published in the principal national newspapers and is opened to public objections for 60 days.
4. The regional committee reviews the objections and may recommend changes to the plan or reject the plan.
5. After revision, the regional committee approves and validates.
6. The plan is published in the principal national newspapers.
7. The call for tender to buy the building rights is issued.
8. The contract is awarded, the contractor asks the municipality for a building permit and begins construction in the assigned area.

5. SITUATION IN EAST JERUSALEM

5.1 Social and Economic situation

Since the end of the Second Intifada in 2005, East Jerusalem's economic outlook has somewhat improved. The city's main economic indicators now resemble those of pre-2000. Trade and tourism, in particular, have progressed. Yet, the situation remains dire, and job opportunities for the Arab residents are scarce. The difference in revenues between Arabs and Israelis is wide, and future economic development of the area is uncertain. The overall unemployment rate is 9.1 % for the district of Jerusalem, though among the Arab population the figure rises to 13 %. Among Arabs in East Jerusalem, 42 % live below the poverty line¹⁶. The average monthly income of an Israeli worker in Jerusalem is about ILS 11 000 (ILS 62.5 / hour, or about EUR 2 200 per month)¹⁷, while an Arab worker earns less than half that amount — about ILS 5 350 (ILS 30 / per hour)¹⁸.

¹⁴ If the plan is located in an area of the West Bank where Israel exerts full military and administrative control (called 'Area C'), the call is issued by the Ministry of Defence. If the plan is located in Jerusalem the Ministry of Interior and the Jerusalem Municipality proceed with the call for tender.

¹⁵ The main information are taken by the following sources:

<http://settlementwatcheastjerusalem.wordpress.com/2010/03/08/trying-to-make-sense-of-the-east-jerusalem-numbers-what-we-think-we-know-about-new-plans-for-construction-and-demolition/> and <http://t-j.org.il/LatestDevelopments/tabid/1370/articleID/297/currentpage/1/Default.aspx>

¹⁶ The Economics of Jerusalem (2006), web.mit.edu/cis/jerusalem2050/Jerusalem-NewYork-If.ppt

¹⁷ 1 ILS ≈ 0,20 Euro

¹⁸ The data refer to 2007. Available at: http://www.cbs.gov.il/publications10/1403/pdf/intro_e.pdf

In the private sector, there are no formal differences between Arab and Israeli economic activities. Yet, there is discrimination in the management of development projects in the area, informal *pratiques* and taxation. The separation wall has also had a deleterious affect on Palestinian economic activity, obliging many Palestinian entrepreneurs to close their shops or to move their activity to Ramallah or other parts of the West Bank having lost their Jerusalemite clientele. Israeli development policies have invested significant sums in the economic activities of East Jerusalem, developing, for example, an industrial park in Atarot, within the Jerusalem municipality, while blocking the construction of an industrial park in the surrounding areas.

Tourism has the potential to become an important economic sector, and future investments must be allocated in this sector. Another example of potential economic development is the **Jerusalem Tourism Cluster**, a project promoted by Palestinian entrepreneurs in the tourism sector. The project has established a network of companies that are active in the same sector (food, furniture, transport, accommodation) in order to promote intra-Palestinian trade and bypass the Israeli market. The Cluster represents an effective effort to promote small and medium-sized enterprises. The Palestinian National Authority adopted a **Strategic Multisector Development Plan for East Jerusalem** in November 2010. It aims to develop East Jerusalem through investments and infrastructure development, but as the PA has no access to East Jerusalem the plan remains theoretical.

5.2 Problematic municipal policies

The most serious social problem for Palestinian residents of East Jerusalem is the extreme difficulty of obtaining housing and building permits¹⁹.

The municipal tax on buildings, known as Arnona, also poses a problem for many Palestinians in Jerusalem, where the taxes are relatively high. Unable to pay, many of Palestinians have become indebted to the municipality and risk legal action, which can lead to the confiscation of their properties.

Although Arabs and Israelis are taxed identically in Jerusalem, but the redistribution of revenues is not even-handed. Palestinians living in East Jerusalem account for 36 % of the municipality's total fiscal revenues. However, only 10% of the total budget of ILS 300 million²⁰ is reinvested in East Jerusalem. **East Jerusalem receives only 5 % of the total value of municipal services** (e.g. street maintenance, infrastructures, and garbage collection).

Such an uneven distribution of services is a violation of international law, as the territory of East Jerusalem is considered part of the occupied Palestinian territory. Whilst an occupier does have the right to collect taxes, **it is obliged under international law to reinvest all the revenues received from the occupied areas back into that area.**

5.3 Tensions between religious communities

As Jerusalem is a holy city for three religions, tensions exist among the religious communities concerning the sovereignty of the holy sites and the fiscal arrangements governing them. In 2007 Israel sponsored the creation of a **Council of Religious Communities**, composed of the representatives of all religious communities in Jerusalem. The Council was formed to foster mutual understanding and unite people of different faiths and communities.

