

The Status of Jerusalem Challenges and Outlook

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Introduction

This article seeks to provide a concise review of the geopolitical, demographic, and symbolic status of Jerusalem, while also exploring the diverse narratives surrounding its physical and urban development. It begins by defining the particular status of Jerusalem as discussed in this paper, followed by an examination of the condition of its residents. The discussion briefly touches on the competing narratives that shape the symbolic and normative foundations for both Palestinians and Israelis, influencing their discourse, actions, and interactions with the city. We also address demographic shifts—focusing on changes in population size, demographic characteristics, and distribution patterns within and around Jerusalem. The paper then delves into the geopolitical landscape and the political participation of Jerusalemites, analyzing land policies and spatial planning efforts aimed at engineering the city’s future. These sections aim to anticipate the shape of Jerusalem’s urban fabric by mid-century, based on current trends and visible transformations.

The paper asserts that forecasting the future of Jerusalem cannot be separated from the broader trajectory of Palestinian-Israeli relations, despite the city’s unique status. This special status led both Israel and the Palestine Liberation Organization to postpone decisions regarding Jerusalem until final-status negotiations under the interim agreements of the Oslo Accords. Israel, meanwhile, has imposed municipal borders, annexed lands from the West Bank under domestic law, and granted Palestinians within these annexed areas a distinct status, actions that violate international law.

United Nations Resolution 181 of 1947, which partitioned Mandatory Palestine, designated Jerusalem and its environs as a “separate entity, *corpus separatum*.” However, Israeli settlement policies in East Jerusalem and its urban surroundings have further complicated matters, creating a tangled web of Israeli settlements and Palestinian cities and villages that now exist in close geographical proximity. Beyond its geopolitical significance, Jerusalem holds profound religious importance as a spiritual center for the three major monotheistic faiths—Islam, Christianity, and Judaism. Its spiritual prominence is mirrored by its geographical centrality: Jerusalem lies at the heart of Palestine, along the urban axis that

connects the northern and southern West Bank¹.

Moreover, Israel has passed special laws concerning Jerusalem and made government decisions shaped by its Jewish, Zionist, and Israeli perspectives.

This unique status places Jerusalem at the core of geopolitical negotiations, often referred to as the key to resolving the conflict in the land of Isra and Mi'raj.

The challenges of anticipating Jerusalem's future and its impact on both Jerusalemites and the broader Palestinian and Israeli communities are vast and complex. The process of anticipation, unlike mere prediction or speculation, is a strategic tool employed by nations and institutions to craft policies and prepare for future outcomes. Rooted in the principle that «the present is the future of the past, just as it is the past of the future,» anticipation draws lessons from history and applies them to current realities to foresee future developments².

By examining the past and critically analyzing the present—its dynamics, influences, and contradictions—we can attempt to project possible futures for Jerusalem. This paper employs an anticipatory methodology, utilizing scientific tools to extrapolate the present challenges and envision potential outcomes. It draws from the author's extensive research and planning experience, using a descriptive, critical, and comparative approach to explore the city's past, present, and future.

The study examines demographic, geopolitical, and socio-cultural trends in the context of the neoliberal market economy that shapes daily life. This economy, heavily influenced by Israel's socio-economic ideologies and policies of economic liberalism, plays a key role in determining how space is used and how communities interact. Additionally, the paper analyzes land use and spatial planning policies, seeking to understand their impact on the city's urban fabric and its physical and functional connection to its surroundings. Ultimately, this analysis aims to open possibilities for future geopolitical resolutions.

1- Khamaisi, Rasem (1996). «Urban Development Strategy as a Basis for Growth in the Palestinian State.» *Journal of Palestine Studies*, Vol. 7, Issue 25, pp. 121-97.

Khamaisi, Rasem (2013). «Reshaping the Urban Environment of Jerusalem: The Heart of the Palestinian State.» *Annals of Jerusalem*, Issue 16, pp. 50-37.

2 - Abrash Ibrahim. (2021). «Foreseeing the Future of Palestine: Between Pessimism and Optimism.» *Kul Al-Arab*, December 2021 ,30. (<https://www.kul-alarab.com/Article/1017840>).

The Vagueness of Jerusalem's Definition

Jerusalem evokes a multitude of meanings in both public consciousness and geography. It is not merely a place; it embodies values, concepts, emotions, and symbols that resonate within individual and collective awareness. Thus, Jerusalem transcends the confines of its geographical, administrative, or functional definitions.

The city's definition reflects a narrative that shapes its spiritual significance, transcending the boundaries of time and space. In contrast, the tangible definition of Jerusalem has evolved alongside shifts in geopolitical dynamics and the administrative decisions of those in power. Some define Jerusalem as the Old City, encased within the Ottoman walls, while others reference the Basra Basin, often referred to as the «Holy Basin.»³

There are definitions based on the borders established during the late British Mandate period, or those outlined in the structural plans created before the city's division in 1948, when West Jerusalem fell under Israeli authority and East Jerusalem came under the Hashemite Kingdom of Jordan's control.

Typically, East Jerusalem is defined by the boundaries of the Arab Jerusalem Municipality, which remained under Jordanian sovereignty until the Israeli occupation in 1967. Following its annexation to West Jerusalem, the current definition encompasses the borders of the Jerusalem Municipality, which were expanded by Israeli governments to extend legal and administrative sovereignty over approximately 126,000 dunams. This definition includes East Jerusalem, the former boundaries of the Jordanian Jerusalem Municipality, and the borders of village councils that managed Palestinian towns and villages like Al-Issawiya. It also encompasses lands from over nineteen Palestinian villages, such as Sur Baher, Umm Tuba, Silwan, Kafr Aqab, Shuafat, and Beit Hanina, with the annexed area exceeding about 71,000 dunams.

Some view Jerusalem through the lens of the separation wall erected in 2002, delineating the area west of the wall. Certain regions annexed to West Jerusalem in 1967 lie beyond the wall, now disconnected from their extensions into Palestinian villages and cities. Others broaden the definition functionally and

3 - Khamaisi, Rasim (2023). «The Conflict over the Basra Basin in Jerusalem: Components, Projections, and Challenges.» *Al-Maqdisiyah Journal*, Issue 20, pp. 50-15.

emotionally, incorporating the Jerusalem metropolitan area, which, from the Israeli perspective, includes Israeli settlements surrounding East Jerusalem as well as those established within it.

According to the Basic Law: Israel – The Nation State of the Jewish People (2018), Clause 3 asserts that «the capital of the state; Jerusalem, complete and united, is the capital of Israel.» This clause leaves the borders of Jerusalem undefined, mirroring the ambiguous boundaries of the land and state of Israel. This law reinforces previous legislation⁴, such as the Basic Law passed in August 1980, which declared Jerusalem to be the united capital of Israel and the residence of the heads of state, the Knesset, the government, and the Supreme Court.

Defining the borders of Jerusalem presents significant challenges for anticipating the city's future. The concept of Jerusalem is not a fixed or static matter; it is a contested issue among relevant parties, especially in light of recent demographic shifts and settlement expansions. Israel's ongoing colonial settlement efforts utilize state power and resources to establish and expand Israeli settlements around Jerusalem, thus increasing the Jewish population. This situation occurs alongside a growing number of Palestinians in Jerusalem and surrounding villages, despite Israel's spatial control policies that limit Palestinian movement and access.

