Policies of Neglect in East Jerusalem:
The Policies that created 78% Poverty Rates and a Frail Job Market

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Each year, the media in Israel publishes statistics ahead of “Jerusalem Day”, which marks the establishment of Israeli control over East Jerusalem in June 1967. While the data reflects the weak socioeconomic condition of the city as a whole, closer examination reveals the particularly distressed condition of East Jerusalem. Its 360,882 Palestinian residents, comprising 38% of Jerusalem’s total population, suffer from extreme poverty, limited employment opportunities, a severely depleted educational system, and a systematic lack of physical and economic infrastructure.

The latest statistics of the Israeli National Insurance Institute point to increasing poverty rates in the entire Jerusalem District, and expose the extreme situation which Palestinian society is suffering from: 78% of Palestinians and 84% of the children are living below the poverty line. These figures represent a significant deterioration over the past few years. In 2006, some 64% of the Palestinian population and 73% of the children were living in poverty.

In this report published by the Association for Civil Rights in Israel (ACRI), we seek to inform and warn about the increasing pace at which more and more Palestinian families are becoming caught in the cycle of poverty; to expose the barriers that preclude Palestinians from finding suitable employment which would allow them a dignified existence; to point out the Israeli policies that have led to the severe socioeconomic deterioration in East Jerusalem and to the ongoing and repeated violations of residents’ rights; and finally to highlight the necessary changes that must be made to current policy, including a serious investment of effort and resources, in order to break the cycle of poverty.

The causes of poverty are numerous and its outcomes vary widely. Yet regardless of specific circumstances, in order to overcome it, the availability of suitable employment with fair labor conditions is crucial. Many Palestinians in Jerusalem suffer from chronic unemployment and under-employment (part-time work only.) Those who work full-time jobs do not always receive appropriate rewards, and many must settle for minimum wage or sub-minimum wage salaries.

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1 Israeli National Insurance Institute annual report, 2010
There is no official data on unemployment rates amongst Palestinians in East Jerusalem because the statistics compiled by the Israeli authorities do not differentiate between Arab and Jewish residents. The Statistical Yearbook of Jerusalem, put out by the Jerusalem Institute for Israel Studies, does present data on the percentage of Arab and Jewish residents, age 15 and over, who take part in the “civilian work force”, i.e. who are engaged in full-time or part-time employment, or are in the process of looking for work. These data indicate that 40% of the male Arab population in Jerusalem does not participate in the labor market, while amongst the female population, the numbers are drastically higher: approximately 85% of Palestinian women in Jerusalem do not participate in the workforce, but rather fulfill roles such as housewives and students or are otherwise unable to work for various reasons.²

The gravity of the situation in East Jerusalem is the product, first and foremost, of Israeli policy making. For decades Israel has pursued a policy that has led to the debilitation of East Jerusalem in every respect, including socioeconomic. Once, East Jerusalem served as the center of Palestinian urban life, second to none in the political, economic, cultural, and religious spheres. Following the 1967 war, Israel conquered and unilaterally annexed the area and Israeli law came into effect over the Old City, the adjacent Palestinian neighborhoods, and a number of Palestinian villages in the area. Local Palestinian residents found themselves in a legal status different than that of their West Bank compatriots. Against their will, they were given the status of permanent residents of Israel and are the bearers of Israeli identity cards.

Under these abnormal political circumstances, both Israeli law and international law obligate the State of Israel to meticulously ensure the rights of East Jerusalem residents, and to seek unique solutions particular to their political situation. But over the past 45 years, both municipal and state authorities have instead conducted a policy of neglect and violation of the basic rights of the residents. Because of political disconnect between the residents and the authorities, Palestinian voices are not heard in the corridors of power, and policy decisions consistently run counter to their interests. In recent years, with the construction of the Separation Barrier and the isolation of East Jerusalem from the West Bank, their social, political, and economic situation has seen a precipitous decline.