¹⁹ Recently, the municipal council rejected the proposal for the construction of 2 500 house units in Sawareah area. The matter will be discussed again in the council.

²⁰ The municipal budget is around ILS 3.6 billion.

Since 1967 the **Haram al-Sharif** (the Dome of the Rock and the Al-Aqsa Mosque) is run by the Higher Islamic Council, under Jordanian jurisdiction, while Israel is responsible for the security in the area. Continuous Israeli archaeological excavations under the site have caused strains. Clashes have erupted between Israelis and Palestinians when the police allow Jewish extremists to enter the compound²¹.

The regime defining Christians' rights at the holy places, known as **Status Quo**, was established during the Ottoman Empire. It includes a set of informal traditions that give special rights to the Christians – often foreign nationals — residing in Jerusalem. The Status Quo has survived until now, but the foundation of Israel in 1948 and issues about properties and fiscal arrangements have created continuous irritations between the Christians and Israelis²², as well as among Christians.

The **Greek Orthodox Patriarchate** has sold land and property in East Jerusalem to Jewish investors. In 2005 its sale of two large properties at the Jaffa Gate in the Old City raised a scandal among Christian communities, and the historical relation between Arabs and Christian churches was challenged, as the Arab population considered the sale a betrayal. More recently, in March 2011, a group of Jewish businessmen purchased large lots from the Greek Orthodox Church in East Jerusalem. No official information has yet been disclosed about this sale, but it is likely to further damage the relations between the Christian churches and the Arab community.

The Jewish State has historically distrusted the link between the Arab population and the **Catholic Church** in Israel, and this in turn has strained the relations between the Holy See and Israel. Until 1993, Israel and the Holy See held only informal ties. The **Fundamental Agreement** that was signed that year marked the beginning of direct diplomatic relations and mutual accommodation. Within this framework, a **Legal Personality Agreement** was reached in 1997 that aimed to define the legal status of the Roman Catholic Church in Israel. However, the eruption of Second Intifada in 2000 also prevented implementation of the Agreement..

Sensitive issues between Israel and the Catholic Church include:

- **Restoration of the lost property:** In the past, Church properties have been expropriated by Israel, and the Church now wishes these to be restored.
- **Due process of law:** the Church has demanded access to the Israeli courts to protect its properties and prevent the losses occurred in the past.
- **Immunity from land expropriations:** The Church wished to be guaranteed that its core buildings and the surrounding areas will never be expropriated.
- **The Church asks for exemption from property tax:** The problem remains unresolved and is the principal object of bilateral meetings.

²¹ Wendy Pullan and Maximilian Gwiazda, 'Jerusalem's Holy Basin: Who Needs It?', *Palestine-Israel Journal of Politics, Economics & Culture* No 17, March 2011, pp.172-179.

²² Raymond Cohen, 'Israel and the Holy See Negotiate: A Case Study in Diplomacy across Religions', in *The Hague Journal of Diplomacy* No 5, 2010, pp. 213-234.

6. INTERNATIONAL REACTIONS

On 19 March 2012, the **UN Office of the High Commissioner for the Human Rights** debated the human rights situation in Palestine and other occupied Arab territories²³. A UN report, released during the session, revealed that between 2010 and 2011 Israel demolished 574 Palestinian buildings and forced 1 000 Palestinian residents to move. Israel also limited the number of building permits issued to Palestinians, creating a massive housing crisis for the Arab community in East Jerusalem. UN Commissioner for Human Rights Navi Pillay has repeatedly stressed that the deteriorating human rights situation is linked to the continuing expansion of settlements in West Bank and East Jerusalem. Pillay has also urged the Israeli government to investigate all cases of violations of human rights committed by settlers and to ensure free access to Israeli police stations for Palestinians willing to denounce aggressions.

On 26-27 February 2012, more than 400 participants attended the **International Conference on Jerusalem**, hosted by the Emir of Qatar, Hamad bin Khalifa al-Thani, in Doha. The Secretary-General of the League of Arab States, Nabil al-Arabi, and the President of Palestinian National Authority, Mahmud Abbas, attended the conference. Discussed touched on all red line issues concerning the city of Jerusalem:

- the conference's Jerusalem and International Law committee dealt with the legal status of the city and its inhabitants, the status of the holy sites and the living conditions of Palestinians;
- the Jerusalem and History committee debated Jews' historical claims to the holy city and demonstrated how the continuation of archaeological excavations are supported by weak arguments on the Israeli side,
- the Jerusalem, Colonisation and Israeli Violations committee listed Israeli violations and practices in the city, including demolitions, evictions, discrimination and settlement activity,
- the Jerusalem and the Civil Society committee explored the role of civil society organisations in delivering social services under the occupation.

