THE ALTERNATIVE INFORMATION CENTER

Shir Hever

The Economy of the Occupation

A Socioeconomic Bulletin

The Separation Wall in East Jerusalem
Economic Consequences

№ 11-12 * *January-February 2007*

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Published by the Alternative Information Center (AIC)

http://www.alternativenews.org/

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Graphic Designer: Tal Hever
Printer: Latin Patriarchate Printing Press
Photograph on the Cover: Niv Hachlili, September 2004

The AIC wishes to acknowledge the generous support for its activities by:

Associazione Comunita Papa Giovanni XXIII, Broederlijk Delen, the Catalan Government through the help of Sodepau, Comite Catholique Contre La Faim Et Pour Le Developemment (CCFD), Diakonia, Inter-Church Organisation for Development Cooperation (ICCO), the Irish Government through the help Christian Aid, Junta Castilla-La Mancha through the help of ACSUR Las Segovias.

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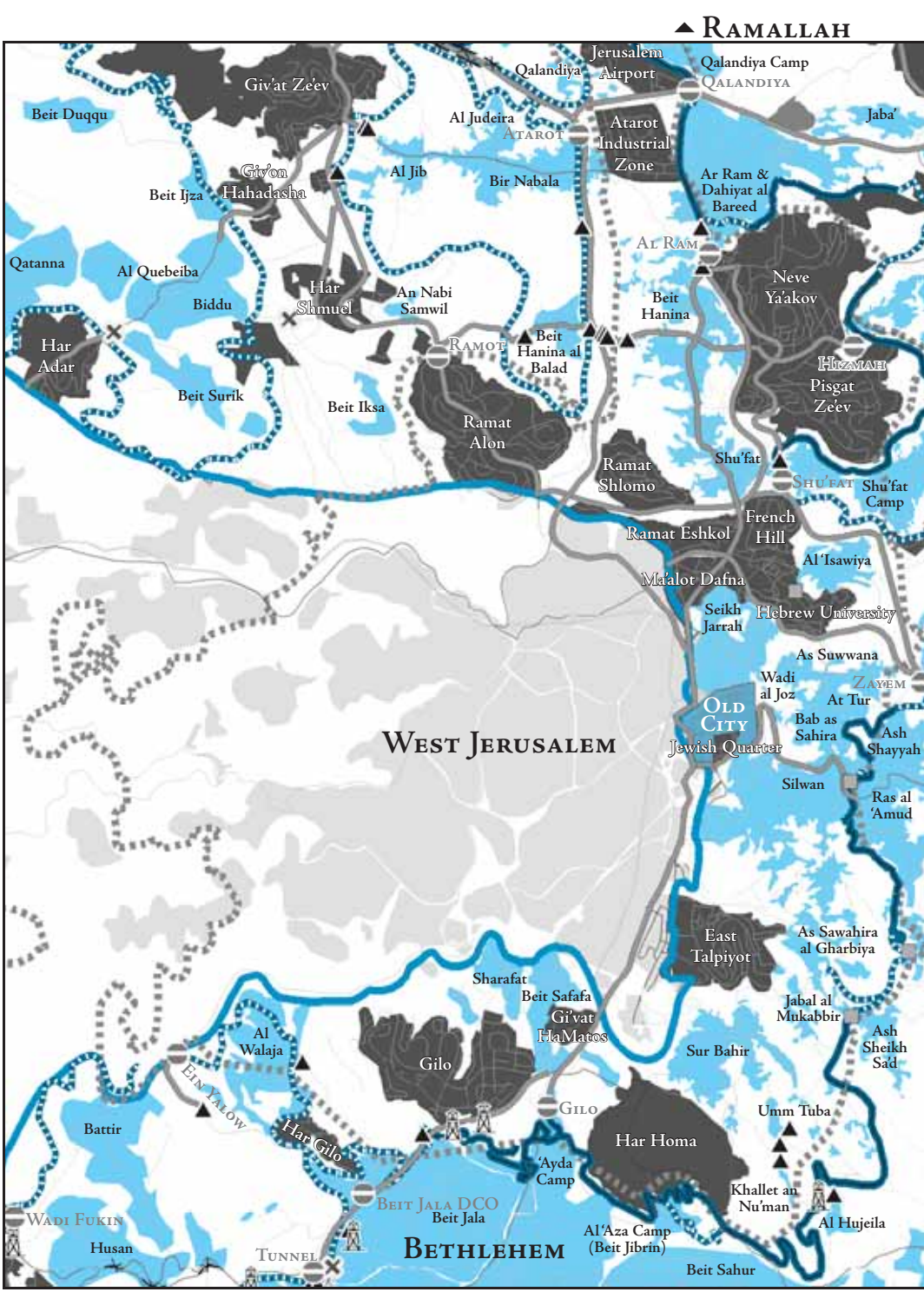
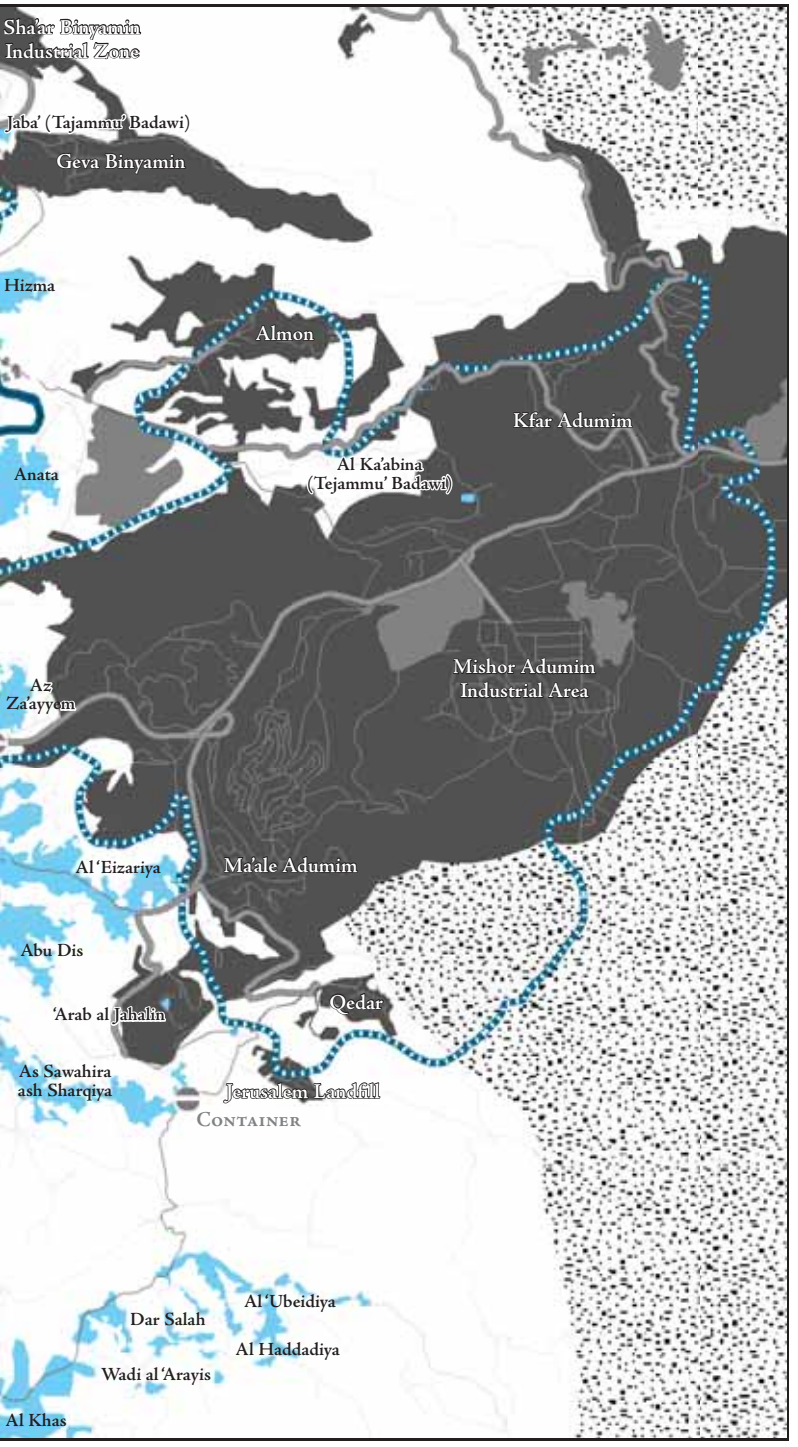
Special thanks to Rami Adut for his many contributions to this research from its very beginning and especially for his help in compiling the data for the study, for Yael Berda for sharing her expertise and for OCHA for allowing the use of their maps.



Many thanks to OCHA for allowing the AIC to use their maps.
All the maps in this Bulletin were graphicaly edited by Tal Hever.

Separation Wall in Jerusalem



- Palestinian Residential Areas
- Israeli Illegal Settlement
- Israeli Military Base
- West Jerusalem
- Israeli Closed Military Area
- Completed Wall
- Wall Under Construction
- The Green Line
- Jerusalem Municipal Boundary
- Checkpoints
- Observation Towers
- Earth Mounds
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- Main Roads
- Roads

1. Introduction

The discussion in this publication will focus on Jerusalem and the effects of the Wall of separation on Jerusalem's population. Jerusalem is one city, but due to numerous significant reasons it has a central position in the Israeli-Palestinian conflict. It is a mixed city, where discrimination and violence are visible on a daily basis in the lives of its inhabitants. Both Israelis and the Palestinians want Jerusalem to be their capital, and the multitude of holy sights in the city—for the three major monotheistic religions (Christianity, Islam and Judaism)—have contributed towards making the city's politics extremely volatile.

Discrimination and violence affect life in East Jerusalem on an everyday basis

The Wall of Separation was, and continues to be, built across the entire West Bank and extends for over 703 km. Only about 90 km of this are in Jerusalem, and yet the Wall in the city is especially important and deserves special attention. In Jerusalem the Wall cuts deep into a developed urban area, and thus affects the daily lives of schoolchildren, workers, families and whole communities. Out of about 875,000 Palestinians (38% of the West Bank's population) that are being directly and adversely affected by the Wall, over a quarter live in the Jerusalem area (Müller, Andreas, 2004, pp. 22-23, 53-64; OCHA, 2006, p. 3; Aronson, 2006, p. 4).

A quarter of the Palestinians who are affected by the Wall live in the Jerusalem area

Yet the purpose of this publication is not to discuss individual wrongs and try to shock the reader with descriptions of human-rights violations or the mistreatment of East Jerusalem Palestinians. Here we intend to discuss general trends in the economy, so that the full econom-

ic impact of the Wall can be properly assessed and future demands for compensation can be calculated accurately.

A recent book published by the Jerusalem Institute for Israel Studies, *The Security Fence in Jerusalem: Its Impact on the City Residents* (Kimhi, 2006), has revealed detailed statistical findings about the impact of the Wall of Separation on the lives of Palestinians in Jerusalem and its vicinity for the first time. Although the raw data and analysis presented in the book are very important, the text seems to rely heavily on several problematic popular assumptions that are common to Israeli Zionist public opinion. These assumptions, such as the requirement to maintain a Jewish majority and the permanence of the annexation of East Jerusalem, are not recognized by the Palestinian population or by the international community. Still, the information and analysis are both accurate and thought-provoking and could establish the foundations for a new debate on the future of Jerusalem. This highly useful new source will therefore figure prominently in this publication.

The Palestinians and international community do not recognize the annexation of East Jerusalem

Federica Battistelli, February 2007

2. The Situation in East Jerusalem before the Wall

During the 1967 war Israel occupied the entire West Bank (among other areas). Most of the territory remained under military administration except for 70 square km, or 12% of the West Bank, which was annexed directly to Israel. This area includes the former Jordanian municipality of East Jerusalem, which was 6 square km. The area was thereafter regarded as part of Israel (under the jurisdiction of the Israeli municipality of West Jerusalem) for all administrative purposes of Israeli policy, though the international community has never recognized the annexation and equal Israeli citizenship was not granted to the residents of East Jerusalem (Kimhi, 2006, pp. 139-143).

East Jerusalem Palestinians do not have Israeli citizenship, though they live on annexed land

Most Israeli policymakers claim that Jerusalem must be occupied indefinitely

In 1967 many Israeli policymakers believed that Israel would soon withdraw from the occupied territories in exchange for a peace treaty with the neighboring Arab states. However, almost all policymakers also believed that East Jerusalem was different and must be occupied permanently (Gazit, 1985).