These policies create a complex matrix of control, incorporating both subtle and overt tactics, compelling Palestinians to engage in a constant struggle for survival and resilience in their cities, villages, and lands. While the significance of Jerusalem's borders is acknowledged, especially with the Old City and its spiritual heart, the Al-Aqsa Mosque, these cannot be defined in isolation. The Old City, often referred to as the «historical basin» or «holy basin,» holds profound religious, historical, and functional importance⁵.

Research on the negotiations between Palestinian and Israeli representatives, influenced by various international parties—including Islamic, Christian, and Jewish stakeholders—highlights that the impasse in achieving geopolitical settlements stems from disagreements over the definition and sovereignty of Jerusalem. This encompasses the city's symbolic, religious, historical, and

4 - Al Jazeera Net - Encyclopedia (February 2016 ,21). «Israel's Strategy to Control Jerusalem.» Available at: <https://www.aljazeera.net/encyclopedia/على-القدس-إسرائيل-كيف-سيطرت-21/2/2016>

5 - Khamaisi, 2023. op. cit.

functional resources⁶.

Although the definitions of West and East Jerusalem as municipal borders are straightforward, they have been distorted by the establishment of Israeli settlements. These settlements have altered both geography and demographics, shaping the perception of Jerusalem in the Israeli consciousness based on a colonial narrative. The borders now include settlements and settlement blocs, such as Gush Etzion, Ma'ale Adumim, and Givat Ze'ev, which encircle the municipality of Jerusalem. This Israeli definition disregards the Palestinian cities and villages that fall within these metropolitan boundaries⁷.

This colonial settlement further exacerbates the fragmentation of the Palestinian urban network, imposing a creeping spatial apartheid that separates Israeli settlements from Palestinian areas. This separation is enforced through administrative border systems, restrictive planning policies, and a dual road network⁸, all of which entrench divisions between the two communities.

The definition of Jerusalem remains elusive and undefined within the Israeli narrative. While administrative borders regulate Israeli movement, these boundaries are rigidly imposed on Palestinians, shaping their status and restricting their mobility through classifications enforced by Israeli authorities. These imposed borders serve as the framework for the ongoing system of permits and licenses Palestinians must adhere to. Conversely, the Palestinian definition of Jerusalem transcends these forcefully imposed administrative borders, grounded in their collective memory and identity.

The challenge in defining Jerusalem lies in the complex reality of demographic spread, population growth, and the continued urban sprawl—both planned and spontaneous—aimed at meeting the needs of Jerusalem's inhabitants and furthering Israeli spatial policies. These policies are designed to alter the urban landscape, asserting Israeli dominance through state force, control over resources, land, and decision-making, and by drawing Zionist Jewish settlers into

6 - Ramon, Amnon (2018). «East Jerusalem Arabs: Where to? Issues of Residency and Citizenship—Situational Profile and Recommendations.» Jerusalem Institute for Israel Studies, Jerusalem (in Hebrew).

7 - Khamaisi, Rasim (2019b). «Towards Formulating a Vision for the Development of Municipal Suburbs in the Jerusalem Periphery: Al-Zaim, Anata, Al-Ram, and Kafr Aqab as Models.» Imran, Issue 30, Volume 8, pp. 40-7.

8 - Younan, Michael (2018). «Roads and Transportation as a Key Component of the Matrix of Spatial Control and Regulation in Jerusalem.» Master's Thesis, Al-Quds University, Abu Dis, Palestine.



East Jerusalem and its periphery. This serves to advance Israel’s vision and official programs⁹.

The ambiguity surrounding the definition of Jerusalem benefits Israeli interests by facilitating a colonial strategy of settlement expansion within Jerusalem’s administrative borders. Simultaneously, it fragments and isolates Palestinian neighborhoods, villages, and cities around the capital. This vagueness allows Israel to manipulate temporary borders, respond to international pressure with an appearance of openness to future geopolitical negotiations, while continuing to reshape the city’s demographic and urban reality into a predominantly Zionist, and increasingly ultra-Orthodox Jewish, landscape.

Through the use of state force, laws, and regulations are enforced across areas administratively defined as part of Jerusalem, creating layers of functional, administrative, municipal, geopolitical, and symbolic borders. This enables Israel to implement dual policies—liberal and expansive for Israelis, but restrictive and suffocating for Palestinians.

The Perpetuation of the Palestinian Jerusalemites’ Temporary Status

More than 56 years have passed since Israel occupied and annexed East Jerusalem, forcibly extending its sovereignty over the land, all while keeping Palestinian Jerusalemites in a precarious state of «permanent residency.»¹⁰ The distinction between the status of the land and that of the Palestinian citizens was not incidental; it was a deliberate strategy designed to maintain the temporary status of Palestinian residents for ideological, geopolitical, and demographic reasons. Thus, Israel’s use of time as a tool for domination¹¹ aims to solidify its colonial project, creating an entrenched reality that is difficult to reverse. Meanwhile, the occupied Palestinians of Jerusalem are left in a state of perpetual waiting, hoping



9 - Abu Haniya, Halima. (2019). «The Israeli Plan for the gentrification of Jerusalem in Light of the Jerusalem Plan 5800: Jerusalem Vision 2050-2010.» Foresight, Book Four. Arab Center for Research and Policy Studies, Qatar, pp. 88-68.

10 - See: Entry into Israel Law, 1952: [https://www.gov.il/BlobFolder/generalpage/ru_submission_of_an_appeal_under_the_entry_into_israel_law/he/KenisaLeisrael_0.pdf]

11 - Goodin, Robert E., et al. Discretionary Time: A New Measure of Freedom. Cambridge: Cambridge University Press. 2008.



for a future where they can reclaim their rights and resources in their city.¹²

The temporary status of Palestinian Jerusalemites has shaped power dynamics, restricting their rights to the city and facilitating policies aimed at deepening colonial settlement in East Jerusalem, altering its character. As a result, Palestinian individuals and groups have been compelled to delay many of their developmental projects, hoping the occupation would eventually end. This perpetual state of deferral has left them in a constant struggle for survival. The «forced postponement,» both explicit and implicit, drives them to resist and confront the occupation's aggression, which seeks permanence. They do so through a discourse of resilience, survival, and a refusal to engage or collaborate with the Israeli occupation, preserving their right to the city. This includes resisting the preparation and implementation of urban spatial planning, which would signify acquiescence to the colonial project.¹³

The asymmetry in this situation is clear: while Palestinian Jerusalemites view the Israeli occupation as a temporary condition, the occupiers treat them as transient, managing their affairs in a way that ensures they do not hinder the state's long-term plans. Over time, Palestinians are expected to surrender to the evolving reality, wherein permanent settlements emerge, shaped by officially sanctioned spatial planning and policy.¹⁴

This subjugation is reinforced by a sophisticated matrix of control, maintaining a separation between Palestinians and their broader national and civil landscape, while simultaneously delaying any potential geopolitical resolutions.

Under the “Entry into Israel Law of 1952,” a temporary status was imposed on Palestinian Jerusalemites, designating them as “permanent residents” following the occupation in 1967. This status, granted to individuals entering Israel for work, effectively disguised their true identity as indigenous citizens. It relegated Palestinian Jerusalemites to a conditional state of temporariness, fostering a

12 - Maha Samman, 2018. The Production of Colonial Temporal Patterns in East Jerusalem. *Journal of Holy Land and Palestine Studies*, vol. 17, no.1, pp.74–59. file:///C:/Users/user/Downloads/hlps.2018.0179.pdf.

13 - Samman, Maha, *Trans-Colonial Urban Space in Palestine: Politics and Development*. London: Routledge. 2013.