The conference reiterated the need for the international level to act on the question of Jerusalem. As pointed out by UN Special Coordinator for the Middle East Peace Process Robert Serry, who was representing the UN Secretary-General at the Conference, Israel's continued settlement activity in occupied East Jerusalem [...] prejudices final status issues, often with tragic human consequences²⁴. Serry reminded attendees of the United Nations' efforts and presence in East Jerusalem, as well as the necessity of resuming negotiations on this issue and of urging Israel to stop settlement activity.

The **final Doha Declaration**²⁵ condemns Israel for its settlement activity and calls for the immediate end of this activity; expresses concern about the demolitions and evictions of Palestinians and the shortage of housing; and calls for a UN Security Council resolution to establish an international committee charged with examining the violations perpetrated by Israel since 1967.

²³ <http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=11985&LangID=E>

²⁴ <http://www.qatarconferences.org/jerusalem/un.pdf>

²⁵ http://www.qatarconferences.org/jerusalem/Doha_declaration.pdf

7. EU POLICY ON JERUSALEM

7.1 Principles

In December 2009 the EU defined its political stance on East Jerusalem. The Foreign Affairs Council Conclusions stated that **the EU does not recognise the Israel's alterations to its 1967 borders** and that the settlements and the separation wall are built illegally on occupied land. It urged Israel to put an end to all settlement activities and dismantle illegal outposts²⁶. The EU has aligned its position with that of the international community by stating that **Jerusalem will be the future capital of two states, and will become an open city with access for Israelis, Palestinians and the rest of the world**. The EU has repeatedly expressed its concern for the settlement activity in occupied land, the lack of infrastructure for the Arab population and the harmful consequences of Israel's construction of the separation wall on Palestinian land.

7.2 The Heads of Missions Report 2011

In January 2012, the **Heads of Missions (HOMS)** of 27 EU countries reported on the 2011 situation of East Jerusalem and Area C. They stressed the gravity of the situation on the ground and the centrality of the Jerusalem issue for achieving a peaceful settlement of the Israeli-Palestinian conflict²⁷. Their controversial report, which was leaked to the media, reaffirms the EU policy on East Jerusalem by criticising Israeli settlement activity in the Old City and in East Jerusalem. The **HOMS** report reveals EU concerns about Israel's policies of demolition and eviction in Arab areas. Finally, the report fixes a set of priorities and policy recommendations in order to reinforce EU policy in East Jerusalem; these constitute a sort of 'informal' agenda.

More recently **EU High Representative for Foreign Affairs and Security / Commission Vice-President** Catherine Ashton has expressed concern for the situation of East Jerusalem and made reference to the settlement activity, which threatens 'the viability of an agreed two-state solution'²⁸ and undermines 'the prospects for continuing the dialogue which was re-established in January'²⁹. This is not the first time that the High Representative has intervened in the issue. Jerusalem represents *the* red-line of the conflict, and all past attempts to reach an agreement have floundered on the Jerusalem issue. The High Representative also condemned Israel's use of its settlement activity as a political instrument — for example, in response to Palestinian access to UNESCO. Ashton reiterated that Israeli settlement activity, including in East Jerusalem, is illegal under international law^{30 31}.

The latest **European Parliament (EP)** resolution on Palestine was adopted in September 2011. Regarding Jerusalem, the EP reaffirms its commitment to the two-state solution in the resolution and calls for a negotiated agreement with no changes to the pre-1967 borders. The EP's resolution also calls on Israel to stop all construction and extension of settlements in West Bank and East Jerusalem, which are seen as an obstacle to the peace³².

²⁶ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/111829.pdf

²⁷ http://news.bbc.co.uk/2/shared/bsp/hi/pdfs/10_01_11_eu_hom_report_on_east_jerusalem.pdf

²⁸ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/124277.pdf

²⁹ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/128117.pdf

³⁰ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/125801.pdf

³¹ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/127069.pdf

³² [http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/2828\(RSP\)](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/2828(RSP))

7.3 Follow-up to the report

Today, there is a pressing need to take effective action in Jerusalem in order to preserve the framework of the two-state solution.

Any durable solution to the conflict must be based on full respect of international law and by maintaining access to the holy sites for worshippers of all three religions. To restart the peace process, Israeli settlement activity in East Jerusalem should be halted. A serious political debate should be resumed to define and resolve all relevant issues concerning the city. The European Union can strengthen its role **in the Middle East Peace Process** by encouraging concrete actions in East Jerusalem.