The cumulative effects of annexation, neglect, rights violations, and the completion of the Separation Barrier have led to an unprecedented deterioration in the conditions of Palestinian East Jerusalemites. There are several key factors today contributing to chronic poverty in East Jerusalem and limiting Palestinians' ability to integrate into the workforce:

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² Statistical Yearbook of Jerusalem 2011, the Jerusalem Institute for Israel Studies
The route of the Separation Barrier, which winds its way around Jerusalem along 142 km., has effectively cut off Palestinian neighborhoods from one another and isolated them from Jerusalem’s urban center. Due to the checkpoints and a requirement that Palestinians from the West Bank attain permits from the army to cross into the city, East Jerusalem has gone from being a central urban hub that provides services and opportunities to wide portions of the West Bank, to a border city with extremely limited access. For instance, thousands of Muslim worshipers from all across the West Bank, who would arrive each Friday at the Al-Aqsa mosque and would take advantage of the opportunity to do some shopping, no longer visit the city.

The disconnect created by the Separation Barrier has also led to a marked reduction in the potential purchasing power of Palestinian consumers from areas adjoining Jerusalem such as Abu Dis, Sawahara al-Sharqiya, and Al-‘Azariyah. Many shoppers from these towns used to visit the Old City market and the shopping district on Saladin Street. After the completion of the Barrier, only 4% of those living beyond the wall have continued to do their shopping in Jerusalem, whereas 18% did so before. Conversely, their consumer purchasing in areas that do not require passing through the Barrier or checkpoints has jumped from 25% to 50%.

Businesses in the center of East Jerusalem and in the Old City have been particularly hard hit, and layoffs have become more and more frequent.

The construction of the Separation Barrier has had a decidedly negative influence on the residents of several East Jerusalem neighborhoods which, while remaining within the municipal borders of Jerusalem, have nevertheless been disconnected from the city by the Barrier. Some 90,000 Palestinians (although some claim more) currently reside in the neighborhoods of Kafr 'Aqab, Samiramis, Ras Khamis, Dahiyat al-Salam, Ras Shhada, the Shu'afat Refugee Camp, and a portion of Qalandiya. These residents, holders of blue Israeli identification cards, are forced to pass through checkpoints every time they need to enter the rest of the city or return home, be it for work, school, medical...
examinations, visits to relatives, etc.

In a survey concerning the consequences of the Separation Barrier for these residents, 55% said that the most immediate and direct effect of the Barrier was on their livelihood and their place of employment. The Barrier's grave effect on the residents' freedom of movement includes the unexpectedly long time it takes to transverse checkpoints into Jerusalem and the unexpected closure of checkpoints for hours at a time during periods of heightened tensions.

East Jerusalemites involved in agriculture and in the food trade have also been negatively impacted by the construction of the Barrier, which has made it more difficult to conduct business with the West Bank. New trade regulations restrict the transfer of commercial quantities of produce from the West Bank into Israel. Such produce is only allowed into Israel through five “back to back” transfer crossings, complicating transportation and making it more expensive. Anyone wishing to commercially import foodstuffs from the West Bank into Jerusalem must arrive at the Ofer Crossing on set days and at set hours. Since the completion of the Separation Barrier, rising transportation costs and bureaucratic hassles have led to higher food and commodity prices for Jerusalem's Palestinian consumers.

B. Weakened job market

The circumstances leading to East Jerusalem's isolation have similarly affected its job market, which has very much become an “island” with extremely limited options for development. According to the analysis of the Palestinian Center for Statistics, there are three primary fields of employment for Palestinians in the Jerusalem District (which according to its definition includes the Palestinian neighborhoods within Jerusalem's municipal borders and adjacent areas): The hotel and restaurant sector (25%), education (19%), and general service providers (19%).