14 - Bimkom, *Building in the Trap of Planning Policies: An Examination of Planning and Development in Palestinian Neighborhoods of East Jerusalem*. 2015. (Hebrew)



culture of waiting for their situation to improve.¹⁵

While they were allowed to vote in municipal elections, they were denied the right to participate in parliamentary elections. This ongoing conditional status, persisting for over 56 years of occupation, has denied them true ownership of the city. It has stifled their ability to engage meaningfully in civic life and influence the production of their environment, leaving them as consumers in a place where they feel simultaneously present yet absent. Many Jerusalemites opt out of municipal elections and avoid Israeli national elections—both by choice and due to coercive circumstances—out of a commitment to their national identity and a refusal to normalize their status. This reluctance has diminished their political influence, limiting their participation in decision-making processes that could improve their living conditions. Their allegiance to the Palestinian national project and international law drives them to prioritize the preservation of their rights over fleeting material gains.

In contrast, Israeli authorities have exploited this status, blaming Palestinian Jerusalemites for the lack of resource allocation to develop their neighborhoods and enhance their economic and social prospects. It is crucial to note that the “permanent resident” status, imposed by force, denies them a fundamental right: stable citizenship. This situation perpetuates discrimination across various policies that govern their daily lives, both individually and collectively.

The mutual state of temporariness has shaped the political and socio-cultural behavior of many Palestinians, aligning with the goals of the Palestinian national project, which seeks liberation and the establishment of an independent state with East Jerusalem as its capital. Consequently, the national discourse and behavior of Jerusalemites oscillate between civil and municipal demands versus national aspirations. Meanwhile, the Israeli government and the Jerusalem Municipality enforce policies and a control matrix that maintain the status of Jerusalemites as permanent residents, treating them as individuals rather than as a collective national group with shared interests. These policies have significantly impacted

15 - Since 2003, around 20,000 Palestinian Jerusalemites have sought Israeli citizenship from a population of approximately 376,000. However, Israel has approved fewer than 8,000 applications. According to data compiled by the State Comptroller in 2019, between 2008 and 2017, Jerusalemites submitted 8,185 applications for Israeli citizenship and 6,497 applications for family unification, with the majority of these requests ultimately rejected.



the budgets allocated to Palestinian neighborhoods in East Jerusalem, leading to systemic discrimination against Jerusalemites as both individuals and communities.

There is currently no Israeli interest in removing Palestinian Jerusalemites from their temporary status, and this condition will likely persist in the foreseeable future. As a result, they remain excluded from participating in the planning and management of their own space. Conversely, the increasing number of Palestinian residents in Jerusalem and their rising demands for decent living conditions compel them to create alternative societal structures, some rooted in traditional patriarchal frameworks.¹⁶

This temporary status will endure until a geopolitical settlement is achieved. In the meantime, Palestinians will continue to grapple with Israeli policies designed to entrench the occupation and facilitate the expansion of annexed lands, where Israeli settlements have been officially established (de jure) after being effectively controlled (de facto).

The Growing Demonization of Demographics

Demographics in Jerusalem play a crucial role in the conflict, fueling a numbers game that pits Palestinians against Israelis in determining the majority versus minority based on ethnic and national affiliations. This struggle is compounded by the ambiguous definitions of Jerusalem and the fluid demographic landscape.¹⁷ The demonization of demographics remains prevalent amid the shifting presence of Israelis and Palestinians in the area.¹⁸

This demographic transformation encompasses three key components: quantity (the sheer number of individuals), type (demographic characteristics), and distribution (spatial spread). These elements are shaped by demographic ideologies and policies, alongside opportunities for development dictated by spatial planning and land-use regulations favoring Israeli advancement, while

16 - Salem, Walid (Autumn 2019). "Social Movements in East Jerusalem: From the Broad National Struggle to the Struggle for Development and the Grassroots Building of Sovereignty." *Al-Maqdisiyah Journal*, Issue 3, pp. 169-141.

17 - Khamaisi, Rasim (2019). "Demographics in Jerusalem: Reality, Transformations, and Projections." *Arab Policies*, Issue 39, pp. 29-8.

18 - Bigman, Akiva. "The Demographic Devil: Myth or Reality." *Judea and Samaria Settlement Council*, August 2011 ,24. Accessed July 2019 ,1. [<https://bit.ly/2LverLQ>].



constraining Palestinian growth. Below, we will summarize these demographic transformations and their far-reaching implications.

Demographic Shifts in Jerusalem: Realities and Transformations

Jerusalem’s demographics are undergoing significant changes, both natural and imposed. Following the division of the city and the displacement of Palestinians from the areas occupied in 1948, the Palestinian population in West Jerusalem plummeted, shrinking from around 40% pre-1948 to less than 1.5% by 1967.¹⁹ This drastic shift occurred as Israel, in violation of international law, established borders after occupying East Jerusalem. According to UN Resolution 181, Jerusalem was meant to have special international status, yet Israel annexed both East and West Jerusalem under its sovereignty, further violating international law and UN resolutions.

Within the annexed Palestinian territories, a diverse population—urban, rural, and Bedouin, including the Arab al-Sawahra—flourished. These communities followed traditional societal models with high reproduction rates, which led to a considerable increase in the Palestinian population, driven primarily by natural growth. Despite Israel’s demographic policies that aimed to block the return of Palestinian refugees and curb Palestinian migration to Jerusalem, a substantial portion of the population had roots in Hebron, contributing to the city’s rich Palestinian social fabric.²⁰

As of 2021, there are approximately 376,000 Palestinian Jerusalemites, accounting for 39% of the city’s total population. Between 1967 and 2021, the Palestinian population increased by 445%, while the Israeli population grew by 198%.²¹ Despite Israeli efforts to confine the Palestinian population and promote Israeli immigration, Palestinian growth has outpaced that of the Israeli population, including secular and Haredim groups.

Jerusalem’s Israeli population is now divided into three segments: 33% secular, 33% religious, and 34% Haredim, who reside in separate neighborhoods. The city

19 - Khamaisi, Rasim (2019), op. cit.

20 - Rasim Khamaisi, *The Struggle Over Housing: The Housing Sector in Jerusalem—Reality, Obstacles, Future Needs, and Policies* (Jerusalem: International Peace and Cooperation Center, 2006).

21 - Omer Yaniv (2023), *Jerusalem Data 2018: Current Reality and Trends of Change* (Jerusalem: Jerusalem Institute for Policy Research, 2023). (In Hebrew).





is also experiencing negative migration, particularly among the secular Israeli middle class, which is weakening Jerusalem's economy and exacerbating its decline. Simultaneously, the Palestinian middle class has faced restrictions, with many leaving the city, though retaining their official addresses.

The exodus of both Israeli and Palestinian middle classes is contributing to the city's deterioration.²²

This trend intensifies socio-economic conflicts and deepens the ethnic and geopolitical tensions that continue to shape Jerusalem's future.

A comparison of population growth between Israelis and Palestinians reveals contrasting trends: a decline in the natural increase among Palestinians and a rise among Israeli Jews. This shift is closely tied to changes in generally adjusted fertility rate.²³

An examination of fertility in Jerusalem shows that Jewish women experienced an increase, with birth rates rising from 3.8 in 2002 to 4.39 in 2021—a 15.5% growth. Conversely, Palestinian women saw their fertility rates drop from 4.2 births in 2002 to 3.09 in 2021, marking a decline of 26.5%. By 2021, the fertility rate of Israeli women in Jerusalem was about 42% higher than that of Palestinian women.