In July 1967 a group of twenty prominent Palestinians headed by Anwar Al-Hatib—the governor of the East Jerusalem governorate before the occupation—signed a petition protesting the annexation of Jerusalem and instructing Israel not interfere in religious matters in the West Bank for the duration of the occupation. Israel responded by sending four of the signatories into exile (Ibid.).

Eventually, Jerusalem played a key role in strengthening the ties between the occupied territories and Israel. West Jerusalem was strongly tied to the Israeli economy, and East Jeru-

salem was strongly tied to the Palestinian cities of Bethlehem, Ramallah, Jerico and beyond. When the East and West of the city were joined, economic ties between the OPT (Occupied Palestinian Territories) and Israel became much stronger as a result. Jerusalem became a gate through which Palestinians from the West Bank could enter Israel almost freely, until the checkpoint regime of the 1990s prevented that free movement (Ibid.).

Israeli public discourse at the time coined such phrases as "the eternal capital of Israel" and "one unified Jerusalem", which now form the rhetorical backbone of the annexation policy, repeated ad infinitum by countless politicians and parties, as well as being regularly cited at national events and in official publications. Despite the objection of the international community, Israel maintains that Jerusalem has been united permanently, and that both sides of the city are the capital of the Jewish state. Israel has therefore refused to accept the Palestinian demand that East Jerusalem become the capital of the future Palestinian state, a point of disagreement which has served as an excuse for Israeli politicians to avoid negotiations with the Palestinians.

Declarations about this "unification" of Jerusalem, however frequent, cannot change the demographic reality of the city. Jewish Israelis even avoid entering much of East Jerusalem, which is frequented almost exclusively by Palestinians (Garb, 2005).

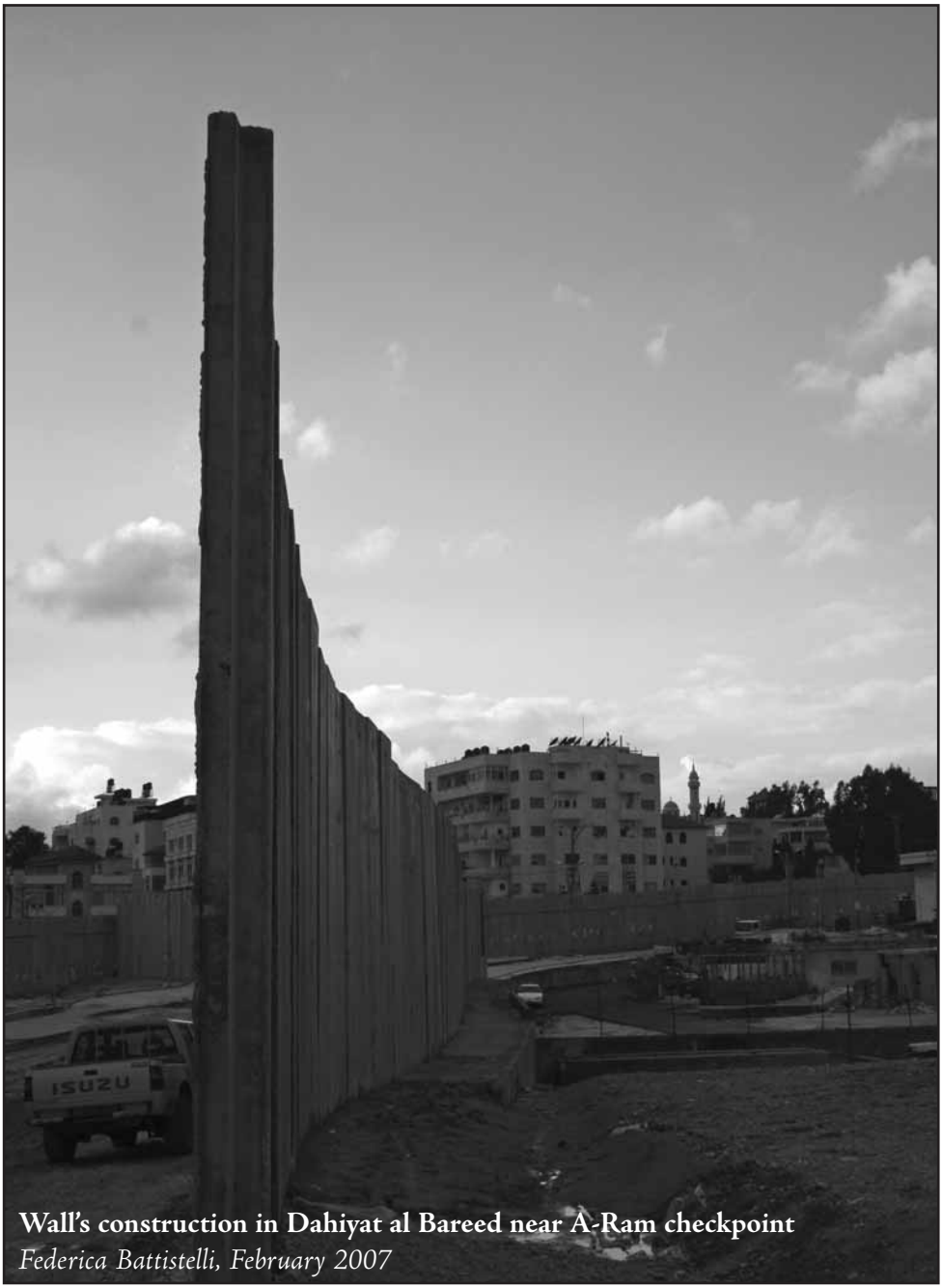
Jerusalem is officially "unified," but in reality it is separated

Jerusalem is a city under complete Israeli control, but that doesn't mean that it is an "Israeli" city. According to Israel's identity card system, there are four different 'types' of citizen in Jerusalem, all of which are distinguished by carrying one of the four different identity cards.

The economic ties between the OPT and Israel were strengthened through Jerusalem

1. Jewish Israeli

The most privileged (though far from most homogenous) group in Israeli society are the Israeli



Wall's construction in Dahiyat al Bareed near A-Ram checkpoint
Federica Battistelli, February 2007

Jews, who enjoy the highest level of civil rights and who hold most of the political and economic power in Israeli society, specifically in Jerusalem.

2. Palestinian Citizens of Israel

About 20% of all Israeli citizens are Palestinians. Palestinian citizens of Israel are officially full citizens and share the same rights as Jewish citizens. In reality however, they are discriminated against in politics and in the allocation of national resources. As a result Palestinian citizens of Israel suffer from higher poverty rates when compared to their ratio of the population, and are at the same time underrepresented in official positions (Khaider, 2005). In Jerusalem there are comparatively few Palestinians with Israeli citizenship as most 'Palestinian Israelis' are resident in the areas that became the state of Israel in 1948.

3. Jerusalem Residents

Palestinian residents of Jordanian administered East Jerusalem had Jordanian citizenship until 1967. After the occupation and annexation of the area they received permanent Israeli residency which, crucially, is not full citizenship. These Palestinians are not allowed to vote or be elected to the Israeli parliament and their children do not become citizens of Israel. As a result they do not hold the citizenship of any country. However, they do receive social benefits like full Israeli citizens (though these benefits are often of a lower quality).

4. Green ID and Orange ID card Palestinians

Palestinians who live in the OPT areas not annexed to Israel have not received Israeli residency status and remain until this day subjects of the Israeli government under the administration of the Palestinian Authority. These Palestinians have no rights in Israel, though they often seek employment in Israeli cities and settlements. Many of the residents of outlying communities around Jerusalem carry green IDs or Orange IDs, indicating that they are not citizens of Israel. If caught on "Israeli soil" (including annexed East Jerusalem, which in reality can mean down the street from where

Levels of Status of Palestinians in Jerusalem

This table shows the basic status of the residents of the Jerusalem area in their different categories. These clear distinctions have evolved since the occupation began in 1967. The second table summarizes the effects of the new wall on the status of Palestinian inhabitants.

Status	Israeli Citizens	Permanent Residents	OPT Palestinians
Social Group	All Jews and Palestinians residing within the 1967 borders. Only a few thousand Palestinian citizens of Israel live beyond the 1967 borders.	Palestinians residing in the areas around Jerusalem that were annexed by Israel in 1967. Today they comprise more than 90% of all Palestinian residents of Jerusalem, and about a third of all Jerusalem residents.	Palestinians living in the OPT areas which were not annexed by Israel. These include the outskirts of Jerusalem. Areas which border Bethlehem, Ramallah and areas on the way to Jericho.
Rights	Formally, all Israeli Citizens are supposed to have full social and political rights. In practice, Palestinian citizens ("48 Palestinians") are subjected to systemic discrimination, under-development and political oppression.	Unable to elect and be elected to the Israeli parliament but have the right to vote for the Municipality. Formally, have full social rights which, in practice, are mostly embodied in social security benefits and public health insurance. Jerusalem Palestinians are subjected to deep systemic discrimination and political oppression of their Palestinian identity.	OPT Palestinians lived under "civil administration" of the military government. After the formation of the PA, the Jerusalem outskirts became a complex mosaic of regions C,B, and A, separated by numerous road blocks. Freedom of movement is still determined by the permanent regime of the civil administration.
Process	The city of Jerusalem has expanded rapidly with numerous Jewish suburban neighborhoods (built on occupied land) encircling the Palestinian annexed areas. There are 200,000 Jewish settlers in East Jerusalem (Hoshen, 2004).	A fierce "demographic policy" aims at "judifying" the city, especially by encouraging the building of new Jewish settlements and by bureaucratic practices and policies whose goal is to reduce the number of Palestinian residents of the city and its surroundings (see below on family unification).	The annexation, Political oppression, curfews, the permits policy and the road blocks on the main ways to the Palestinian cities—have already created a disparity between the Palestinian residents of Jerusalem and their compatriots in the city's outskirts and beyond. The difficulty individuals' encounter in trying to meet each other places their ability to maintain family, business and other relations, in jeopardy.

Levels of Status of Palestinians in Jerusalem (cont.)

The Wall of Separation built in Jerusalem has far-reaching affects on the various groups who live in Jerusalem, but especially on the Palestinian groups.

Status	Jerusalemite Palestinians who are permanent residents of the OWA*	OPT Palestinians living in East Jerusalem	Residents of the outskirts of Jerusalem
Social Group	Palestinians living in the neighborhoods of Jerusalem which were annexed by Israel in 1967 and given permanent residency. Now however, these neighborhoods are excluded from western Jerusalem by the Wall. An example for this can be seen in the case of the residents of the Shua'fat refugee camp.	Palestinians of the OPT who married Jerusalemites and moved into Jerusalem.	Jerusalemite Palestinians who moved to the outskirts for reasons such as better housing, marriage, work etc.
Process	The isolation created by the wall has been followed by the suspicion that the 'next move' could be the removal of their residency status. This in fact means the cancellation of all social entitlements and the prevention of entry into Jerusalem and Israel.	Lately the legal prevention of the possibility of "Family Unification" was introduced; placing hurdles in front of OPT spouses which are intended to stop them becoming Israeli residents even if their partners already have that status. Family members who used to be OPT residents might face further persecution. Wives that request a residency change must be over 25 and husbands must be over 35 years old, ages beyond the common marriage age among Palestinians.	This group has already faced a long running Israeli policy aimed at the cancellation of their status using a bureaucratic criterion; The common argument was that the person moved his/her "center of life" to a foreign land and therefore could not continue to be considered a resident of Israeli territory. Individual Jerusalemites who are now living on "the wrong side" of the Wall can reasonably expect an increased chance that their status will be revoked, meaning that they will lose all social rights that come with it and be prevented from entering Jerusalem and Israel.

* OWA = Outside the Walled Area / IWA = Inside the Walled Area

they live) their presence there is considered illegal and they are likely to be arrested or deported.

Before the construction of the Wall of Separation, Israel was already making constant efforts to establish a "reverse magnet" for Palestinians with Israeli residency. This was achieved through a combination of providing incentives to those who wished to leave and also through placing numerous obstacles in front of Palestinians who wished to remain in Jerusalem (Kimhi, 2006, p. 23).

Israel attempts to push Palestinians to leave Jerusalem and move to the West Bank or to Jordan

According to the Palestinian Central Bureau of Statistics (PCBS), Palestinians in the Jerusalem metropolitan area are divided in two along the annexation line, without any regard for the actual identification papers that they carry. The Palestinian population in the "Jerusalem Governorate"* is estimated to be 240,000 in the annexed area, and another 150,000 in the outlying communities which were not annexed to Israel. The Wall leaves about 160,000 of these Palestinians in the IWA, and 230,000 in the OWA. By comparison, the entirety of the Wall in the rest of the West Bank leaves 60,500 Palestinians in the areas between the Wall and the Green Line (OCHA, 2006, p. 3).