More than 5,000 Palestinian businesses in Jerusalem have closed their doors since 1999, according to the NGO Al-Maqdese for Society Development. The terrible security situation during the peak of the second intifada, the disruption of free passage created by the Separation Barrier, and the ongoing global economic crisis all contributed to a severe recession in East Jerusalem's tourism industry, both foreign and domestic. East

7 Ibid, p. 40
8 Response of Police Chief Superintendent Yigal Lugasi from of the Border Crossing Unit in the Jerusalem Seam-line district to ACRI, 4 May 2008.
Jerusalem's hotel and restaurant industry, as well as related businesses dependent on them, took a serious financial hit over the previous decade (2000-2010), and the recovery over the last two years has been partial.

East Jerusalem has only one industrial park, and it too stands in danger of closure. The Wadi Joz industrial park, located near the Old City, is spread out over a small number of streets and hosts only a few limited types of industry, most notably car repair. There are an estimated 162 Palestinian-owned businesses in the car and garage sector in East Jerusalem, the vast majority of which are located in Wadi Joz with the remainder scattered throughout other neighborhoods. Recently, the Jerusalem municipality served many of the business owners in Wadi Joz with eviction notices, in light of their plan to widen neighborhood streets and owing to the fact that the streets are zoned for residential housing.

Similarly, higher costs and bureaucratic headaches have deterred many Palestinian businesspeople from setting up new business ventures in Jerusalem, and instead they prefer to invest their money in the West Bank, especially in Ramallah, Bethlehem and Hebron. These cities have enjoyed economic prosperity in recent years, and offer more favorable business conditions regarding taxation and the zoning of commercial and industrial centers.

C. Neglected school system and obstacles in higher education and professional training

The East Jerusalem school system, which operates under the Israel Ministry of Education and the Municipality's Jerusalem Education Administration (JEA) suffers from severe neglect, disproportionately low budget allocations, overcrowding, a lack of available classrooms and many other woes. According to JEA statistics, Palestinians students start dropping out of school at an alarming rate already from early ages and 40% do not complete 12 years of education. Of those who do graduate, only a very small percentage receive the Israeli matriculation diploma known as bagrut, while the vast majority study according to the Palestinian curricula and similar to students in the West Bank and Gaza Strip take the tawjihi exams at the end of high school.

East Jerusalem students typically learn Hebrew as a third language after Arabic and English and sometimes even as a fourth language after French or German. About a quarter are enrolled in private schools, in which they learn little, if any, Hebrew.11

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10 Palestinian Central Bureau of Statistics – Jerusalem 2011, p. 214
11 Failed Grade: The Education System in East Jerusalem, by the Association for Civil Rights in Israel and Ir Amim, 2010, p. 8

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<th>Professions and Industry:</th>
<th>Shortage of Classrooms:</th>
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<td>25% of Palestinians living in Jerusalem and its immediate surroundings are employed in the hotel and restaurant sector; 19% are in education; 19% are public service providers; the sole Palestinian industrial park in Jerusalem's Wadi Joz neighborhood is in danger of closing.</td>
<td>There is a chronic shortage of some 1000 classrooms in East Jerusalem's educational system; despite the commitments made by Israeli authorities to the courts, the new classrooms that have been built have not succeeded in closing that gap.</td>
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<th>Shortage of Preschools:</th>
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<td>There are 6 municipal pre-kindergartens in East Jerusalem as compared to 66 in West Jerusalem; this fact will make it incredibly difficult to implement the government decision that the Mandatory Free Education Law should apply to children aged 3-4 during the upcoming school year.</td>
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Compounding the problem is that many of those teaching Hebrew in East Jerusalem have no certification in Hebrew instruction and are not professional Hebrew teachers. The result is that most graduates of the East Jerusalem school system do not speak Hebrew at a high level. Even those who are capable of obtaining jobs that require some Hebrew on a daily basis are usually not sufficiently fluent to fill administrative posts, positions in management, or any other job that requires complete fluency in reading and writing in Hebrew. Many turn instead to jobs that require physical labor alone.