This decline among Palestinian women can be attributed to various social and economic factors. Key among these are cultural shifts, rising education levels,

22 - Maya Hushan et al., Jerusalem Statistical Yearbook, No. 32 (Jerusalem: Jerusalem Institute for Policy Research, 2018), accessed on 2019/7/2 at: <https://jerusalemresearch.org.il/yearbook/#/4234>.

23 - The generally adjusted fertility rate refers to the average number of children a woman is expected to bear during her reproductive years.

and increased urbanization, all of which have delayed marriage and contributed to a higher divorce rate, as reflected in Table 1. Moreover, the challenges of political stagnation, housing shortages, and poverty further hinder family formation and birth rates within Palestinian communities.

In contrast, Israeli society in Jerusalem is witnessing a surge in Jewish Zionist religiosity, which actively promotes population growth. This growth is fueled by religious, national, and ideological motivations, supported by both formal and informal governmental and Zionist initiatives that encourage higher fertility and birth rates.

Table 1: A Comparison of Marriage and Divorce Rates Among Jews and Palestinians in Jerusalem, 2016 vs. 2021

Year	Marriages per thousand				Divorce rate per thousand			
	Jews		Palestinians		Jews		Palestinians	
	Male	Female	Male	Female	Male	Female	Male	Female
2016	24.3	24.3	24.3	23.8	4.2	3.9	4.0	4.5
2021	19.7	20.5	22.5	22.4	3.9	3.8	4.8	5.2
Rate of change	23-	18-	8-	6-	7.7-	2.6-	17	14

Source: Compiled from Table D/9, Jerusalem Statistical Yearbook, Jerusalem Institute for Policy Research, Jerusalem (2023) (in Hebrew).

https://jerusalemstitute.org.il/wp-content/uploads/2023/05/shnaton_D0923.pdf

Changes in the general fertility rate directly influence natural population growth, shaping the generational pyramid and affecting future population projections.

In 2021, the natural reproduction rate among Palestinian Jerusalemites was 2.15%, compared to 2.34% among Israelis. Current trends suggest that the reproduction rate will continue to decline among Palestinians while increasing among Israelis. This growth among Israelis is fueled by rising religiosity and the

growing ultra-Orthodox population, bolstered by positive migration to Jerusalem. The reproduction rate has significantly impacted birth rates: in 2021, Jerusalem saw approximately 25,800 births within its municipal borders, with 65% of these to Jewish women and 35% to Palestinian women. Although Palestinians made up 39% of Jerusalem's population²⁴ in 2023 (Omer, 2023: 19), the declining reproduction rate among Palestinian²⁵ Jerusalemites contradicts the narrative often presented in Palestinian public discourse. This shift holds important demographic and geopolitical implications.

Alongside the declining reproduction rate, Jerusalem experiences negative migration, with residents moving out of the city's municipal borders into surrounding areas. In contrast, the Israeli government actively encourages and supports Jewish immigration to Jerusalem. Meanwhile, both overt and covert policies of forced displacement target Palestinian Jerusalemites, aiming to reduce their numbers and secure a demographic majority in favor of Israelis.

Shifts in Demographic Structure and Socio-Economic Implications

Demographic characteristics are tightly intertwined with a society's social and economic conditions, particularly in the case of Palestinian society in Jerusalem. This community remains strikingly young, with a median age of 22.3 years in 2021, compared to 25.4 years for Jewish residents in Jerusalem and 30.1 years for Israel as a whole. Children under 14 years of age accounted for approximately 33% of Jerusalem's population, and among Palestinian Jerusalemites, this figure was slightly higher at 34%. In contrast, the elderly population over the age of 65 comprised 9% of the city's residents—13% of the Jewish population and just 5% among Palestinians.

This youthful demographic has profound economic consequences, with the dependency ratio in Jerusalem exceeding 1,092 per thousand. Such a ratio underscores the city's widespread poverty, as a large dependent population places significant pressure on its workforce. In 2017, the participation rate in the latent labor force for those aged 25 to 64 was just 52% among Jerusalemites, compared

24 - Omer Yaniv (2023). Jerusalem Data 2023: Status Quo and Trends for Change. Jerusalem Institute for Policy Research, Jerusalem (in Hebrew). <https://jerusalemstitute.org.il/publications/facts-and-trends2023-/>

25 - Refer to Jerusalem Statistical Yearbook 2023, Chapter 4, Table D/1.

to 78% among Israelis in the city. Further exacerbating poverty levels is the extremely low participation rate of Palestinian women in the workforce, which stood at just 27%, compared to 80% for Israeli women. This low participation, coupled with large family sizes (an average of 5.0 people per Palestinian family compared to 3.6 in Jewish families), results in diminished household incomes.²⁶ In 2021, approximately 60% of the Palestinian population in Jerusalem lived below the poverty line, as did 43% of Haredi Jews. Overall, 42% of the city's population was considered impoverished. This demographic composition deepens the economic disparity between Arabs and Jews, as low workforce participation, high unemployment, and a labor market concentrated in low-income sectors severely weaken the economic capacity of Palestinian Jerusalemites. As a result, government intervention is crucial to provide basic services and infrastructure. However, the discriminatory policies enacted by Israeli authorities exacerbate the socio-economic decline of Palestinians. These practices force them into a state of political oppression, ultimately driving them into a culture of poverty. The city's demographic structure, plagued by such inequities, does little to lift society from its economic and social crises, especially if ethnic and geopolitical conflicts persist. Despite the ongoing urbanization and distorted development affecting Palestinian society in Jerusalem, resource scarcity and limited socio-economic opportunities continue to widen the economic gap between Israelis and Palestinians in and around the city.

Demographic Divergence: A Duality That Deepens Complexity and Control

The demographic spread of Jerusalem creates a duality that intensifies its complexity and enhances control. The city's geopolitical significance and the reconfiguration of its administrative borders have led to a map of demographic distribution designed to ensure Israel maintains a persistent majority. This demographic strategy obstructs any future geopolitical agreements with the Palestinians concerning Jerusalem, securing Israeli geo-demographic dominance while avoiding the inclusion of Palestinians in political processes or power-sharing arrangements.

26 - Naftali, Y., & Shifan, Y. (2018). The Socio-Economic Potential of Arab Women in Jerusalem for Employment. Jerusalem Institute for Policy Research, Jerusalem (in Hebrew).

Israel's approach to managing Jerusalem's unique reality is characterized by several key policies. Palestinian Jerusalemites, designated as «permanent residents,» face the constant threat of losing their residency status, along with numerous restrictions on travel. A striking example is the construction of the separation wall after 2002, which severed Palestinian neighborhoods and excluded nearly 50,000 Palestinian Jerusalemites, despite their holding Israeli identity cards.²⁷

The risk of losing residency intensified with Israel's 1995 «center of life» policy, which mandates that Palestinian Jerusalemites must prove continuous residence and employment in the city over the previous seven years. Failure to do so can result in the revocation of residency, the loss of identity cards, and the confiscation of properties under absentee laws. From 1967 to 2016, ²⁸Israel revoked the residency of 14,595 Palestinian Jerusalemites, primarily under this policy.