In order to minimize confusion, several terms should be explained. The OPT refers to the lands which were occupied by Israel in 1967 and which are populated mainly by Palestinians. Namely, the West Bank and Gaza. For the remainder of the document the term IWA will refer to the parts of Jerusalem surrounded by the Wall of Separation (Inside Wall Area) and the term OWA will refer to the parts of Jerusalem left outside the Wall (Out of Wall Area). It is important to remember that while the entire OWA lies in the OPT, the IWA is divided among Jerusalem which is legally Israeli and lands which were illegally annexed to Israel in 1967 (United Nations, 1967).

* The Palestinian Authority governorate which would be responsible for East Jerusalem were it not annexed by Israel.

3. The Wall

History of the Wall

The idea of building a wall in the West Bank to separate Israelis from Palestinians was first proposed by the Israeli Prime Minister Ytzhak Rabin in 1992 (Dickey & Dennis, 1995). On July 18th 2001, the Israeli cabinet approved a plan to construct a "separation barrier" between Israel and the West Bank, after being urged to make a quick decision following a suicide bombing on a nightclub on the Tel-Aviv promenade on July 2nd that claimed 22 victims. The bombing created the political opportunity for the Israeli Kneset to move forward with the idea. However, numerous political and human-rights organizations have criticized the Wall and argued that it is a one-sided attempt to earmark Israel's future borders, ensuring that as much land—and as many settlements—as possible fall within these new borders. The flip side of this is that it also keeps as many Palestinians as possible outside of the Wall (Physicians for Human Rights, 2005; B'tselem 2005a; Bimkom, 2006a; Bimkom, 2006b).

Even some Israelis, from Ramot (a settlement near Jerusalem) in particular, have objected to the Wall claiming that it disrupts their life style, the view from their homes and the local natural reserves (Farouz Anat, 2006).

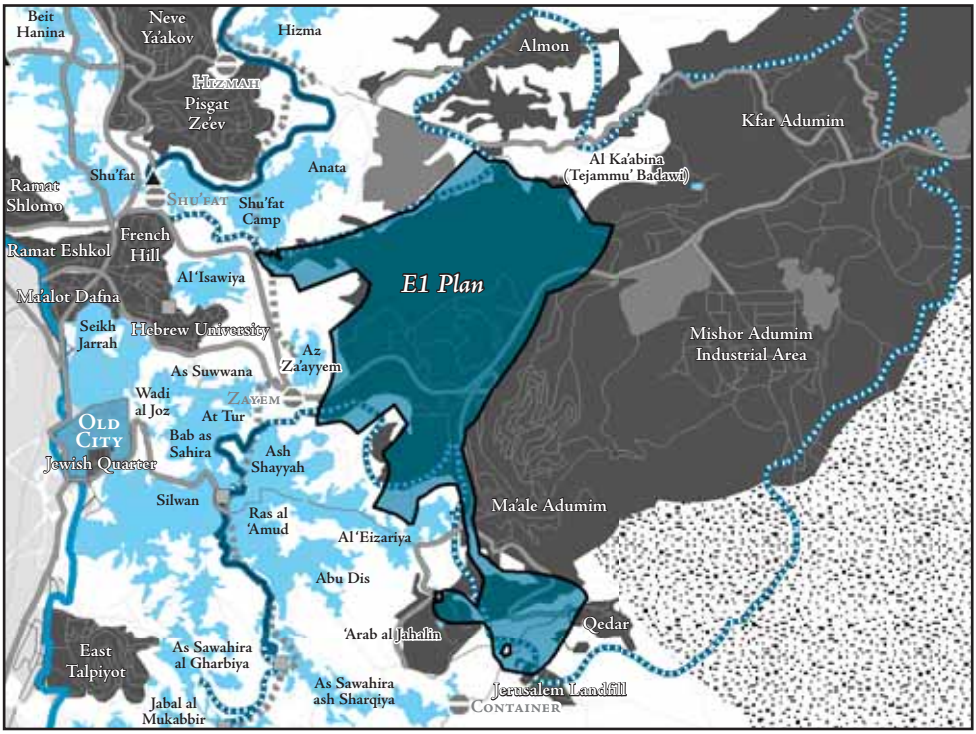
The Wall is seen by political and human-rights organizations as a unilateral move by Israel to set its borders

Later in 2001 the Ministerial Committee on Security Affairs decided to construct a wall around the city of Jerusalem following the December 1st suicide bombing in the centre of Jerusalem. It was decided that the Jerusalem barrier would be built on the city's municipal limits. This decision implied that the Wall would include East Jerusalem, which was illegally annexed in 1967. In the summer of 2002 construction

began on two sections of the Wall in the north and south of Jerusalem. Both sections extended for about 10 km. On September 11th, 2002 the Israeli cabinet approved the "Jerusalem Envelope" plan—e.g. surrounding the city with walls from the south, east and the north. A year later, in September 2003, the government approved the building of three more sections of the Wall which together extend for 45 km. In February 2005, the government made some changes in the Wall's route in the West Bank due to a high court decision.

The government also approved the E1 plan, which entailed including the Ma'ale Adumim enclave (see below) inside the Wall, but it did not authorize the actual construction of that section. Rather, it consulted with Israeli legal experts before beginning the construction (Physicians for Human Rights, 2005; B'tselem 2005a; Bim-

The E1 Plan



kom, 2006A; Bimkom, 2006B). This plan is especially dangerous because of the future impact it will have on Jerusalem residents. It will connect Jerusalem with one of the largest settlements in the west bank, Ma'ale Adumim, a town of 30,000 Israeli settlers, and annex a vast area of approximately 15,800 acres of the West Bank which lies between Jerusalem and Ma'ale Adumim. This area contains about 5,500 Palestinians who will be trapped in an enclave (Ibid.).

The effect of the E1 plan is that the Wall will penetrate 14 km into the West Bank, 45% of the West Bank's width at that point (OCHA, 2006, p. 2).

This Wall's major implication is its effect on the roads connecting Bethlehem and Ramallah. More generally, the Wall has extensive repercussions on the north and south of the West Bank (Bimkom, 2006A). This enclave will seriously undermine any prospects for an independent Palestinian state, because it effectively divides the West Bank in half.

In January 2006 the Israeli defense minister at the time, Shaul Mofaz, decided to resume the construction of the sections where its construction was ruled illegal by the Israeli High Court. He argued that the Wall is "temporary," though the movement of Palestinians was restricted in these areas just as it was in other areas (Harel, 2006).

The E1 plan threatens to trap 5,500 Palestinians in an enclave between Jerusalem and Ma'ale Adumim

The Characteristics of the Wall

The Jerusalem barrier is approximately 90 kilometers long (Cohen, 2005B). In built-up urban areas, separation has been achieved via a concrete wall. In rural areas an electronic fence has been erected. Most of the Wall in Jerusalem is six to eight meters high (Aronson, 2006, p. 4).

The E1 plan cuts the West Bank inhalf, undermining the future possibility of a Palestinian state

By and large, the Jerusalem Wall

follows the 1967 annexation border, with two major exceptions: the Ma'ale Adumim enclave (still not constructed) which stretches deep into the West Bank, and the exclusion of two Palestinian neighborhoods which were annexed in 1967: Kafr A'keb and the Shua'fat refugee camp. The enclaves are a result of two walls, one separating the area from Jerusalem and the other separating it from the West Bank, mostly for the benefit of the

The Ma'ale Adumim Enclave

settlers on the other side. The Ma'ale Adumim enclave will encircle the Palestinian area of Za'ayem, where mostly Palestinian of Bedouin origin live. This enclave will join two other enclaves which are already mostly built. The second enclave is Abu-Dis, Azarieh and Sawahre A-Sharkieh which has been encircled in the area to the east of the old city. The third enclave contains Anata, Ras-khamis and Shua'fat refugee camp, north-east of the old city (Physicians for Human Rights, 2005; B'tselem 2005A; Bimkom, 2006A; Bimkom, 2006B).

The enclaves are a result of the wall being built around Jerusalem and around the settlements outside it

The Wall creates an enclave from Saffa to Beit Surik, enclosing 16 villages with a combined population of 53,100 (United Nations, 2004, p. 6).

In the south, the planned Wall also threatens the village of Nahalin and other villages nearby. The current plans are to connect the Wall on the annexation line with another wall which is intended to protect the Jewish settlements. This will create another enclave, containing several Palestinian villages, and about 20,000 residents, as well as several settlements with about 40,000 residents. The Wall will then prevent access to the Palestinian urban center in Bethlehem (Bimkom, 2006B). Settlers in the area have already announced their objection to being caught up in this enclave, despite the fact that they will probably have the ability to drive through the gates in the Wall while the Palestin-

Beit Surik

The enclaves and neighborhoods restricted by the Wall are home to about 100,000 people

ians will have to undergo long security checks and will be blocked from access to valuable sources of employment, trade and services (Physicians for Human Rights, 2005; B'tselem 2005A; Bimkom, 2006A; Bimkom, 2006B; Elgazi, 2005).

The Wall also follows road no. 443 on both sides—a road that connects northern Jerusalem with Tel-Aviv and the rest of Israel. The road has a checkpoint in it making it hard for Palestinians to use it, and the Wall already makes it impossible to join the road in areas not controlled by Israel (Rubinstein, 2006).

Freedom of movement is part of the Universal Declaration of Human Rights, signed by Israel but violated by the Wall

The Everyday Effects of the Wall

The Wall of Separation imposes severe restrictions on the free movement of Palestinians. It prevents Palestinians with Israeli residency from being able to move freely into West Jerusalem and the rest of Israel, and it prevents Palestinians in Jerusalem from maintaining free contact with Palestinians in the rest of the West Bank (World Bank, 2006A). This limitation of movement is in violation of international law and other covenants signed by Israel. Article 13 of the Universal Declaration of Human Rights, signed in 1948 and ratified by Israel, states that: (United Nations, 1948)

1. Everyone has the right to freedom of movement and residence within the borders of each state.

2. Everyone has the right to leave any country, including his own, and to return to his country.

Though Israel builds passes in the Wall where soldiers perform security checks and admit people according to their papers and authorizations, Kimhi notes that there are numerous problems with these passages. The security checks are prolonged and intrusive. They create resentment among the Palestinians and long lines before the passages, delaying the Palestinians

on their way to work, studies, shopping or on their way to receive medical treatment (Kimhi, 2006, pp. 15-16).

There is an inherent tradeoff between the effectiveness of checkpoints in detecting weapons and the ease of passage through them. Unless large amounts of money are spent to speed the checking process in the checkpoints, Israel must choose between making the checkpoints ineffective or causing resentment and suffering among the Palestinian population. The policy in practice tends to fluctuate between these two extremes, and thus causes periodic and unexpected obstacles to Palestinians. The anger which accumulates as a result, might lead to an increase in the number of Palestinians who wish to cross the checkpoint with harmful intent (Ibid.).

According to the UN Office for Coordinating Humanitarian Affairs (OCHA), 230,000 Palestinians in East Jerusalem are left in the OWA (OCHA, 2006, p. 2), and are directly or indirectly affected by the Wall.

All the Palestinian neighborhoods that are now in enclaves and others which are directly restricted by the Wall (but not in enclaves) from Jerusalem are home to about 100,000 people. These residents already suffer from the effects of the artificial break from Jerusalem: their cultural, occupational, health and educational center (Physicians for Human Rights, 2005, B'tselem 2005A; Bimkom, 2006A; Bimkom, 2006B).

The Wall has about 60 gates along it, but about two-thirds of them are built exclusively for Israeli settlers, and Palestinians are prohibited from passing through them. The Israeli government did not declare how many gates are planned in total, where they will be, and who will have access to them (OCHA, 2006, p. 4; United Nations, 2004, p. 6). In Jerusalem, however, there are twelve official gates in the Wall. Only four of which are open to Palestinians, and the rest are reserved for the settlers' use only, despite the fact that the Settlers are

Two-thirds of the gates along the Wall are restricted for the use of settlers alone

Palestinian workers building the Lieberman Road to Jerusalem, to be used exclusively by settlers.
Federica Battistelli, February 2007

living in East Jerusalem illegally (Aronoson, 206, p. 4).

The Wall in Israeli Discourse

To the Israeli public, it is clear that the Wall is intended to create a divide between the ethnic groups. The construction of the Wall is intended to separate Jews from Palestinians (even though in practice it mostly separates Palestinians from Palestinians). Because the Wall is justified by "security needs," the discourse effectively sees Palestinians as inherently dangerous. According to this perspective, merely being a Palestinian poses a threat to the security of Jews nearby (Kimhi, 2006, pp. 131-132, 141-142).