Policy options for the European Union:

1. Promote and strengthen the status of East Jerusalem as the capital of the future State of Palestine and of West Jerusalem as the capital of the State of Israel.
2. In the interim period, promote the return of Palestinian political leadership to East Jerusalem.
3. Encourage the full respect of international law UN resolutions, human rights, mobility and social and the economic development in East Jerusalem, as an integral part of Palestinian territory.
4. Support the organisation of Palestinian elections (presidential, legislative and municipal) throughout the Jerusalem Governorate, including in East Jerusalem.
5. Discourage financial transactions that support settlement activity and prevent products manufactured in illegal settlements from entering the European market with the preferential treatment granted to Israeli products.
6. Increase EU assistance for those whose houses have been demolished, who have been evicted or unfairly detained.
7. Foster the creation of an autonomous and vibrant economic environment in East Jerusalem by building infrastructure and promoting investment opportunities and job creation. Tourism, housing and trade may represent the most suitable sectors to support through a reinforced partnership with the Palestinian National Authority (PNA).
8. Reactivate economic ties between East Jerusalem and the rest of West Bank.
9. Urge Israel to reply to the enquiries concerning the destruction of EU-funded projects in the West Bank and Gaza.
10. Urge the Jerusalem Municipality to allocate sufficient funds for the development of East Jerusalem on a just and proportionate basis.
11. Enhance joint EU–Palestinian interests in East Jerusalem and host cultural events promoted by civil society organisations at EU office's premises.
12. Enhance coordination with the representatives of Palestinian authorities and the EU Heads of Mission based in the city.
13. Discuss and **promote a European Parliament resolution specifically on the Jerusalem issue.**

8. SOURCES

PRIMARY SOURCES - OFFICIAL DOCUMENTS

- http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/111829.pdf
- http://news.bbc.co.uk/2/shared/bsp/hi/pdfs/10_01_11_eu_hom_report_on_east_jerusalem.pdf
- http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/124277.pdf
- http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/125801.pdf
- http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/128117.pdf
- http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/127069.pdf
- [http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/2828\(RSP\)](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/2828(RSP))

BOOKS

- [The question of Palestine and the United Nations](#) / United Nations Department of Public Information, New York: United Nations, 2008
- International law and the Israeli-Palestinian conflict: a rights-based approach to Middle East peace / Akram, Susan , London: Routledge, 2011

JOURNALS

- Asseburg M., (2011) "The EU and Jerusalem: Countering Policies That Will Prevent Peace.," *Palestine-Israel Journal of Politics, Economics & Culture* 17, no. ½ 28-30, <http://search.ebscohost.com/login.aspx?direct=true&db=a9h&AN=57630728&site=ehost-live>
- Cohen R. (2010), Israel and the Holy See Negotiate: A Case Study in Diplomacy across Religions, *The Hague Journal of Diplomacy* n.5 pp. 213-234
- Dumper M (2011) 'A false dichotomy? The binationalism debate and the future of divided Jerusalem,' *International Affairs - Oxford* 87, no. 671, http://www.swetswise.com/link/access_db?issn=0020-5850&vol=87&iss=3&page=671&year=2011.
- Golan G. (2011) 'Israel's Positions on Jerusalem', *Palestine-Israel Journal of Politics, Economics & Culture* 17, no. ½ 207-213, <http://search.ebscohost.com/login.aspx?direct=true&db=a9h&AN=57630752&site=ehost-live>
- Pullan W and Gwiazda M., (2011) 'Jerusalem's Holy Basin: Who Needs It?', *Palestine-Israel Journal of Politics, Economics & Culture* 17, no. ½ 172-179, <http://search.ebscohost.com/login.aspx?direct=true&db=a9h&AN=57630746&site=ehost-live>.

- Shash T. (2011) ('The Struggle for Jerusalem and Proposed Solutions', *Palestine-Israel Journal of Politics, Economics & Culture* 17, no. ½ 194-206,
<http://search.ebscohost.com/login.aspx?direct=true&db=a9h&AN=57630751&site=ehost-live>.

REPORTS

- http://peacenow.org/entries/jerusalem_facts_and_figures
- <http://www.europaworld.com/entry/men.essay.2?ssid=148153433&hit=1>
- <http://www.fmep.org/reports/archive/vol.-21/no.-6/PDF>
- **Terrestrial Jerusalem** <http://t-j.org.il/LatestDevelopments.aspx>
- http://www.bitterlemons.org/previous_ins.php?opt=1&id=25
- [The question of Palestine and the United Nations](#) / United Nations Department of Public Information, New York: United Nations, 2008

WEB ARTICLES

- <http://www.foreignaffairs.com/articles/66198/rashid-khalidi/bad-faith-in-the-holy-city>