Moreover, Israel controls the population registry for Jerusalem and the West Bank, using demographic measures such as restricting Palestinian family unification to reduce their presence. Although the Palestinian Authority issues identity cards in the West Bank and Gaza (excluding East Jerusalem), this process is coordinated with Israel, which has the power to deny or revoke registration. Since 1967, Israel has invalidated over 230,000 Palestinian identities, often on the grounds of prolonged absence from the territories.²⁹

An analysis of the Israeli municipality's borders in Jerusalem reveals a clear strategy: annex as much land as possible while minimizing the number of Palestinian residents.³⁰

This policy enabled Israel to secure strategic areas such as Qalandia Airport, the Old City Basin, and the eastern slopes of Mount Scopus—lands used to build settlements, boost Jewish population numbers, and support Jewish immigration. At the same time, these moves align with the Israeli narrative of ending Jerusalem's

27 - Muna Dajani, Daniela DeLeo & Nura AlKhalili, "Planned Informality as a by Product of the Occupation: The Case of Kufr Aqab Neighborhood in Jerusalem North," *Planum, The Journal of Urbanism*, vol. 1, no. 26 (2013)), p. 10-2.

28 - <https://www.hrw.org/he/news/307607/08/08/2017>.

29 - <https://www.hrw.org/he/news/307607/08/08/2017>.

30 - Refer to the Statistical Yearbook 2017 by the Central Bureau of Statistics; Arieli Shaul, *All the Borders of Israel*. Yedioth Sefarim, Tel Aviv, 2017 (in Hebrew).

«siege.»³¹

The distribution of Palestinians within the annexed borders was a central factor in determining Jerusalem's boundaries. The goal was to keep the Palestinian population below 30% of the city's total inhabitants, maintaining a 70% Jewish majority. Israeli planning authorities, including the Jerusalem Municipality and regional committees, systematically avoided approving master plans that would allow the Palestinian population to exceed this 30% threshold. This forced many Palestinians to build homes without permits to meet basic housing needs. The proportional rule—30% Palestinians to 70% Israelis—has thus been applied to preserve a demographic balance favoring the Israeli majority, which maintains control over a fragmented and conflict-ridden city.³²

One motive behind the placement of the separation wall was to implement a demographic policy aimed at maintaining Palestinian Jerusalemites as a minority, ensuring their population does not exceed 30% within the city limits. While the wall was officially constructed for security reasons, demographic considerations were a significant driving force. The government has also promoted natural reproduction and encouraged Jewish migration to Jerusalem and its surroundings, facilitating settlement in two concentric circles.

The inner circle consists of 11 settlements (or neighborhoods, as defined by Israeli authorities) in East Jerusalem, housing approximately 237,000 settlers as of 2021, surrounding the Old City and its basin. The outer circle includes 28 settlements in the greater Jerusalem area, with about 200,000 settlers residing there. In contrast, the growth of the Palestinian population has been closely monitored and restricted. Positive migration to the city has been limited, and there has been a push to urbanize rural communities, which comprise the majority of Jerusalem's population, thereby curtailing natural Palestinian reproduction within the city.

Demographic Forecasting Trends

Despite these demographic changes, projections suggest that the number of Palestinian residents in the Jerusalem Municipality will continue to rise alongside that of Jewish Israelis. Various predictions exist, each based on different

31 - Anne Hazan. *The Limits of Jerusalem's Influence: 1993-1948*. Jerusalem: Jerusalem Institute for Policy Research, 1995.

32 - Alexander B. Murphy, "Historical Justification for Territorial Claims," *Annals of the Association of American Geographers*, vol. 80, no. 1990) 4), pp. 548-531.

hypotheses; however, they all assume a steady population increase, barring any extraordinary disasters. These forecasts estimate that by 2040, the Jerusalem Municipality will host approximately 1.35 million residents, comprising 596,000 Palestinian Jerusalemites (44%) and 756,000 Jewish Israelis (56%) (see Table 2).

Table No. 2: Projected Population Growth in the Jerusalem Municipality, 2021-2040 (in Thousands and Percentages)

Year	Total Population Within the Boundaries of Jerusalem		Total Population of East Jerusalem			Total Jewish Population Within the Municipal Boundaries of Jerusalem		Total Palestinian Population in the Jerusalem Municipality	
	Thousands	Rate (%)	Jews	Palestinians	Total	Thousands	Rate (%)	Thousands	Rate (%)
2021	966.2	100	237	376	608	590.6	61	375.6	39
2040	350.1	100	340	587	927	765	56	587	44
Rate of Increase	28.8	--	31.3	46.1	34.5	29.5	8.9-	56.3	12

Source: Data compiled and calculated by the author from various sources.

Predictions indicate that a Palestinian majority is expected to persist, particularly in the Old City and its Basin. When considering the growth of the Palestinian population in the surrounding areas, including the Jerusalem Governorate and the suburbs stretching from Ramallah in the north to Bethlehem in the south, alongside the increasing presence of Zionist settlements, the total population may exceed two and a half million by 2040. This overlapping and conflicting human mass does not inspire optimism; rather, it serves as a breeding ground for heightened tension, conflict, and competition for resources amid prevailing economic and social disparities, geopolitical ambitions, and evolving national identities.

Demographics will remain a focal point in Zionist Israeli discourse and actions, with intensified controls imposed on Palestinians, particularly in Jerusalem and its vicinity. The aim will be to limit their population to below 40 percent, potentially striving for a reduction to 30 percent, thereby ensuring a Jewish majority that

retains control over resources and prevents the minority from asserting rights to political participation and self-determination.

There appears to be an Israeli assumption that tightening the siege on Palestinians, especially the youth, will compel them to emigrate beyond Jerusalem and possibly out of their homeland. This negative and forced migration, which Israel seeks, is intended to diminish the percentage of Palestinians over the long term. However, we assess that this foresight is overly optimistic, despite the pressures facing the people of Jerusalem. Thus, the dual demographic presence of Palestinians and Israelis in the region will likely endure, maintaining a relative balance in their connection to the city.

The emotional, political, and functional ties that both Palestinians and Israelis have to Jerusalem will drive continued population growth in and around the city, likely at a rate surpassing that of all of Palestine. Furthermore, the increase in the Palestinian population will outpace that of the Israelis. Despite ongoing demographic policies and the expansion of colonial settlements in the region, Jerusalem's central location within the Palestinian West Bank will foster a higher concentration of Palestinians in its urban and rural surroundings. The growth of the Palestinian population near Jerusalem, particularly within the outer circles of the metropolitan area, will rely on natural reproduction and positive migration from the broader Palestinian West Bank. In contrast, the Israeli population will increase within the inner circle of the metropolis, which encompasses Jerusalem as defined by Israel, along with nearby settlements, to fulfill Israel's geodemographic objective of integrating Jerusalem into the urban continuum that stretches from the Ramallah Governorate in the north to the Bethlehem Governorate in the south, passing through the Jerusalem Governorate.

Both Palestinian and Israeli societies are deeply rooted in religious beliefs, fostering a commitment to natural population growth despite the pressures of urbanization and modernization. Thus, while the demographic transition theory applies to these societies, it does not lead to a decline in population growth as observed in developed Western nations. Instead, both groups remain on the brink of a population explosion, a state exacerbated by the ongoing geopolitical conflict that leverages demography as a tool of contention.

In Israeli society, the rise of religiosity and fanaticism is expected to fuel the

growth of Haredi and national religious communities. Conversely, the proportion of secular Jews in and around Jerusalem is diminishing in response to this increase. The Jewish settlement movement will further empower the religious-nationalist and Haredi communities, establishing a network of Israeli colonial settlements intertwined with Palestinian urban and rural communities in Jerusalem and its fragmented metropolis. This area is divided by administrative borders and an apartheid wall, which restricts movement between the two settlement networks. The coexistence of the organically developed Palestinian settlement network and the Israeli colonial network is likely to foster a creeping system of apartheid. The disconnection and lack of integration between the Palestinian settlement networks and the Israeli colonial presence in Jerusalem will heighten tensions and competition for space, leading to increased clashes between Palestinians and Israelis in the city and its surroundings.