The Wall is therefore a denial of the political and sociological reasons for Palestinians resistance. It replaces the political discourse with an ethnic discourse which marginalizes the Palestinians, frames them as a natural hazard and encircles them in a wall to keep them at bay.

The Wall is also presented in the Israeli discourse as an act of fortification. After almost forty years of occupation, the Palestinians are perceived by many Israelis as furious, vengeful and dangerous. The Wall is supposed to keep them at bay. However, the fortification discourse might give the impression that Israel is surrounding itself with a wall. In reality, Israel is surrounding the Palestinians with a wall. The proper term is not fortification, but incarceration—because the Wall is built around Palestinian communities in the West Bank.

Israeli discourse portrays the Palestinians as walking security risks

However, Israeli officials refuse to use incarceration terminology or even to suggest that the Palestinians are being "punished" by the Wall (though Israeli officials often argue that the Palestinians as a collective "deserve punishment"). This is due to the fact that many Israeli officials attempt to mask the hardships that the Wall imposes on the Palestinians (Noiman & Biger, 2006).

After forty years of occupation, Palestinians are seen as furious and vengeful

Jerusalem, because of the annexation, appears to be a counter-example for the above. The Wall surrounds Jerusalem (in fact, it is called the "Jerusalem Envelope" by the authorities), and on the maps appears more like a fortification line against Ramallah and Bethlehem than a Wall closing in on the Palestinians.

The International Court in The Hague ruled that Israel may not build the Wall on occupied territory

However, the Wall is still built on occupied land, in order to incorporate the annexed areas into Israel. Jerusalem has grown so large—with all the settlements surrounding it—that the Jerusalem Wall cuts deeply into the West Bank. The E1 plan turns the Wall into a barrier between the northern and southern West Bank. Viewed from this angle, it becomes clear that the Jerusalem Wall is part of the process of incarceration, not of fortification.

80% of the Wall's route passes on occupied land in the West Bank

Land Confiscation

Many organizations have already discussed the illegality of the confiscation of land from the Palestinian territories. The International Court in The Hague ruled that international law prohibits Israel from building the Wall on occupied territory (International Court, 2004). Nevertheless, the most recent route of the Wall is built in the West Bank. Only 20% of the Wall's route corresponds with the Green Line, the rest is built in the West Bank. About 10.7% of the West Bank is trapped between the Wall and the Green Line—154,320 acres. Out of that, 141,974 acre (92%) are in Jerusalem (OCHA, 2006, p. 3).

The Wall also traps many Palestinians without residency in the IWA. These Palestinians must obtain a permit just to reach (or stay in) their own homes. They are not allowed into Israel, and cannot even go to the rest of the West Bank without passing through an Israeli checkpoint and presenting a permit. Those Palestinians who lose their permit or are denied one are deported from their homes into the OWA permanently (Ibid.).

This creates a situation, such as in Al Walaja village, where a Palestinian can be sitting in his own living room and be 'illegally present in Jerusalem without a permit' at the same time.

According to the Palestinian Central Bureau of Statistics, the construction of the Wall of Separation in Jerusalem has involved the confiscation of 3,360 acres, and the displacement of 1,150 households comprising of 5,920 people (Palestinian Central Bureau of Statistics, 2005B, p. 37).

The most direct damage caused by the Wall is from the land confiscation. Of the Palestinians who participated in the Jerusalem Institute for Israel Studies, 28% of OWA Palestinians reported that they suffered directly from land confiscation for the construction of the Wall (Ibid., pp. 76-77).

Almost a third of the Palestinians near the Wall have suffered land confiscations for its construction

Privatization

While Israel has already decided to privatize the main checkpoints between Israel, Gaza and the West Bank, it is still not clear if the checkpoints in the Jerusalem Wall will be privatized or run by the military (Zo Haderekh, 2004).

Part of the reason for the privatization is that the military wishes to avoid any bad press resulting from its soldiers mistreating the Palestinians at the checkpoints. However, allowing a private company to manage the checkpoint does not guarantee any improvement in conditions for the Palestinians who will need to cross the checkpoints on a daily basis.

Only 10% of the people surveyed by the Jerusalem Institute for Israel Studies reported that they expect that a private company will ease some of the sufferings caused by the Wall. A vast majority (54% in total, 71% in OWA) said that the passages are not a solution to the problems caused by the Wall, therefore, the question of whether the passages are run by the army

The government decided to privatize the checkpoints in the Wall, but this is no guarantee of better conditions

Leaving the responsibility over the checkpoints in the hand of a private company risks the wellbeing of East Jerusalemites

or by a private company is secondary (Kimhi, 2006, pp. 15-16, 80-81).

However, though the passages may not be the solution, their mode of operation is crucial to the livelihood of all of Jerusalemites. There is an essential difference between a wall which delays one's movement and a wall which prevents it altogether. Furthermore, the longer the lines grow in the checkpoints, the longer the delays are and the more humiliating and invasive the security checks become—the more it is likely that adverse the affects will come from the Wall. Leaving the responsibility of managing the Wall in the hands of a private company could easily cause a swift deterioration in the social, economic and political situation in Jerusalem if the company will seek profit more than it will care about the welfare of the people who are under its jurisdiction. (Ibid., pp. 128-130).

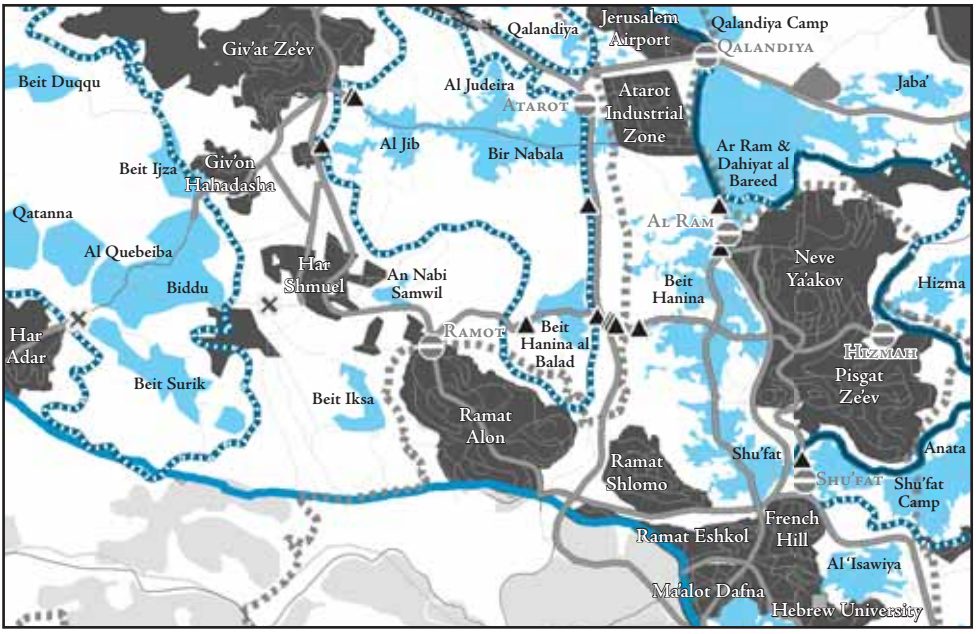
The Wall was built according to the layout of the settlements in the OPT, not according to security needs

Settlements

Though not stated openly, the Wall has another important function in the eyes of Israeli policymakers as it is built around the Jewish settlements which surround Jerusalem and are built on occupied land. The settlements of Atarot, Gilo, Givat Ze'ev, Giv'on Hakhadasha, Har Adar, Har Khoma, Kfar Adumim, Ma'ale Adumim, Mishor Adumim, Neve Ya'akov, Pisgat Ze'ev, Ramot Alon and Talpiot Mizrakh are all included in the IWA, and are surrounded by the Wall. They are thus connected with West Jerusalem, despite the fact that they are built on land which was illegally annexed to Israel (Ibid., pp. 21, 132-134).

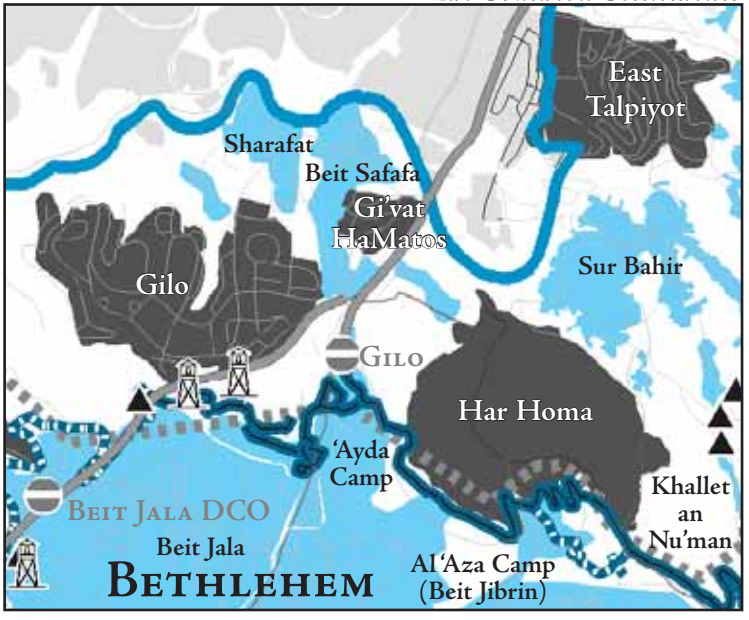
"Security Need"

A recent report by the Bt'selem organization examined the Wall's route in certain areas, and confirmed the conclusion that the Wall was not built ac-



The Northern Settlements

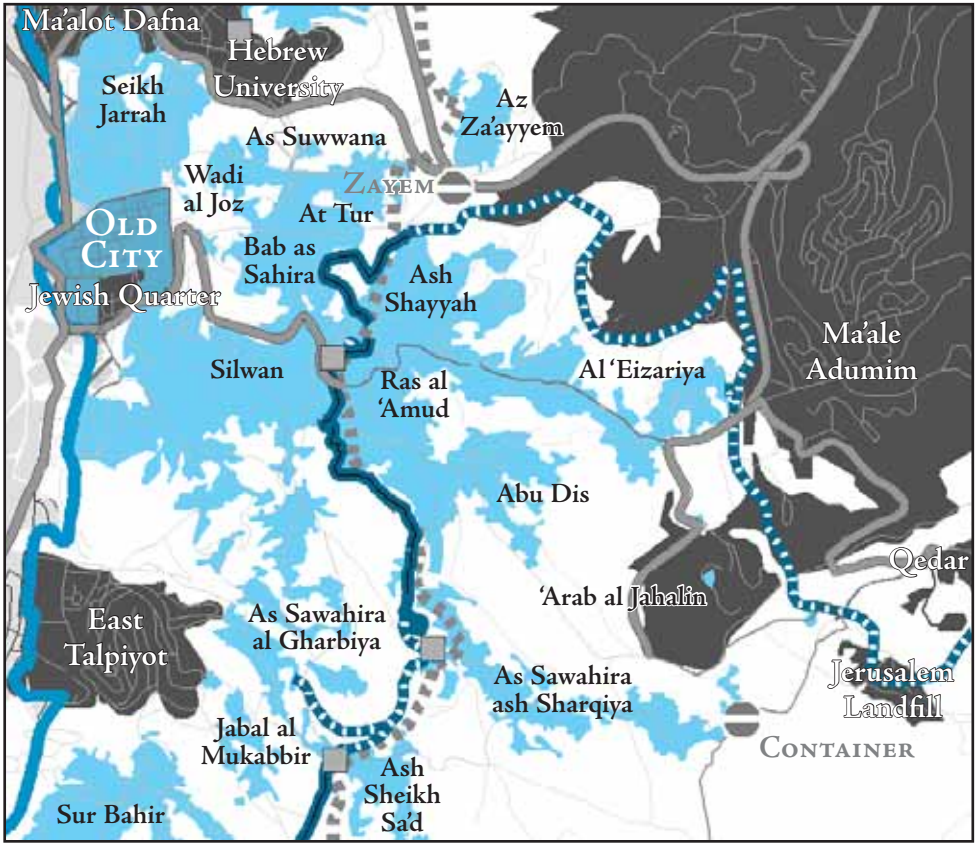
The Southern Settlements



cording to the specifications of satisfying 'security needs' but to protect and annex the illegal settlements in the OPT. The report focuses on specific locations; one of them is northern Jerusalem, where the Wall surrounds the Neve Ya'akov settlement in order to incorporate it into Israeli-controlled Jerusalem (B'tselem, 2005b).