Without an Israeli bagrut diploma and with only partial knowledge of Hebrew, the 60% of Palestinian high school graduates find it very difficult to gain acceptance into Israeli universities. Some of them invest financial resources and spend a year or more learning Hebrew and completing their bagrut in an Israeli university preparation program, or they enroll in one of several East Jerusalem private institutions that exist for this purpose. Additionally, the psychometric exam required for enrolment in Israeli universities, which represents an obstacle even for Arabs who graduated Israeli schools in which the Israeli curricula is taught, is all the more difficult for those growing up in Jerusalem and studying according to the Palestinian curricula. All these represent barriers that young Palestinian Jerusalemites must overcome when applying for advanced academic study in Israel.

Many students pursue their academic and professional studies in the West Bank, while others choose to attend institutions in Arab countries, in Europe, or in the United States. To be accepted after graduation into the Jerusalem workforce, they must receive official Israeli certification or licensing, which are given after taking additional courses and passing supplementary examinations. The upshot is that many choose professions that do not require higher education and Israeli certification, or alternatively they look for employment in the West Bank where their diplomas and professional training are officially recognized. One of the troubling outcomes of this situation is the “brain drain” of young, educated Palestinian Jerusalemites who are leaving the city for the West Bank or abroad.

D. Difficulties integrating women into the job market:

Palestinian women in East Jerusalem are the first to suffer from low socioeconomic status, from the shortage of appropriate educational programs for them and their children, and from the lack of available jobs with fair working conditions.

As noted above, only 15% of Palestinian women in Jerusalem participate in the civilian
labor force. Of those who do not work, 70.9% explain their situation in society's expectation from women to take care of housework such as cooking and cleaning, raise children, and offer care for elderly family members. In the conservative social environment of East Jerusalem, women who do choose to seek employment and professional advancement are nevertheless expected to completely fill their family duties. The conflict between family and professional interests places women between a rock and a hard place.

**Sewage:** There is a shortage of some 50 km. of sewage pipes, and residents instead use septic tanks; repeated flooding of these systems causes serious health hazards; there are ongoing difficulties in connecting residents to the urban water system.

**Postal Services:** There are only 9 Post Offices in East Jerusalem compared with 42 in West Jerusalem; delivery of mail is infrequent and

Most employed Palestinian women work in East Jerusalem and in part-time positions. The traditionally accepted fields for women include education and teaching, clerical work in private offices such as law and accountant firms, and various service-provider positions, such as at medical clinics. Women also work as cleaners, both in East and West Jerusalem. In many of these positions they are employed through subcontractors, a structure which entails the violation of their basic employment rights. The compensation offered for these jobs is sometimes so low that women prefer to stay home instead.

Mothers of young children who wish to work face a severe shortage of municipal preschool programs. In 2011-2012 a mere 433 children between the ages of 3 and 4 were accepted to municipal preschools in East Jerusalem, though an estimated 15,000 Palestinian children of this age live in the city. While there are dozens of private daycare and preschool options, most families cannot meet the high costs involved.

In January 2012, the Israeli government passed a decision to apply the Free Compulsory Education Law to all children aged 3-4 during the upcoming school year. Given the current conditions prevailing in East Jerusalem, it seems impossible to implement this decision there. It is worth noting that the lack of preschools in East Jerusalem affects not only the ability of young mothers to seek work, but also child development. Studies have shown that young children enrolled in age-appropriate educational frameworks tend to be more successful in terms of learning and development.

**E. Employment in West Jerusalem**

The relative economic strength of West Jerusalem leads many Palestinian Jerusalemites to seek employment there. In addition to the difficulties in language and education that preclude them from many types of jobs (see above), Palestinian job seekers face additional obstacles stemming from the political situation and the particular circumstances in Jerusalem. Social and cultural tensions between Arabs and Jews have an effect on daily life in the city, including those who work side by side, and those who provide services to the general population. At times of political crisis, social tensions mount and there have been extreme cases of physical violence as well as demands made upon Jewish business owners not to hire Arab workers.