Jerusalem:

A Battleground Between Palestinian and Zionist Aspirations

The quest for sovereignty over Jerusalem, particularly the Old City and its Basin, is a central ambition of the Palestinian national project, directly countered by the Zionist agenda. The Zionist project benefits from the authority of a state that enacts laws, allocates substantial material resources, articulates its narrative in international forums, and receives overt support from the United States and implicit backing from other nations. In contrast, the Palestinian project lacks state power, relying instead on its moral and political claims to self-determination, bolstered by international legitimacy. This narrative seeks to empower its people and fortify their presence against the aggression of the Zionist project, drawing on support from Arab and Islamic nations and international resolutions that remain largely unimplemented.

The prolonged conflict over sovereignty and presence between these two projects profoundly affects the status of the Jerusalemites and the resources allocated to them. While the Zionist project enjoys extensive material resources provided by the Israeli state, as well as funding from Zionist institutions, civil organizations, and investors, the Palestinian project grapples with a scarcity of both tangible and movable resources. Additionally, it faces legal and procedural barriers imposed

by the Israeli occupation and its various municipal and civil apparatuses, which work to secure the dominance of the Zionist project and the Israeli national state. Thus, the Jerusalemites have become integral to the Palestinian people, yet they find themselves in a unique predicament, grappling with a profound existential threat. They navigate a landscape rife with contradictions, dualities, and dichotomies: national versus civil, present versus future, individual versus collective. Daily, they confront the occupation authorities while simultaneously resisting them. As the frontline defenders against the Zionist project, Jerusalemites strive to preserve their existence and sustain the Palestinian national project, which is increasingly eroded by numerous challenges. They must confront conflicting Israeli laws and decisions that violate international law, particularly following the enactment of the Israeli Basic Law in 2018, which defines Israel as the nation-state of the Jewish people.³³

This law explicitly denies Palestinians their right to self-determination in their homeland and undermines their claim to East Jerusalem as their capital, as stated in Article 3: “Complete and united Jerusalem is the capital of Israel.”

The U.S. embassy’s relocation to Jerusalem in 2017, along with the 2020 announcement of the “Deal of the Century,” further exacerbated the Palestinian plight, particularly in Jerusalem. In tandem, the Israeli government has issued directives and allocated budgets to tighten its grip on Jerusalem’s population, seeking to acclimate and domesticate them to its agenda. Consequently, the people of Jerusalem face profound challenges and dilemmas regarding their approach to managing the conflict. They resist while sometimes wavering between the pursuit of daily civil coexistence and their national identity, which compels them to contribute to the Palestinian cause.

The Escalation of Political and Developmental Discrimination

The inherent contradiction and conflict between the Palestinian and Zionist national projects manifest daily as systematic structural and procedural discrimination. This discrimination permeates policies and the practical tools employed in Jerusalem, particularly regarding the budgets allocated for neighborhood development. As

33 - <https://www.adalah.org/ar/content/view/9571>.

a result, stark disparities exist between West and East Jerusalem, especially between the Palestinian neighborhoods and the Israeli settlements established in East Jerusalem. This discrimination adversely impacts all aspects of life for the people of Jerusalem, contributing significantly to their impoverishment. Below, we outline some of its most notable features.

Spatial Planning and Housing

One of the most significant areas of discrimination faced by the residents of Jerusalem lies in statutory regulative spatial planning and housing. Planning is wielded as a tool of control, hindering access to adequate housing and job opportunities. In this context, building permits and land ownership documents—the Tabu Koshan—are employed to discriminate between Jerusalemites and Israelis.³⁴

Currently, the Palestinian neighborhoods, as defined by the Jerusalem Municipality, span approximately 46,711 dunams. This area has been diminished by Israel's confiscation of around 26,300 dunams in East Jerusalem. Among these neighborhoods, only about 9,844 dunams—roughly a quarter of the total area designated for housing—are eligible for building permits. In 2013³⁵, the entire area used for housing in Jerusalem was recorded at 41,690 dunams. The total planned area for development has reached approximately 18,627 dunams out of 37,300 dunams included in the approved structural and guiding plans for Palestinian neighborhoods. This amounts to about 14.8% of the current jurisdictional area of the Jerusalem Municipality, with merely 8.5% allocated for Palestinian housing. Moreover, certain areas designated for roads and open spaces in East Jerusalem also serve Israeli settlements.

It is important to note that most approved local master plans for Palestinian neighborhoods grant low building rights, typically between 25% and 75%³⁶. These plans often classify neighborhoods, such as Sur Baher, as rural communities or identify specific heritage sites, such as the Old City and its basin, where building

34 - Khamaisi, Rasim. The Urban Planning Trap in Jerusalem. *Al-Mustaqbal Al-Arabi*, no. 55-29 :(2018) 475.

35 - Israel Central Bureau of Statistics. Jerusalem Municipality Profile, Local Authorities in Israel 2017, Bulletin No. 180 :(2018) 1759.

36 - Bimkom. Mapping Palestinian Neighborhoods in East Jerusalem: Obstacles and Opportunities in Planning. Jerusalem, 2013.

permits are severely restricted. Additionally, the challenges surrounding land settlement and registration hinder the issuance of permits under the pretext of insufficient proof of ownership, despite the existence of customary records of possession.³⁷

At present, 90% of Palestinian neighborhoods in Jerusalem—covering an area of 46 square kilometers—lack formal settlement after the government suspended the work of the settlement employee.³⁸ Consequently, the issuance of building permits is significantly hampered by the difficulties in proving ownership. This situation has been exacerbated by recent amendments to Planning and Building Law Nos. 101 and 104, which require local planning committees, particularly the Jerusalem Municipality, to withhold permits unless proof of ownership is provided for plots organized according to a master plan and official divisions approved by relevant authorities. As a result of this legal change, the Jerusalem Municipality frequently dismisses the «signature of the mukhtar» as valid proof of ownership for licensing purposes.

The challenges within the statutory regulative spatial planning system for East Jerusalem and its neighborhoods stem from a fundamental flaw: the failure to recognize them as an urban entity with essential functions. Instead, this system perpetuates their dependence on West Jerusalem, thwarting the allocation of land for residential purposes that would meet the growing needs of its residents. This predicament compels many Jerusalemites to construct homes without permits, thrusting them into a housing crisis fraught with legal repercussions.

Currently, it is estimated that approximately 20,000 housing units lack licenses, accounting for about one-third of the total units occupied by Jerusalemites, which numbered 57,235 in 2017.³⁹

These unauthorized dwellings face demolition, and their inhabitants endure exorbitant fines alongside psychological and socio-economic distress. Between 2004 and 2019, Israeli authorities demolished around 970 homes, averaging 65

37 - Khamaisi, Rasim. Land Settlement and Registration in East Jerusalem: Problems, Challenges, and Projections. *Al-Ma'adisiyah*, no. 2020 ,7

38 - Khamaisi, Rasim. Discrimination Against Palestinian Citizens in the Jerusalem Municipality Budget and Government Plans: Goals, Forms, and Consequences. MAS: Palestine Economic Policy Research Institute, Ramallah, 2020.

39 - <https://jerusalemstitute.org.il/yearbook/#/1447/207>.

demolitions annually. According to the 2018 budget of the Jerusalem Municipality, the income generated from fines for unlicensed construction amounted to about 25 million shekels, with approximately 70% of these fines stemming from East Jerusalem.