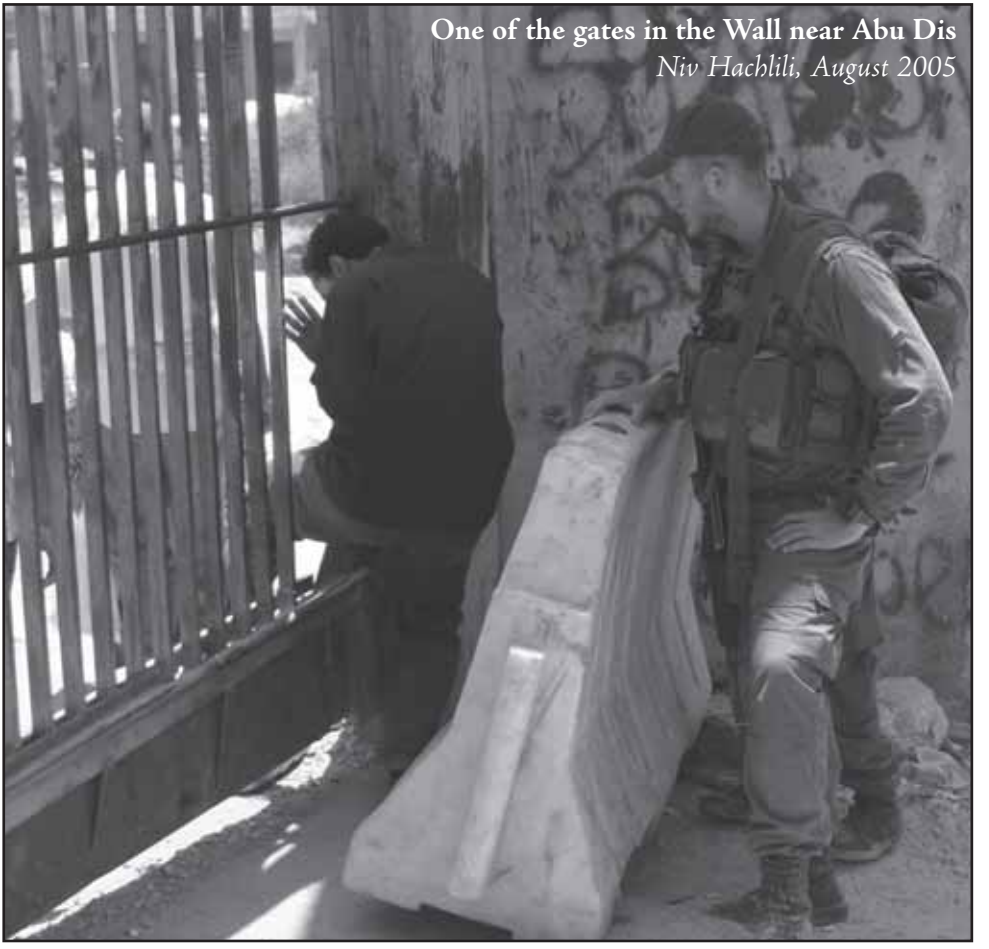
The residents of Abu Dis (a large Jerusalem suburb left outside of the Wall) appealed to the Israeli High Court in March 2006. The residents argued that the Wall turns Abu-Dis and Sawakhreh into enclaves. About 41% of Abu-Dis' land will be separated from Abu-Dis by the Wall. Also, the residents argued that the planner of the Wall's route in their area, Dani Terzal, lives in Kfar Adumim, a settle-

The Southern Enclave



ment that he decided to leave inside the Wall. They claimed that the Wall's route was guided by a conflict of interests and not by true security reasons, no decision has so far been taken by the High Court regarding this appeal (Hass, 2006).

The Israeli journalist Danny Rubinstein claims that the Wall serves no security purpose whatsoever—but is built to make life more comfortable for the settlements, to provide jobs for construction companies and to create the illusion of security for the Jewish residents of Jerusalem (Rubinstein, 2006).



One of the gates in the Wall near Abu Dis
Niv Hachlili, August 2005

4. Recent Shifts in the Labor Movements in Israel and the OPT

Since the Israeli occupation of the Palestinian territories in 1967, Israel has maintained a policy of non-development in the occupied territories. The Palestinian economy depends to a large extent on the income of Palestinians who work inside Israel. (Arnon, Luski, Spivak & Weinblatt, 1997).

The Palestinian economy depends on the income of Palestinian workers in Israel

Successive policies of limiting Palestinian workers, curfews, closures (since 1991) and importing labor immigrants to replace Palestinian workers were blows to the Palestinian domestic income and have created a large increase in unemployment (Farsakh, 2002).

Unwilling to allow the Palestinian workers to return to work in Israel, the state has begun implementing new policies of disenfranchising Israeli citizens—lowering them to the status of labor immigrants—in order to enable employers to continue paying the low wages that they have become accustomed to for non-Israeli workers (Adut & Hever, 2006).

The result of these policies has been the deepening of social gaps among Israelis to levels greater than anywhere in the West (Swriski & Conor-Atias, 2005).

The Making of the Working Class in East Jerusalem

Although the entire Israeli market is very stratified and suffers from high levels of inequality, the Jerusalem case has many unique aspects of this. Palestinians traditionally form the lowest rank in the labor market, competing only with the poorest Jewish migrants for the jobs with low prestige and income.

The efforts to reduce the number of non-Jewish workers in Israel include jeopardizing the rights of the Israeli workforce

Israel's exploitation of cheap Palestinian labor from Jerusalem has mainly been focused on employing male manual laborers. Until today, only 10.1% of Palestinian women in East Jerusalem participate in the official workforce (as of 2004). This is also due to the traditional structure of the Palestinian families. Yet it is important to remember that Palestinian women nevertheless perform essential work—in an area that receives minimal government services, inadequate education in particular—most important of which is the raising of children (Palestinian Central Bureau of Statistics, 2005B, p. 84). Furthermore, the implementation of the Wisconsin Plan labor reform (see Chapter 5, below) is rapidly changing this and forces Palestinian women into wage labor, without providing alternative methods to fulfill household responsibilities.

Gaps in the Education System

The education figures give us a clue as to the class aspects of the national conflict inside Jerusalem and the unequal distribution of income. The Palestinian bureau of Statistics provides many figures on the Palestinian Authority Jerusalem Govenorate, which extends somewhat beyond the annexed parts.

Palestinians traditionally form the lowest rank in the Israeli labor market

Though illiteracy among East Jerusalem Palestinians has fallen, it is still much higher than the Israeli average. It stands at 5.7% among all people of 15or older, compared with 4.6% in Israel altogether (Palestinian Central Bureau of Statistics, 2005A, p. 21; Israeli Foreign Ministry, 2004).

Less than 1% of all Palestinians in the age range of 6-35 have never attended school, whereas among their grand-parents generation (ages 65+) 40.2% never attended school. This major shift took place in the fifties and sixties during the period of Jordanian rule and it continued, albeit more slowly, during the Israel occupation and annexation period (Palestinian Central Bureau of Statistics, 2005A, p. 57).

Over a quarter (28.3%) of all young Palestinians in the age range of 20-24 have less than 9 years of schooling.

The rate of Palestinians with under nine years of schooling drops further with each higher age group, until it reaches over 80% among the 55-64 age group, who are the oldest people still in the work force. Men, who comprise the majority of the East Jerusalem Palestinian workforce, suffer from even higher rates of incomplete education. These men are the source of low-status, manual and unskilled jobs for Jerusalem (Ibid.).

The main advancements made by the East Jerusalem education system on illiteracy took place under the Jordanian rule

The Wall creates a further obstacle to education in East Jerusalem. About 15,000 Palestinian pupils live in the OWA and have the right to study in IWA schools. The Wall makes their daily commute to school harder, longer and more dangerous, and this will have even more adverse affects on the education gaps of East Jerusalem Palestinians (Kimhi, 2006, pp. 140-142).

The education system in East Jerusalem will be examined in further detail in a future publication in this series.

Gaps in Occupational Status

The Jerusalem Institute for Israel Studies stated that 15,500 workers (about 8.5% of the Jerusalem workforce) worked in unskilled jobs in 2002-2003. Of these, 50% were Jews, meaning that Palestinians were almost 50% of the unskilled labor force, even though they are only 31% of the Jerusalem population. Furthermore, of 27,100 workers (about 15% of the Jerusalem workforce) that were listed as skilled "blue-collar" workers, over 57% of these were Palestinian (Hoshen, 2005).

These figures show that Jerusalem Palestinians occupy mainly the lower-rung jobs in Jerusalem, yet even these figures do not reflect the important internal divisions among the low-status jobs. For example, security guards are almost exclusively Jewish—mainly immigrants from the former Soviet Union countries and from Ethiopia. Though these jobs provide low level pay—and though the security guards are often exploited by their employ-

ers—Palestinians are never hired for these jobs, and thus these jobs offer a higher social status than manual jobs. There is also a certain air of importance to security guards, especially in a tense city such as Jerusalem which has known many violent outbursts.

Manual jobs which are considered "dirty," such as construction labor hired on a daily basis, are predominantly held by Palestinians and afford a lower occupational status than security jobs. There is a strong association in Israel between the words "manual" and "dirty" and "Arab," and this association has a symbolic importance in disempowering and humiliating the Palestinians. Even certain construction-related professions which have a higher status in other countries, are still considered non-professional by Israelis (Kraus, 2000, pp. 525-551).

Importance of Jerusalem Employment to the Palestinian Economy

Despite the fact that East Jerusalem Palestinians usually hold low-paying and low-prestige jobs, the Palestinian economy in the OPT has become dependent on their income nonetheless, as a result of many years in which Israel prevented the independent economic development of the OPT. In fact, of all the areas of the OPT, Jerusalem has the highest average wage (mainly because of the proximity to Israel). While the average daily wage in Gaza was US$ 13.8 just prior to the Israeli Withdrawal from Gaza in 2005 and the average daily wage in the West Bank at the same time was US $16.4, the average daily wage in Jerusalem was US $27.2. However, it is still important to remember that the average daily wage in Israel in 2005 was US $56.8 (Arnon, Luski, Spivak & Weinblatt, 1997; Palestinian Economic Policy Research Institute, Palestinian Central Bureau of Statistics & Palestine Monetary Authority, 2005; Israeli Central Bureau of Statistics, 2006a).

Israeli discourse often associates the words "dirty" and "manual" with "Arab," damaging the symbolic power of Palestinian workers

According to the World Bank, if the Wall lowers the number of Pal-

estinians from East Jerusalem working in Israel, the result will be catastrophic to the entire OPT—causing a steep increase in poverty and unemployment with a decrease in income. The World Bank predicted that by 2008, per capita GDP in the OPT will either be US $878 or US $1090, depending on how many workers are allowed to continue working in Israel. The official unemployment rate could either fall to 19% if workers can continue to be employed in Israel or jump to 31% if they are not. Poverty could fall to 58% or jump to 70% (World Bank, 2004A, p. 3).

Israel prevented the economic development of the OPT

The Palestinian Economic Policy Research Institute (MAS), the Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority estimated that the number of Palestinian workers in Israel in the third quarter of 2005 was 60,000. About half of them had "Israeli residency," meaning that they have most likely come from Jerusalem. These workers received a median daily wage of NIS 134.6 (US $30.87), compared with the median daily wage of NIS 69.2 (US $15.67) in the West Bank and NIS 61.5 (US $14.1) in the Gaza Strip (Palestinian Economic Policy Research Institute, Palestinian Central Bureau of Statistics & Palestine Monetary Authority, 2005, p. 13; Palestinian Central Bureau of Statistics, 2006).

Though these estimates were made for all of the Palestinian workers from the OPT who work in Israel and not specifically those from East Jerusalem, it is important to remember that East Jerusalem Palestinians are among the Palestinians who have the best access to the Israeli job market, and thus contribute a great deal to the Palestinian economy. This is important as the West Bank suffers from high unemployment, and the official unemployment rate in the West Bank for 2005 was 20.3% (Ibid., pp. 14-15).

The Wall threatens to change that permanently, and it is extremely doubtful that jobs can be created fast enough to provide alternative employment to the East Jerusalem Palestinians who have lost their jobs in Israel.

Wall near Qalandia Checkpoint (south of Ramallah)
Federica Battistelli, February 2005

5. Movement of Labor in Jerusalem and the Quality of Life

Limitations on Movement

The Wall is designed to limit movement. Whether or not it is effective in preventing the movement of armed Palestinians on their way to attack Jerusalem is highly debatable, but it is certainly effective in making it harder for unarmed civilians to perform daily tasks such as going to work, to school, to the hospital or visiting family.