One roadblock to employment for Palestinian men is the criminal registry. Many Jewish employers require male Palestinian job seekers to produce a police record that is clean of any criminal past, as a precondition for employment. This requirement, however, runs contrary to Israeli law, which states that the criminal registry is confidential and that information from it may not be disclosed to anyone other than the individual himself and certain specific bodies that are enumerated by law. A not insignificant percentage of Palestinian men from East Jerusalem have some criminal activity listed on their record, whether against the backdrop of the intifada or otherwise. Without greater supervision by the state to ensure that this law is followed and that all are granted equal opportunity in finding employment, more and more employers will continue to engage in this wrongful practice.

Public transportation to and from work also represents a hurdle for those seeking employment in West Jerusalem. East Jerusalem’s transportation system, which connects Palestinian neighborhoods and runs through the commercial center near the Old City, is separate and distinct from public transit in the West. As a result, those who work in West Jerusalem often must take more than one bus in each direction, which equates with longer travel time and greater expense. The situation today is better than it once was, with the improvements that have been made to East Jerusalem’s public transportation system, but the general problem of accessibility has yet to be solved in a satisfactory manner.

F. Revocation of residency and the provision of temporary status

The government’s decision in 2002 to freeze family reunification procedures, and the anchoring of this decision in legislation through the Citizenship and Entry into Israel Law (Temporary Order) 2003, effectively ended all attempts to improve the status of Palestinians from the Occupied Territories who are married to Israeli citizens or to permanent residents of Israel. Those whose applications for family reunification have been accepted are allowed to reside in Israel through a special permit that must be renewed periodically after a security check and other verifications that confirm that applicants are indeed living with their spouse in Israel and that their life is centered there. While this permit enables residence in Israel, in most cases it does not give its holder the right to work in Israel, to obtain an Israeli driver's license, or to register for Israeli health insurance or social security.

This has created a situation where many Palestinians who have received authorized permits through family reunification currently live together with their spouses in East Jerusalem, raise children there, and yet they are unable to seek work in Israel in order to support their families. Those permit holders who seek legal employment in Israel, including in East Jerusalem, must undergo a complicated and cumbersome process to receive a permit of entry into Israel for the purpose of employment, which is the same permit required of Palestinians living in the West Bank who wish to work inside Israel. After receiving this entry permit they must “bind” themselves to a single employer within a specific area of employment (construction, agriculture, industry, or service provision.) In some instances these permit holders feel they have no choice but to return to the West Bank in order to find work and support their families. This situation endangers their application for family reunification because they must continually prove that their lives
are centered in Jerusalem. If not, procedures are halted and their status will be revoked.

Similar difficulties exist for East Jerusalemites whose residency status has been revoked by the Ministry of the Interior. Over the past four decades, the residency of 14,084 Palestinians has been revoked and rescinded, and these former residents are no longer permitted to live or work in their city. According to Ministry statistics, the pace of residency revocation has increased significantly over recent years. Of all the revocations that have been carried out from 1967 until today, about half have occurred since 2006, with the trend reaching its peak in 2008 when residency status for 4,577 people was revoked.

Some of those with revoked residency have chosen not to leave Jerusalem, but rather to become "present absentees" vis-à-vis the authorities, as well as employers. There is no legal way to hire a person whose residency status has been revoked: He has no Israeli identification card, he cannot open or operate an Israeli bank account, he cannot receive social benefits (social security, health insurance, or a pension), and he enjoys none of the legal protections afforded by Israeli labor law. Any such person seeking employment must turn for work to the black market, where he is likely to be exploited and have his rights trampled.

Summary: Israel's responsibility for creating different policies

The Israeli policies described above are directly responsible for the current socioeconomic situation in East Jerusalem – the isolation of its labor market, the weakening of its Palestinian population, and the constant violation of its residents' rights. As long as Israel retains control over East Jerusalem, the government and the municipal authorities have a responsibility to do all in their power to bring about a significant improvement in East Jerusalem's economy and employment situation. They must create appropriate solutions to the unique problems affecting East Jerusalem residents, including:

- Special benefits and assistance to local businesses hurt by the construction of the Separation Barrier;
- Allowing the Wadi Joz Industrial Park to continue operating and granting tax and other benefits to companies and bodies that help create jobs in East Jerusalem;
- Finding solutions and easing bureaucratic and other hurdles facing entrepreneurs who wish to set up business and commercial ventures in East Jerusalem, for example allowing permits for businesses in residential areas;
- Expanding professional training programs and creating programs for joining the workforce, which will encourage the residents' integration into diverse job positions, including in fields that offer high salaries and good working conditions;
- Greater investment in the East Jerusalem school system, including adopting a program to prevent high school drop-outs, and instituting programs for those who wish to learn Hebrew and complete the bagrut exams;
- Creating special professional tracks with favorable conditions that would allow graduates of Al-Quds University and other Palestinian colleges and academic institutions in East Jerusalem and the West Bank to receive Israeli recognition of their degrees, especially for professions considered necessary in East Jerusalem,

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for example in the health care field;

- Establishing more preschools to allow young mothers to seek employment;
- Increasing supervision of workers' rights, including fair pay and minimum wage standards, enforcing the prohibition on employers who demand to see the criminal records of job seekers, and enforcing the prohibition on discrimination in the workplace.

Furthermore, the Israeli authorities should cease all measures that violate the basic rights of East Jerusalem residents, including: the revocation of residency status; the denial of work permits to West Bank Palestinians who are legally residing in Jerusalem due to family reunification; planning and zoning policies which strangle the physical development of every Palestinian neighborhood in Jerusalem; and many other measures too numerous to detail in this document.

**Another focal point for policy change should be reinvestment in the employment services.** Unfortunately, over recent years the government's policy nationwide has been to slash the budgets of the employment agency, including allocations for professional training programs and the agency's operational budget. East Jerusalem's Employment Agency, which was opened specifically to serve this population, shares a building together with the Interior Ministry, and each morning huge lines form outside the building's entrance gates. The agency has failed to answer the needs of its target population, and rather than referring the unemployed to appropriate professional training courses and to jobs that can offer financial stability and professional development, the agency continues to refer many of its applicants to jobs as cleaners or security guards, which the residents are fed up with.

Alongside the employment agency, which operates under the Ministry of Labor and Industry, the Jerusalem municipality runs a local employment authority with employment coordinators and personnel development officers in 29 centers throughout the city. Of the 23 employment coordinators, only 4 work in East Jerusalem neighborhoods and even those few positions are part-time. This means that the Jerusalem Employment Authority has budgeted only two full-time positions for assisting more than a third of the city's total population.

If this authority, which is intimately acquainted with the situation in East Jerusalem, were to expand its services, it could provide many tools to Palestinian residents seeking employment. These include job placement, information resources and professional tools to help residents integrate into the job market, workshops and job fairs, increased access to higher education, and career counseling. Such steps must include the creation of dialogue and initiating meetings with the residents in order to better understand and map out East Jerusalem's unique needs regarding employment and vocational training, especially the needs of particular sub-groups such as youth, working mothers, and people with disabilities.

A properly functioning employment agency and municipal employment authority could prove highly beneficial for many families, but it is clear that in order to overcome the web of difficulties described above it will require a concerted effort and considerable investment from various official bodies and ministries, steps which to date have not been taken.

The internal processes that East Jerusalem society is currently undergoing, including
changes related to the status of women, will certainly have an effect on the overall situation and on the range of possible solutions, as will changing social currents in broader Israeli and Palestinian societies. International economic crises as well as local ones will continue to hit hardest the weakest populations, including East Jerusalem's Palestinians, leading to an exodus of their best-educated, professional and well-off constituents.

Unless Israeli authorities decide to invest the required effort and monetary resources in order to implement all necessary measures in order to safeguard the rights of the residents, taking into account East Jerusalem's unique circumstances as described above, the cycle of poverty in East Jerusalem will only continue to widen.

For further details and to watch the short film "Fated to Poverty?! Policies of Poverty in East Jerusalem", see here: http://www.acri.org.il/en/2012/05/14/poverty-is-not-fated/