Data from the Israeli organization Peace Now reveals that from 1991 to 2018, the Jerusalem Municipality issued permits for merely 9,536 housing units, of which a mere 16.5% were designated for Palestinian residents. The suffering and discrimination faced by Jerusalemites is further compounded by the significant disparity between housing supply and demand. From 2009 to 2018, construction commenced on 26,737 housing units in Jerusalem, with only about 4,900 units (18.3%) located in Palestinian neighborhoods.⁴⁰

This structural and procedural discrimination in spatial planning and housing significantly impacts the lives of Jerusalemites, intensifying their hardships. Notably, the state's control over confiscated public lands, some of which were originally owned by the treasury of the Hashemite Kingdom of Jordan, is directed toward projects benefiting Israelis rather than Palestinians. In contrast, the Palestinian residential sector predominantly relies on individual self-construction methods. Meanwhile, the planning and construction for Jewish residents are often facilitated by the Ministry of Housing or affiliated companies, which can provide subsidized housing loans. Most Jewish families benefit from these loans, while Palestinian families are largely excluded.

In practice, East Jerusalem grapples with economic marginalization at both local and national levels. Despite the Palestinian aspiration to establish it as a thriving economic hub, much of the national economic activity has shifted to Ramallah and beyond the annexation wall. This trend, coupled with Israeli policies that maintain Palestinian dependence on job opportunities in West Jerusalem, keeps East Jerusalem economically peripheral.

Furthermore, the distribution of Jerusalemites across neighborhoods and villages that evolved into local service centers, alongside the obstruction of urban and national economic establishments in East Jerusalem, has further weakened the local economy. This fragility is likely to persist, as current planning and land settlement practices remain two significant barriers to alleviating the ongoing and

40 - Khamaisi (2020b). op. cit.

future housing and development crises faced by Palestinian residents in Jerusalem.

Reinforcing the City's Geopolitical Struggles

More than 56 years after the Israeli occupation of East Jerusalem and the subsequent unification with West Jerusalem, Israel has pursued policies aimed at narrowing gaps rather than ending the occupation. These policies, shaped by government decisions like Nos. 3790 and 3791, are designed to reduce disparities while maintaining control and sovereignty. Key areas of focus include employment and the economy, with the housing sector notably neglected in these decisions.

Israeli authorities recognized that the persistent socioeconomic weakening of the Palestinian population in East Jerusalem had direct repercussions for West Jerusalem, especially given the open borders. Today, 90% of Jerusalemites were born after the 1967 occupation, growing up under colonial policies that discriminate against them. The stark contrast between the deteriorating infrastructure in East Jerusalem and the widening gap with West Jerusalem further exposes the fallacy of Israel's claim to «unify» the two areas.

To counter any geopolitical initiatives that highlight the discrimination faced by Jerusalemites, Israel introduced new policies for East Jerusalem. With Palestinians now making up 40% of the city's population, their presence can no longer be dismissed. Poverty affects 60% of the Palestinian community, and in 2018, there was a shortage of over 2,000 classrooms, leaving 23,000 children between the ages of 3 and 18 outside the formal education system.⁴¹

Despite the compulsory education law, the municipality does little to return these children to school.

This conflict extends into education, where Israeli authorities attempt to impose their curriculum on Palestinian schools. Yet, only 8% of Palestinian students in Jerusalem study under the Israeli curriculum⁴², as parents largely resist this effort, preferring the Palestinian educational system. Meanwhile, women's participation in the labor market remains limited to about 25%⁴³, straining the economic stability

41 - Shlomo, O., (2017), The governmentalities of infrastructure and services amid urban conflict: East Jerusalem in the post Oslo era. *Political Geography*, 61, pp.236-224.

42 - State Comptroller's Report, 2019, Part III, p. 340.

43 - Jerusalem Statistical Yearbook, 2019, Jerusalem Institute for Policy Studies, p. 78.

of Palestinian families, many of which rely on a single low-income breadwinner. Amidst this, the political horizon for a settlement between Israelis and Palestinians regarding the future of Jerusalem seems to be fading, heightening anxiety in Palestinian communities. Voices from both the Jerusalemite public and the Israeli government are growing louder, raising concerns about the sustainability of the current status quo and the daily challenges faced by Palestinians.

Rising violence, social poverty, and chaos in public spaces have led Jerusalemites to call on both the Palestinian Authority and the Israeli police to intervene in matters of security. The reluctance of Israeli authorities to create a security vacuum has led to the deployment of resources aimed at tightening control over East Jerusalem and distancing its Palestinian residents from participating in the national Palestinian project. These policies aim to reduce the Palestinian community to a passive minority, confined to issues of daily survival rather than political engagement.

At the same time, Israel seeks to encourage the migration of Palestinians from the city, leaving them in a state of perpetual struggle for survival and fostering economic and functional integration under Israeli control. These strategies are evident in various government decisions, including the provision of a special grant to the Jerusalem Municipality aimed at solidifying its authority and furthering its unification agenda. Yet, much of this funding is not directed toward East Jerusalem. In 2007, the Israeli government allocated 200 million shekels to the Jerusalem Municipality, just 4% of its budget. By 2017, this grant had increased to 700 million shekels, or 14% of the budget, with the government largely determining how and where the funds would be spent.⁴⁴

44 - State Comptroller, 2019, op. cit.

by the shift in U.S. policy, which supported Israel's stance on Jerusalem and settlement expansion, emboldening the country to advance its annexation plans and close the door on any future geopolitical settlements.

The approval of Decision 3790 also aimed to ease local and international resistance to Israel's deepening separation policies in the city. However, a closer look at the plan reveals its superficial nature.

Most of the resources are directed towards ensuring integration and personal development, such as funding for students attending Israeli universities and schools that adopt the Israeli curriculum. Meanwhile, the housing sector remains neglected, with only NIS 50 million—less than 2.5% of the total budget—allocated to planning and land settlement. The plan also aims to increase women's employment and reduce unemployment but fails to address the need for infrastructure expansion or the empowerment of local economic development in East Jerusalem.

One of the underlying goals of the plan is to strengthen Israeli sovereignty, particularly through the development of the Old City and its surroundings. This is part of the continuation of Government Decision No. 3788 (also issued on May 13, 2018)⁴⁷ and Decision No. 4651 from 2012, which allocated NIS 400 million for a five-year plan (2019–2024) focused on developing the Old City and its basin. Ultimately, the plan reveals an effort to deepen the economic dependence of Palestinian Jerusalemites on Israel. It places a strong emphasis on individual economic needs while disregarding the broader community.

Issues related to land ownership and housing, crucial for connecting people to their land, have been marginalized. The focus on women's employment, while presented as a means of economic growth and improving family income, has socio-demographic implications that shape the future of the community.

A review of initial reports by the Jerusalem Institute for Israel Studies⁴⁸ and the Ir Amim⁴⁹ Association reveals significant obstacles in executing governmental and municipal plans for East Jerusalem. These challenges arise partly from the

47 - https://www.gov.il/he/departments/policies/dec2018_3788.

48 - <https://jerusalemstitute.org.il/projects/הערכה-מלווה-לתכנית-החומש-לפיתוח-מזרח-הירושלמי>.