A wall was erected in the middle of a schoolyard in Anata, turning the school into a daily confrontation zone with Israeli soldiers

Palestinians have reported that because they must walk to the nearest checkpoint and then wait until they are allowed through it, distances between destinations have grown considerably. A twenty-minute walk has become an hour's walk, and numerous have people complained that they can no longer pray at the Al-Aqsa mosque, cannot attend schools, cannot visit their families and cannot go to the hospital when they are in need of treatment. (Kimhi, 2006, pp. 53-54).

The wall was even erected in the middle of a schoolyard in Anata, turning the school building itself into part of the Wall and lengthening the pupils' way to school considerably (Cohen, 2005a).

The World Bank conducted a survey among East Jerusalem students and found that the average rating they gave to describe their 'travel to campus' was "difficult" (World Bank 2004b, pp. 6-7).

The recent decision to extend the Wall to include Ma'ale Adumim and the surrounding area makes entrance into Jerusalem exceedingly difficult. In January 2006 the Israeli army prevented Palestinians from using 8 out of the 12 roads entering Jerusalem and forced them toundergo extensive security checks (OCHA, 2006, p. 2).

Health Services Deteriorating

The organization Physicians for Human Rights published an extensive report on the effects of the Wall in Jerusalem on the health of Palestinian residents of the area. We will not detail the findings of the report here, but the main arguments in the report are (Physicians for Human Rights, 2005):

— Treatment of chronic patients, of elderly people and pregnant women is delayed.
— Palestinians from the OPT find it hard to reach hospitals in the city.
— Ambulances are delayed in the checkpoints and the entrances to East Jerusalem, even in urgent cases.
— Hospitals are experiencing financial crisis.

Shua'fat Refugee Camp and Dahiyat A-Salam

The Shua'fat refugee camp and Dahiyat A-Salam are the two most adversely affected areas. Though they are a part of Jerusalem and their residents carry Israeli residency cards (for the most part), these areas are predominantly populated by Palestinians, and the Wall was built to keep them out-

The Shua'fat refugee camp was annexed to Israel, but the residents are locked outside of the Wall

The Shu'afat Enclave

side of Jerusalem (Kimhi, 2006, pp. 24-26).

The level of damage to these areas cannot be accurately assessed. The residents of the Shua'fat refugee camp are so frustrated from the situation that 97% of them did not cooperate with the survey of the Jerusalem Institute for Israel Studies and did not report how the Wall affects their lives (Ibid.).

The Sheikh Sa'ad neighborhood has only one access road, which is blocked by concrete cubes

Beit Iksa and Al-Walajeh

Recent changes to the Wall'sroute leave the Beit Iska village surrounded by the Wall and by the settler road no. 443 on three sides. The state has promised that the village will have access to the West Bank throughtunnels and underground passages which have not yet beenbuilt (OCHA, 2006, pp. 6-7).

The village of Al-Walajeh, mostly populated by refugees from Israel, is going to be surrounded by the Wall on all sides. The village will lose its agricultural lands because of the Wall. The southern side of the village is already blocked by a road which Palestinians are not allowed to use. Israel promised an underground passage to connect the Al-Walajeh village to the rest West Bank (Ibid.).

Al-Walajeh village has been subject to a series of land confiscations, house demolitions and "flying checkpoints" (temporary unexpected checkpoints). The confiscation of lands at the outskirts of the village effectively blocks all movement to and from Al-Walajeh. In 2004 Israel declared its intention to construct a settlement: "Giv'at Yael," which is intended to absorb 55,000 settlers. The sinister factor here is that, although the village still exists, the maps released by the government show that the planned settlement area includes much of the populated residential areas of the current village. (Arij and LRC, 2006).

Sheikh Sa'ad

Sheikh Sa'ad, a suburb of 2,500 people on the outskirts of Jerusalem was also left outside the Wall. The neighborhood only has one access road, which

was blocked by a permanent roadblock (concrete cubes with rubble on top of them). The only way in or out of the village is by foot, even if it is in emergency and a resident needs an ambulance. Though Israel promised an access road to Bethlehem, that road has not yet been built. The neighborhood has no clinic or high-school, and over half of the residents have abandoned their houses in the neighborhood as a result (Levy, 2005).

Difficulties in Obtaining Goods

Consumption patterns demonstrate that both East and West Jerusalem, as well as the surrounding cities, are a metropolitan commercial center for the Jerusalem Palestinians.

In 2000, between 16% and 25% of OWA Jerusalem Palestinians reported that they buy their goods in the IWA. In 2004, consumption patterns were already noticeably different because of the Wall. In A-Ram, cut from the IWA, shopping in the IWA fell to 5%. Residents of Kafr A'keb and Samiramis divide their shopping between their own neighborhoods and Palestinian cities such as Bethlehem and Ramallah. The share of these residents who are able to shop in the IWA fell by three quarters—from 4% in 2000 to 1% in 2004. Residents of the Shua'fat refugee camp and Dahiyat A-Salam suffer limitations to their movement and 93% now purchase their goods within their own neighborhoods (Hoshen, 2005).

By forcing Jerusalem Palestinians to radically change their shopping patterns, the options available to them diminish and so does their quality of life. We will assume that people make choices to buy the goods which are the most accessible, suitable for their needs and cheap. Palestinians who must now buy in the IWA, such as the Old City of Jerusalem, pay higher prices for their goods than they used to pay in OWA or in nearby Palestinians cities.

Over 51% of the OWA Palestinians report a sharp increase in their cost of living because of the Wall

Over 51% of the Palestinians from the OWA reported that the Wall has created a sharp increase in their cost of living (Kimhi, 2006, pp. 76-77).

Arrested Trade

Even before the completion of the Wall of Separation in Jerusalem, merchants and shopkeepers have already noted a steep decline in business. The Old City and Salah-A-Din Street, both bustling centers of commerce, have already begun to suffer from the Wall and have less customers than they were used to. Shopkeepers have attested to the fact that they find it increasingly difficult to pay the over head costs and taxes for their shops because they have so few customers (Ibid., pp. 24-25).

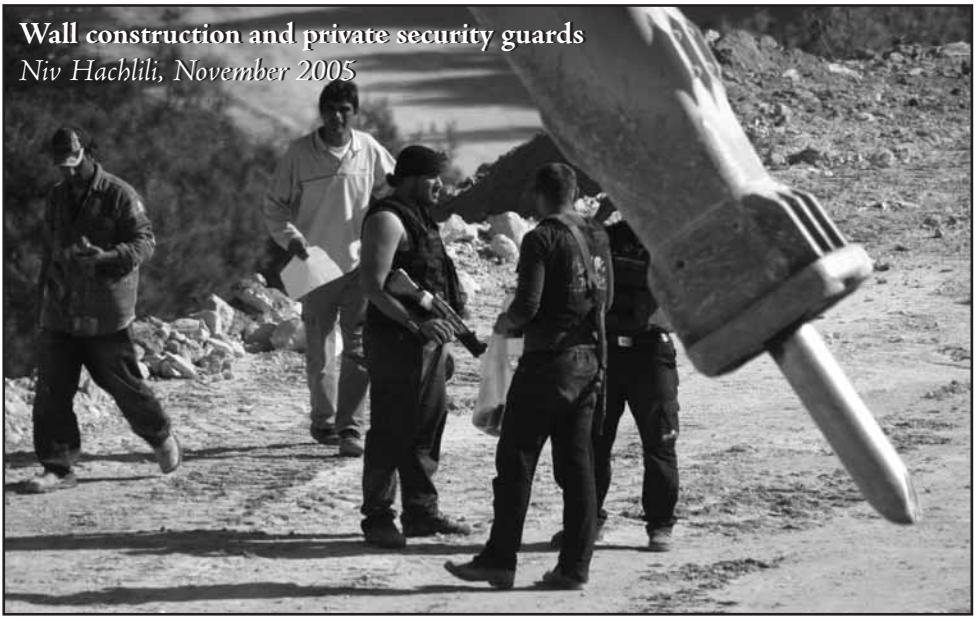
The Wall excludes certain annexed areas, as if to correct the "demographic mistake" of the annexation

Though there are no estimates on the losses to the East-Jerusalem economy because of the reduced trade volume, we can get a broader understanding of the economic slowdown by examining the diminished income of households. Due to the fact that many households own a shop and rely on it as a source of income, the figures on the slow in trade are in fact hidden within the figures that follow on reduced household incomes which will be discussed next (Ibid., pp. 140-142).

Pockets of Poverty

The two striking examples of the Israeli policy to minimize the number of Palestinians in Israeli territory are the Shua'fat refugee camp and Dahiyat A-Salam. Though Israel annexed these areas in 1967 and has repeatedly claimed that the new Jerusalem borders are permanent and will not be changed, it only gave residency status to the residents of these areas, rather than providing them with Israeli citizenship. As if trying to correct the "demographic mistake" of the annexation, the Wall has been stretched to the west of these neighborhoods, cutting them off from the rest of Jerusalem. Though the residents of these neighborhoods, about 65,000 today, still carry Israeli residency papers, the value of these papers is much lower when a physical wall makes movement into the IWA difficult or sometimes impossible (Kimhi, 2006, pp. 15-28).

As a result, the Shua'fat refugee



Wall construction and private security guards
Niv Hachlili, November 2005

camp and Dahiyat A-Salam are the two areas most adversely affected by the Wall. About 21% of the residents reported land confiscations, 14% suffered physical injury or health problems, 36% reported a rise in their cost of living, 11% reported a change of residence and 6% reported an increased population density (Palestinian Central Bureau of Statistics, 2005a). Also, residents of these areas had to find new sources of income. The number of providers per family has increased dramatically—indicating a higher reliance on child labor. However, the ratio of families who have no provider increased from 8% in 2000 to 18% in 2004 (Ibid.).

Effects of the Wall Beyond Jerusalem

So far, the effects of the Wall in Jerusalem have been discussed in relation to Jerusalem itself and the surrounding communities such as the isolated suburbs and the Palestinian cities of Ramallah and Bethlehem.

The Wall already has wide-reaching affects deep into the West Bank

However, the Wall has far-reaching effects which go far beyond the limits of the Jerusalem area. These numerous effects vary greatly and cannot be described here, but one example can be given from the village of Yatta.

Though Yatta is located south of Hebron, close to the southern end of the West Bank and about 35 kilometers outside Jerusalem, it has still been profoundly affected by the Wall in Jerusalem. Many of the people of Yatta who used to find employment in Jerusalem (despite the long journey from their homes) have now lost all form of income. They have instead turned to an alternative source of income—mining for metal scraps in the Yatta garbage dump. Children who are 14 years old work up tp ten hours every day or more, gathering about 60 kilograms of scrap metal, and earning about US $6.5 in a day's work (Sadaa Media, 2006).

95% of the OWA Palestinians and 77% of the IWA Palestinians already reported difficulties in getting to work

Loss of Jobs Because of the Wall

The Wall adversely affects the income of Palestinian families in East Jerusalem in many ways, but the most detrimental affect is through hurting employment.

The surveys conducted by the Jerusalem Center for Israel Studies and presented in Kimhi's book clearly indicate that East Jerusalem Palestinians see employment as the most important problem caused by the Wall of Separation. Over 52% of all the participants in the survey stated that employment was their biggest concern due to the construction of the Wall (Kimhi, 2006, p. 37).

Over 94% of the Palestinians left outside of the Wall and 77% of the Palestinians left inside the Wall have already reported some difficulties in their accessibility to their workplace as a result of the Wall. Over 53% and over 25%, respectively, reported the highest degree of difficulties that the survey offered (Hoshen, 2005). Over 70% of the residents of the Shua'fat refugee camp and of Dahiyat A-Salam, who are mostly Palestinians holding Israeli IDs and living outside

the Wall, reported the highest difficulty rating for reaching their workplace. Over 60% of the residents of Kafr A'keb and A-Ram reported the same (Ibid.).

Diminished Income in East Jerusalem

The survey conducted by the Jerusalem Institute for Israel Studies showed that there was a reduction in income for Jerusalem Palestinians. The percentage of Palestinians who have no income at all doubled (in the communities surrounding Jerusalem they quadrupled). The number of families who depend on a monthly income of less than NIS 2000 (US $459) more than doubled (Ibid., pp. 78, 100).

It could be argued that some of the deterioration in income is connected to the general trend of increased social gaps in Israeli society during the 2000-2004 period. However, if we look at the effects of the separation caused by the Wall, the findings are even more alarming.

The ratio of people earning less than NIS 2,000 per month prior to 2000 was 9% in the areas inside the Wall, but increased to 14% by 2004. Outside the Wall the deterioration was much more sever. The rate increased from 16% in 2000 to over 46% in 2004 (Ibid.).

The ratio of families who reported that they had no income at all quadrupled among people living outside the Wall from 1% in 2000 to over 4% in 2004 (Ibid.).