49 - <https://www.ir-amim.org.il/sites/default/files/20%מעקב20%דוח20%203790%ממשלה20%ממשלה20%רבעוני2019-2005.pdf>

refusal of Palestinian Jerusalemites to cooperate due to fears surrounding these plans, and partly from disagreements among the Israeli agencies responsible for implementation. Furthermore, a portion of the allocated budgets has been diverted to infrastructure outside Palestinian neighborhoods, indirectly serving Israeli settlements in East Jerusalem.⁵⁰

Conclusion: Navigating the Tension Between «Jerusalem Unity» and Ending the Occupation

The Israeli government, municipal authorities, private institutions, and Zionist non-governmental organizations have enacted persistent, coordinated policies to ensure control over East Jerusalem and integrate it with West Jerusalem. This raises the crucial question: What alternatives exist to safeguard the geographical, demographic, and economic unity of East Jerusalem and counter Israeli policies, while contributing to the broader Palestinian national project, in light of the clear imbalance of power in military, political, and economic terms?⁵¹ Some may argue that these alternatives are limited after the construction of the separation wall and the functional marginalization of East Jerusalem by both Israelis and Palestinians, though for differing reasons. The fragmentation of Jerusalem's social fabric, the erosion of the middle class, the absence of unifying political leadership, and the weakening of economic and social institutions have only deepened this marginality.

However, we believe there are several promising alternatives that deserve further exploration. Key strengths among the Palestinian Jerusalemites should be bolstered. Though materially and economically disadvantaged, their power lies in their steadfast belief in their political and moral narrative, their deep connection to the land and the city, and their determination to secure their rights. Despite their economic vulnerability, data show that Palestinian Jerusalemites have, on average, a higher socio-economic status than the population in the West Bank. Jerusalem's society is predominantly young and increasingly urbanized, with East Jerusalem being the largest Palestinian city after Gaza. Moreover, Jerusalem is at the core of the desired Palestinian state, both geographically and symbolically.

50 - <http://ajalia.com/article/17203>.

51 - Khamaisi (2020b). op. cit.

Based on these strengths and the challenges they face, several future scenarios emerge, each with important economic consequences. **One potential path is civil disobedience, in which Palestinians would refuse participation in the Israeli labor market and reject the government's attempts to «Israelize» them.**⁵²

This might include the creation of a shadow municipality to manage the affairs of Jerusalemites, providing a national and municipal leadership. Such disobedience would likely escalate confrontations with Israeli authorities and security forces, testing the resilience of Jerusalemites under mounting economic and security pressures. This scenario hinges on the prospect of achieving a broader Palestinian national project, reconnecting East Jerusalem with other occupied territories as part of the future Palestinian capital. However, given their past experiences with the intifadas and the ongoing conflict in Gaza, many Jerusalemites may be reluctant to embrace this path, fearing a loss of economic stability and services.

Another scenario envisions a more pragmatic approach, where Palestinian Jerusalemites engage with the Israeli system, integrating into the Israeli labor market, and participating in municipal elections. This would aim to address inequalities between neighborhoods and improve the economic and social conditions of Jerusalemites through direct involvement in city governance. By embracing this form of participation, Palestinians may increase economic opportunities and social development while raising the possibility of the one-state solution or accelerating Israeli plans for separation. Under this scenario, the Israeli government might bolster community centers, transforming them into neighborhood committees or executive bodies supervised by the municipality, and allocate budgets based on agreements with local representatives.

Both paths present significant challenges and opportunities, each reflecting different visions of how to navigate the complex and asymmetrical reality of East Jerusalem's future.

This scenario encounters practical Israeli Zionist rejection, despite receiving verbal approval, as it threatens Israel's control over Jerusalem and reshapes the status of Jerusalemites by promoting equality, participation, and partnership. A clear sign of this resistance is the Israeli government's denial of naturalization

52 - Salem, Walid (May 2020 ,5). «Jerusalemites: Between the Impossibility of Israelization and the Confinement of Palestinezation.» www.akhbarelbalad.net

requests submitted by Palestinians. On the other hand, it faces Palestinian rejection, as it implies an acknowledgment of Israel's sovereignty over East Jerusalem. This mutual, yet unequal, rejection from both parties—each with its own justifications—will leave Jerusalemites trapped in a state of contradictions and dualities, navigating their daily lives and future within a fraught coexistence. The core reason for their predicament lies in the ongoing Israeli occupation and its policies that defy international law and undermine the Palestinian national project. A third scenario envisions the continuation of the current slow evolution of circumstances. This implies the persistence of the temporary status quo, with individuals struggling to survive while limited government resources are allocated to improve infrastructure, cleanliness, and the environment—primarily to mitigate the impact on West Jerusalem. The policy would focus on improving individual economic conditions by reducing unemployment and increasing women's participation in the workforce. It also seeks to lower dropout rates, expand schools, and boost the number of students following the Israeli curriculum, including Hebrew language education. This would pave the way for more Jerusalemite students to attend Israeli universities and colleges, thereby opening job opportunities in the Israeli market. Some could even replace Palestinian Arabs who hold Israeli citizenship, acting as intermediaries between Jerusalemites, the Palestinian Authority, and Israeli institutions.

In this scenario, Jerusalemites would continue to live in fragmented neighborhoods. Many choose this path to serve local, neighborhood, or clan interests, while others are influenced by Israeli policies aimed at maintaining social fragmentation, reinforcing economic vulnerability, and perpetuating their spatial division within East Jerusalem and its broader Palestinian rural and urban surroundings.⁵³

These are some of the principal scenarios from which further details and nuances may arise; some help safeguard the unity of East Jerusalem, while others threaten it. Rebuilding and reshaping the fractured Jerusalemite community, given the Israeli colonial policy and both internal and external polarization, is an arduous task, unlikely to be resolved in the near future. As such, Jerusalemites—whether as individuals or groups—will continue navigating a divided city marked by cultural diversity, traditional social hierarchies of tribes and neighborhoods, and economic

53 - Khamaisi (2019). op. cit.

weakness, all while grappling with the profound geopolitical, national, and civil conflicts that frame their uncertain future amidst the city's shifting borders.

Jerusalemites will persist in oscillating between two models: seeking incomplete citizenship with socio-economic equality under Israeli sovereignty (akin to the experience of Palestinian Arabs in Israel) or pursuing independence by ending the colonial occupation and transitioning from their precarious status as conditional permanent residents to becoming part of the envisioned Palestinian state. If these tensions deepen, their economic plight and political marginalization will worsen, driving more of the middle class to emigrate and fueling confrontations—especially among the growing youth population, whose social, economic, and national aspirations are on the rise.

It remains unlikely that Israeli governmental and municipal authorities will allocate sufficient resources to meet the growing needs in East Jerusalem, particularly regarding housing and land provision, or ensure equal services across both parts of the city. Despite official rhetoric about «unifying» Jerusalem, disparities will persist, even as the limited budget under government decrees increases. Simultaneously, the Palestinian Authority's economic fragility, shifting economic priorities of Arab and Islamic countries, and Israel's repression of financial transfers into East Jerusalem will only exacerbate these economic gaps. In this complex situation, the Israeli authorities aim to entrench their rule over East Jerusalem, while the Jerusalemites, convinced that these policies fail to address their civil, economic, or national needs, will find themselves in precarious positions. They will be caught between individual gain and collective national interest, leading to a delicate balance between adapting to their circumstances and resisting normalization. This hybridity—straddling the line between survival and distorted development—will present both opportunities and perils.

To mitigate the damage caused by this hybrid state of coexistence, there must be fair international intervention that supports Palestinian Jerusalemites in managing the crises they face, providing a path toward potential geopolitical settlements. In the meantime, institutional efforts must focus on rebuilding society and its economic foundations through selective, participatory resistance, seizing opportunities while minimizing harm, and finding a balance between civil engagement and national goals without overstepping or neglecting either.