The ratio of Palestinians with no income at all doubled since the Wall began

In East Jerusalem, the concept of middle earners applies to people who earn NIS 2000 to NIS 4000 every month (US $459 to US $918). This is, on average, below the Israeli minimum wage of NIS 3,585 (US $822) and about half of the average wage (NIS 7,333 or US $1,681) in Israel, a further indication of the unequal distribution of wealth to East Jerusalem. In the areas outside of the Wall, the proportion of middle earners fell from 53% to 37% between 2000 and 2004. The ratio of people who earn between 4000 and 6000 NIS per month fell from 23% to 10% (Ibid.).

Trying to arrive at an estimate of

the total damage caused by the Wall requires us to proceed carefully with our calculations. In our estimation we will use the midpoint of each category as the baseline for the calculation (i.e. using NIS 3,000 to represent the people earning between NIS 2,000 and NIS 4,000 per month). We will also use the average National Insurance Institute stipend for a household of two parents and two or more children, which amounts to NIS 2,078 (US $477). This estimate is safe to use because the average Palestinian household in East Jerusalem has seven members (National Insurance Institute, 2005, p. 33). From these calculations we reach the estimate of a nominal reduction in the income of East Jerusalemites by 8% in the four years between 2000 and 2004.

Real income in East Jerusalem fell by about 17.5% between 2000 and 2004

Income of OWA Palestinians was almost halved between 2000 and 2004

However, we must also account for inflation, which has further eroded the income of Palestinian residents of Jerusalem. The expenses of Jerusalem Palestinians are distributed between spending money in Israel and in the OPT (mainly in the West Bank), so calculating inflation requires us to separate the two venues of expenditure. Due to the Wall, Kimhi reports that the amount of shopping that Palestinians from East Jerusalem can do in the West Bank (where prices are generally cheaper) has fallen from 30% to 27% (Kimhi, 2006, pp. 91-92). Between 2000 and 2004, the Consumer Price Index (CPI) in Israel increased by 7.12%, but it also increased by 23.7% in the OPT (Israeli Central Bureau of Statistics, 2006b; Palestinian Central Bureau of Statistics, 2006). Taking these figures into account, the real reduction in income for Jerusalem Palestinians was in fact 17.5%, almost a fifth of their income.

For Palestinians in the OWA, cut off from Jerusalem by the Wall, the numbers indicate a sharper reduction in income. In nominal terms, income decreased by 34%. After applying inflation as well, we conclude that income fell by 46%. The Wall has therefore

Wall components
Lin Chalozin-Dovrat, February 2004

almost halved the real income of Palestinians in the OWA between 2000 and 2004.

Using this estimate to calculate the total damage caused by the Wall in Jerusalem, we can multiply the average loss of income per household by the number of households. The total income loss due to the Wall is an average of US $4 million per month in the IWA, and US $12 million per month in the OWA. In total, the Wall in Jerusalem causes US $194 million in damages per annum. On top of this it has already caused more than US $775 million in direct income loss.

The Jerusalem Wall has already caused more than US $775 million in direct income loss

These figures must be updated to account for the natural growth of the population, and will therefore increase further until the Wall is removed.

Jerusalem Labor vs. West Bank Labor

It is important not to look at the East Jerusalem economy in an isolation. The East Jerusalem economy is deeply connected with the economy in the rest of the West Bank, and economic events in East Jerusalem extensively impact the Palestinian economy as a whole.

Kimhi voices an argument that Israeli policymakers dare not say openly—that Israel is manipulating the competition between East Jerusalem Palestinians and West Bank Palestinians. Kimhi believes that by preventing West Bank Palestinians from entering Jerusalem (mainly East Jerusalem), employment among East Jerusalem Palestinians will increase, and this will discourage uprisings among East Jerusalem Palestinians (Kimhi, 2006, pp. 27-28). Of course, Israel does little to develop the East Jerusalem economy, and uses mainly negative policies—blocking West Bank workers and hurting the rights of the unemployed—to encourage employment.

The official unemployment rate in the OPT was 20.3% in the West Bank and 30.3% in the Gaza Strip in 2005. However, the participation in the labor force is quite low to begin with, especially among women, whose participation rate is an average of 13.4%

in the OPT. Among Palestinian woman with Israeli citizenship, the participation rate is 17% (Palestinian Bureau of Statistics, 2005c).

Unemployment among East-Jerusalem Palestinians is lower, though still quite a lot higher than the Israeli ratio. In the IWA unemployment in 2005 stood at 15.5%. In the OWA it was 21.9%—a clear indication that being cut-off from the Israeli market is a cause of unemployment. By comparison, Israeli unemployment in 2005 was 9% (Palestinian Central Bureau of Statistics, 2005a; Central Bank of Israel, 2006).

Implementation of the Welfare Reform Program

In July 2005, the Israeli government commenced the implementation of the Welfare to Work labor reform, known as the Wisconsin Plan. The details of this plan appear in full in Bulletin No. 6-7 of this series (Adut & Hever, 2006).

Nearly half of the program's participants are from Jerusalem, and most of the participants from Jerusalem are Palestinians from East Jerusalem. The plan makes it harder for the participants to receive income support (Israel's most basic form of welfare), and disqualifies them from receiving welfare unless they participate in the program for many hours every week and perform "community service" jobs without pay. Numerous reports of abuse, humiliation and discrimination have accumulated about the East Jerusalem branch of the program (Ibid.).

Israel attempts to manipulate the competition between East Jerusalem and West Bank Palestinians

The implications of this program on the East Jerusalem Palestinians are dire. Many families have lost the Income Support upon which they were dependent. Others were forced to do "community service" jobs for less than half of the minimum wage. As the Wall in Jerusalem closes around them, more and more East Jerusalem Palestinians discover that they are expected to take the place normally taken by non-resident OPT Palestinians, and to work for about US $2 an hour. Though Is-

raeli businessmen have fewer opportunities to exploit the cheap labor of OPT Palestinians because of the Wall of Separation, the Wisconsin Plan down grades Israeli citizens and residents and forces them to take the place of the non-citizen Palestinians for about the same wages (Ibid.).

The labor reform in East Jerusalem forces many residents to accept West Bank wages

There is an apparent contradiction between Israel's attempt to limit movement in East Jerusalem and to avoid investing money in East Jerusalem on the one side, and the implementation of the Wisconsin Plan which is officially intended to help unemployed people to find employment and escape the poverty trap. Indeed, a study conducted by Meir Margalit demonstrated that East Jerusalem is severely discriminated against in all of the municipal budgets (Margalit, 2006).

The contradiction is resolved when it becomes apparent that the Wisconsin Plan is in fact another means of repression, which effectively reduces welfare payments to East Jerusalem Palestinians and places them under a system of strict supervision (Adut & Hever, 2006). Israeli policymakers thus maintain the pressure on East Jerusalem Palestinians to leave.

Housing Shortage

The Wall has confiscated a large amount of land from Palestinians and numerous houses are being demolished along its path. Furthermore, the threat of being cut-off from Jerusalem has convinced many Palestinians with Israeli residency to move into East Jerusalem, to the western side of the Wall for fear of losing their residency or to avoid the long wait at the checkpoints. This has created a sharp rise in housing density. More souls per room, smaller rooms and higher rent are all factors which are quickly eroding the quality of life in East Jerusalem (Kimhi, 2006, pp. 16-17, 141).

The growing density in East Jerusalem is a trend which worries Zionists such as Kimhi, as they hope to decrease the number of Palestinian residents of Jerusalem as much as possible (Ibid.). Meanwhile, the house prices in East Jerusalem in the

IWA rose by 30%-40% in 2003-2004 (Greenbaum, 2005). Population density per room in East Jerusalem is double the density in West Jerusalem, and the number of houses which suffer from extreme density stands at 30% in East Jerusalem, compared with only 3% in West Jerusalem (Garb, 2005).

About 73% of the Palestinians who participated in the survey of the Jerusalem Institute for Israel Studies reported that the Wall has affected the housing costs. Kimhi estimates that housing costs in the OWA fell by 40%-51% while housing costs in the IWA increased by 50% (Kimhi, 2006, pp. 45, 141). Meanwhile houses in the OWA have seen a decrease of 40%-50% in prices in the recent years (Garb, 2005).

Severed Families

The Wall also breaks apart Palestinian families in East Jerusalem. Almost all of the respondents to the survey of the Jerusalem Institute for Israel Studies reported that they have family ties both within Jerusalem and in the outlying communities. The Wall makes it increasingly difficult to visit, provide care and receive assistance in kind from close family members. (Ibid., pp. 40-44).

Over 40% of the Palestinians from the communities around Jerusalem reported that they had regularly entered Jerusalem to visit their relatives. Most of them had first-grade relatives living in Jerusalem (52% in total, but 76% of the holders of Israeli residency cards (Ibid.).

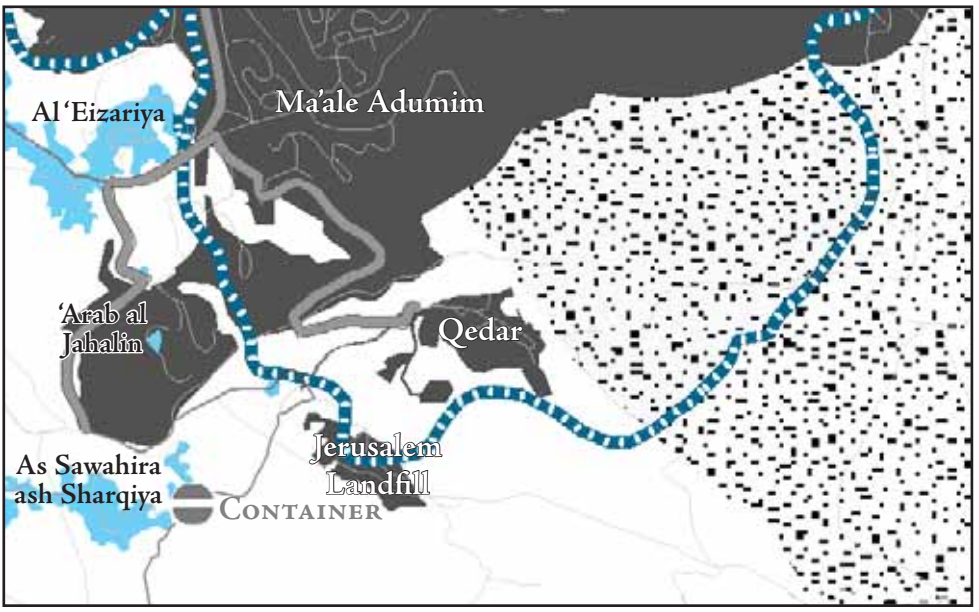
Palestinians afraid of being trapped outside the Wall have raised the house prices in the IWA by 30%-40%

The Palestinian Central Bureau of Statistics also found that 56.8% of East Jerusalem Palestinians have relatives on the other side of the Wall (Palestinian Central Bureau of Statistics, 2005a, pp. 33-34).

Palestinian families are separated because of the Wall as most Palestinians have relatives on the other side of the Wall

Bedouin Tribes

About 3,000 Bedouin residents of the Jahalin and Ca'abneh tribes are



Jahaleen

threatened with a devastating blow to their quality of life from the Wall. The Jahalin already underwent forced evacuation from their lands and were forcibly re-settled by the Israeli authorities close to a landfill. The Wall will mean almost complete disconnection from their agricultural lands—which serve as their central source of income—and also disconnection from services which they used to receive in the nearby Palestinian towns. Their only remaining source of livelihood will be manual labor, such as cleaning and gardening, which many young workers are performing in the Ma'ale Adumim settlement. Bimkom architects have estimated that there is almost no chance that the Bedouin will have access to other sources of employment (Bimkom, 2006b).

The Wall sows fear, desperation and pessimism among East Jerusalem Palestinians

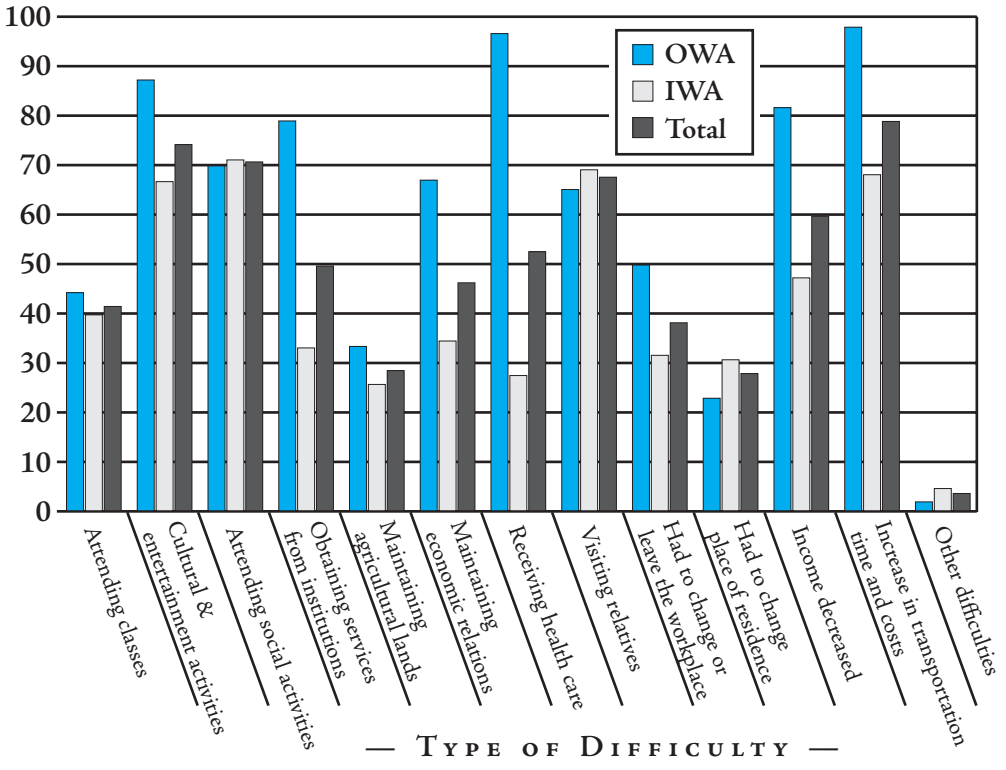
Growing Pessimism

The Palestinians in East Jerusalem who see the Wall being built around

them are trying to cope with the growing realization that it will affect every aspect of their lives and will seriously threaten the lifestyle to which they are accustomed.

The World Bank has found that many Palestinians in the OPT have expressed worry and concern about the future, and the World Bank's analytical conclusion for this pessimism is that one of the central causes for the worry and concern is that the Wall in East Jerusalem has already begun to hamper the movement of East Jerusalem Palestinians (World Bank, 2004b, pp. 4-5).

Graph 1: Wall Effects on East Jerusalem 2005



Graph 1, above, presents the data which was gathered by the Palestinian Central Bureau of Statistics. (Palestinian Central Bureau of Statistics, 2005, p. 87).

6. The Seeds of Discontent

Kimhi has expressed concern that the damage caused by the Wall to the Palestinian civilian population will damage the Israeli image in the international community. Though the actual suffering of the Palestinian population does not appear in Kimhi's book as a source of concern by itself, the implications in undermining Israel's position in world opinion does (Kimhi, 2006, p. 10).

Palestinians whose daily lives were ruined are more likely to use violence in their struggle for fair treatment

Kimhi goes on to argue that peace in the city depends on easy passage through the Wall of Separation. However, he argues that because ease of passage is unlikely—in light of past experiences from other Israeli checkpoints in the West Bank and Gaza—Kimhi believes that unrest is likely to spark in Jerusalem (Ibid., p. 24).

This analysis is reinforced by the fact that over 78% of the participants of the survey of the Jerusalem Institute for Israel Studies said that they believe that the Wall will worsen the political situation (Ibid., p. 81).

The Israeli authorities recognize that the East Jerusalem Palestinians ability to continue living a normal life is, in the end, an Israeli security interest. If the daily lives of Jerusalem Palestinians are ruined, the Palestinians are more likely to use violence in their struggle for fair treatment (Ibid., pp. 131-132, 136-137).

The Brink of Violence

The first Palestinian Intifada erupted in 1987 after a whole generation of Palestinians became frustrated by the wholesale loss of job opportunities following the economic crisis in Israel and the fall in oil prices which led to loss of employment in the Gulf States.

The second Palestinian intifada

erupted in 2000 after Palestinians became frustrated with the unilateral policy decisions of Israel which subverted the spirit of the Oslo agreements and which blocked all opportunities for economic development in the OPT. The collapse of the peace negotiations and the entry of Ariel Sharon into the Al-Aqsa Mosque was the trigger which launched the accumulated anger of the Palestinian people.

As the lives of hundreds of thousands of people have been radically altered by the Wall of Separation, another generation of Palestinians is in danger of having their dreams of a better world shattered by arbitrary Israeli state policies.

Though East Jerusalem Palestinians, with their residency status under Israeli law, are among the better earning Palestinians in the OPT, they are also the group which can lose their income faster than any other OPT group.

The danger of a third intifada is increasing steadily as more and more Palestinians find that the Wall cannot be circumvented and that it prevents them from continuing to receive the levels of health, education and services to which they are accustomed.

Binational Reality

Jerusalem has been officially unified, but discrimination and prejudice still differentiate the West from the East of the city. Nevertheless, after nearly 40 years of occupation, the separation project seems more futile than ever. Kimhi argued that even a withdrawal to the 1967 border will leave many social problems unsolved, because of the connections and dependencies that have formed during the occupation (Ibid.).

The danger of a third Intifada increases as the Wall shatters the dreams of yet another generation

The extent of the damage caused by the Wall in Jerusalem demonstrates that people's lives have irreversibly adapted to a unified urban space, and that artificially separating that space has far-reaching economic and social implications.

The city has already become a binational city, where constant discrimination, favoritism and an unequal dis-

tribution of resources reproduce the reality of a poorer eastern side and a wealthier western side. The oppressed Palestinian residents of the city harbor a growing resentment towards the Israeli government which is giving preferential treatment to the Jewish population.

Following the annexation, East Jerusalem Palestinians have it within their rights to demand equal citizenship

International law calls for the separation of Jerusalem, and the complete Israeli withdrawal from the illegally annexed eastern side. Although international law must be followed, a large number of people would undoubtedly suffer from this—Palestinians who will lose access to West Jerusalem and settlers who will be cut off from Israel or evacuated from their homes.

Meanwhile, the legitimate demands to end the illegal occupation should not undermine the legitimate demand that Palestinians who live in the annexed area are awarded full Israeli citizenship and rights.

An increasing number of people, both Palestinians and Israeli, recognize that another solution is possible.

Rather than creating an artificial border (especially one reinforced by a wall) to dissect the city, a unified city with free movement to and from all of its areas, and an equal distribution of resources is the most just, economically feasible and simple solution—and thus will also help to divert the conflict between Zionists and Palestinians to political venues rather than arenas of violence and conflict.

Jerusalem could be declared the capital of both states, and thus could be divided into two municipalities with unrestricted movement between them. Even in the absence of this any other political solution which would allow the normal economic life of the city to continue—including freedom of movement—would have the desired effect of creating peace.

This logic can of course be applied to all of the territories Israeli occupied in 1967, and not only to Jerusalem, thus creating a single democratic state. A recent opinion poll among Palestinians shows that 33% Palestinians already support this solution (Jerusalem Media & Communication Center, 2006, p. 5).

7. Conclusion

After recounting the various forms of damage that the Wall of Separation has inflicted upon the Palestinian population in Jerusalem—and the threats it poses to Israeli interests—Kimhi attempted to offer various solutions and alternatives to the Wall. However, Kimhi doesn't even consider the possibility of dividing Jerusalem and withdrawing to the 1967 international borders, as international law requires. Instead, Kimhi argues that in order to maintain Israel's control over East Jerusalem—it must also maintain the free and steady connections between East Jerusalem and the neighboring Palestinian cities: Bethlehem, Beit Jala, Beit-Sahour, Ramallah, Jericho and various other small towns and villages (Ibid., p. 12).

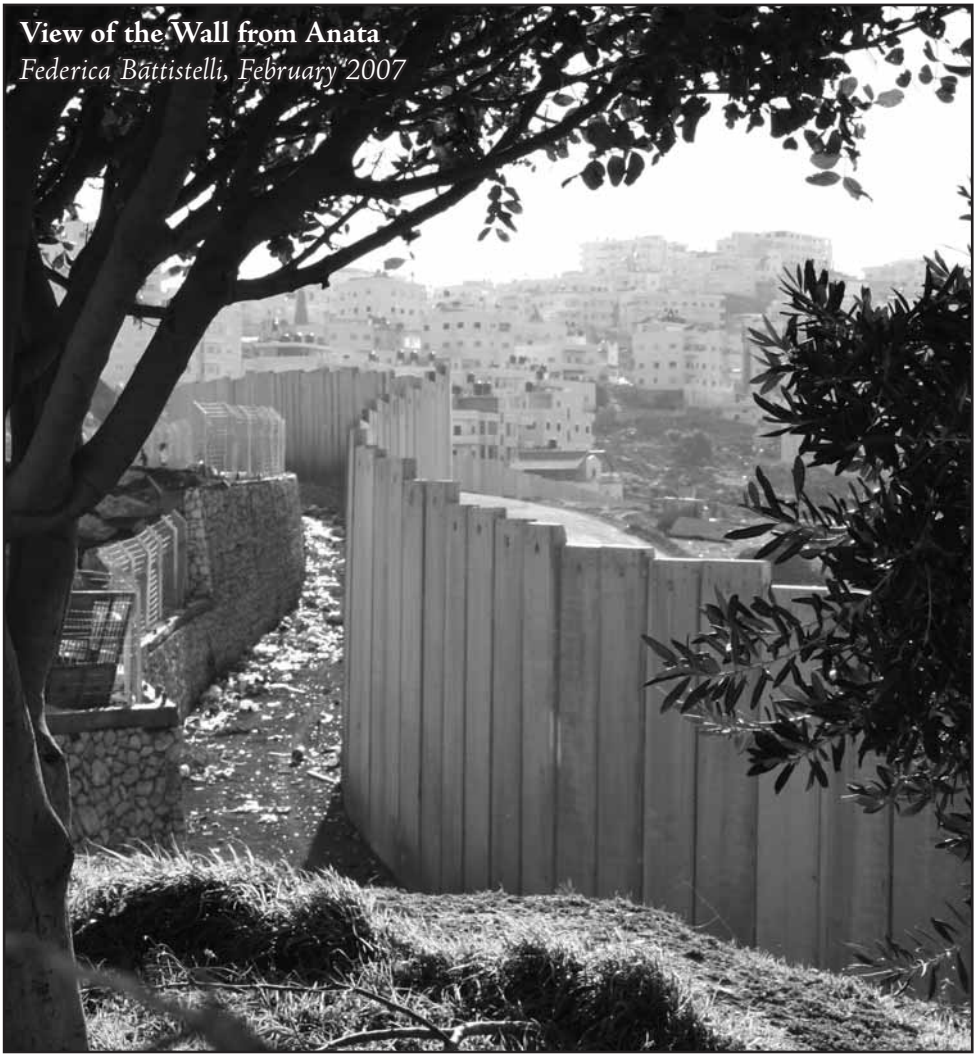
This argument effectively undermines the idea of a two-state solution. If Israel needs cities like Ramallah and Bethlehem in order to maintain its control over East Jerusalem, and if Israel has worked for the past 39 years to prevent any future division of Jerusalem, then it becomes increasingly apparent that stretching a border between Israel and the Palestinians becomes difficult, if not impossible (Ibid.).

Jerusalem is the main reason that a border between Israel and the Palestinians becomes difficult, if not impossible

Taking into account the many detrimental effects that the Wall has on Jerusalemites, it is not surprising that the participants in the Jerusalem Institute for Israel Studies were adamantly against it. The participants said that they believe that the Wall must be stopped or destroyed; others said that nothing can alleviate its damage. Only 11% of the people surveyed said that there is a possibility to lead a normal life with the Wall, *if* Israel will provide services to replace the lost services, *if* the Israeli courts will act to defend the public, and *if* special support will be given to the residents of Jerusalem

(Ibid., pp. 74-75).

Compared to the rest of the Wall of Separation in the non-Jerusalem area, the Jerusalem Wall is especially damaging because it cuts through an urban area and affects hundreds of thousands of people on a daily basis. Unlike the rest of the Wall, ad-hoc solutions (such as special permits or adding a few gates) cannot even begin to repair the long-term damage that the Wall has created.



View of the Wall from Anata
Federica Battistelli, February 2007

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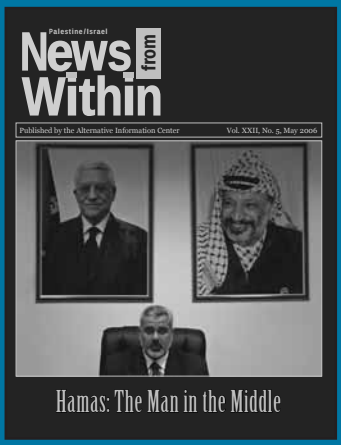

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