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Settlement Monitor

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SETTLEMENT MONITOR

EDITED BY GEOFFREY ARONSON

This section covers items—reprinted articles, statistics, and maps—pertaining to Israeli settlement activities in the Gaza Strip and the West Bank, including East Jerusalem, and the Golan Heights. Unless otherwise stated, the items have been written by Geoffrey Aronson for this section or drawn from material written by him for Report on Israeli Settlement in the Occupied Territories (hereinafter Settlement Report), a Washington-based bimonthly newsletter published by the Foundation for Middle East Peace. JPS is grateful to the foundation for permission to draw on its material.

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BACK TO SQUARE ONE—THE OBAMA ADMINISTRATION RESETS U.S. POLICY

Originally from Settlement Report, November–December 2010.

Machiavelli famously cautioned kings to be bold and inflict pain early. President Barack Obama has indeed aspired to act courageously. His administration declared resolution of the Israel-Palestinian conflict to be a vital national security interest of the United States. In his 4 June 2009 Cairo speech Obama declared that “The United States does not accept the legitimacy of continued Israeli settlements. This construction violates previous agreements and undermines efforts to achieve peace. It is time for these settlements to stop.” His diplomacy showed an understanding that Israel’s policy of settlement construction is

not a sideshow but rather the keystone of the ongoing, zero sum battle for control of the land, and an issue of existential importance for Palestinians who have struggled for close to a century, with only marginal success in Gaza, to carve an island of sovereignty out of the rump of historical Palestine. This almost two-year diplomatic effort to build a solid foundation for final status negotiations by winning meaningful concessions from Israel on settlement expansion has now been declared a failure by the administration itself.

A 10 December speech by Secretary of State Hillary Rodham Clinton offered an opportunity to “reset” U.S. policy which has focused on temporary reductions in settlement expansion. Noting that the continuing conflict “is at odds also with the interests of the United States,” she declared that, “It is time to grapple with the core

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issues of the conflict on borders and security; settlements, water and refugees; and on Jerusalem itself. And starting with my meetings this week, that is exactly what we are doing.”

Administration officials have often declared that the United States cannot want peace more than the parties themselves, but if there is a defining character to the diplomacy of the last few months, it is that Washington has demonstrated more of a commitment to diplomatic engagement than either of the antagonists. But as high as Obama’s aspirations have soared, his administration has failed to follow Machiavelli’s admonition that the successful establishment of a new order requires a necessarily painful transformation of the status quo. Notwithstanding its success in winning from Israeli PM Benjamin Netanyahu a rhetorical commitment to a Palestinian state, a limited 10-month settlement construction moratorium that ended in September, and now-lapsed planning limitations in East Jerusalem, the Obama administration has shied away from the kind of painful confrontation that is required to reverse the decades-long failure of the United States to end Israel’s illegitimate settlement effort.

The Obama administration has attempted to convince and entreat, rather than oblige Netanyahu to rebel against his own political, personal, and familial history by placing effective and lasting constraints on settlement construction. The results of Washington’s effort have fallen woefully short of the spirit and the standard the administration itself set when, on 27 May 2009, Secretary of State Clinton explained, “With respect to settlements, the President was very clear when Prime Minister Netanyahu was here. He wants to see a stop to settlements—not some settlements, not outposts, not natural growth exceptions. . . . That is our position.”

The Obama administration failed to gauge correctly the depth and intensity of Israel’s commitment to settlement expansion, especially in East Jerusalem. And so it has been repeatedly surprised and outmaneuvered when confronted with this fact—when, for example, Netanyahu successfully parried the new administration’s initial demand for a complete freeze, and more recently, when, in November 2010, Netanyahu rejected an unprecedented package of incentives aimed at moving

diplomacy beyond a short-lived settlement moratorium, a decision that pushed the administration to declare an end to its settlement freeze initiative.

The Latest Maneuvering

During the period since the end of the 10-month suspension of new construction starts in late September 2010, work has begun on more than 1,500 new settlement units throughout the West Bank, both east and west of the separation barrier. As a result, during 2010, the number of new construction starts will not deviate markedly from the historical average. In other words, the 2010 settlement moratorium failed to make a difference on the ground or to build confidence between the parties—the twin objectives that the Obama administration initially embraced. Indeed, as pursued by Washington, the placement of a settlement freeze at the center of its diplomatic effort has reduced confidence between the parties and produced two years of debilitating diplomatic stalemate.

In East Jerusalem, although excluded from the moratorium, American pressure in the wake of Vice President Joseph Biden’s March 2010 visit resulted in the temporary postponement of numerous planning efforts there. These constraints are only now being partially lifted, with announcements in November of planning progress on new construction in Har Homa (1,000 units), Ramot (300 units), Pisgat Ze’ev (655 units), and Gilo (130 units), along with the critical extension of the Begin ring road south to the Tunnels Road leading to the Etzion bloc. Obama decried these Israeli moves, highlighting both his interest and his ineffectiveness—keeping settlements in the international spotlight even as his administration hoped to “move beyond the settlement freeze” to a resumption of direct talks. The president’s 7 December decision to abandon this policy has also suspended U.S. efforts to focus on the resumption of direct Israel-Palestinian negotiations.

At least since the publication of the Mitchell Commission’s report in May 2001, a settlement freeze, including “natural growth,” has been a key weapon in the arsenal of American and international peacemakers. No longer. The Obama administration’s failure to negotiate such a freeze is the latest in an unbroken string

of unsuccessful U.S. efforts: Israel's commitment to President Jimmy Carter not to establish new settlements was undercut by Prime Minister Menachem Begin after the 1978 Camp David summit; Prime Minister Yitzhak Rabin's "new order of priorities" after his 1992 election offered no respite from continuing settlement expansion during the Oslo era to accommodate "natural growth"; the establishment since 1996 of more than 100 new settlements (re-branded as "outposts") violates a long-standing Israeli pledge not to establish new settlements.

A Stillborn Freeze

The Obama administration's initial effort to impose a blanket settlement freeze faltered in July 2009 over construction plans at the East Jerusalem site of the Shepherd's Hotel and never recovered. More recently, after the expiration of the initial moratorium in September, Washington tried unsuccessfully to restart direct negotiations by winning Israel's agreement to a renewed construction moratorium (reportedly including all construction that commenced since expiration of the original moratorium) for three months "according to the format of the previous moratorium" (that is, excluding East Jerusalem). It reportedly offered Israel a package of incentives including a promise of backing at the United Nations, a multi-billion-dollar provision of top-of-the-line F-35 aircraft, and U.S. support for long-term Israeli security control of the Jordan Valley. Administration officials deny any U.S.-Israeli agreement on the Jordan Valley. But Washington made no public accounting of the elements under discussion, adding to the lack of clarity.

Palestinians decry Obama's inability to place effective constraints on settlement expansion. They remain opposed to resuming direct talks with Israel as long as a construction moratorium excludes East Jerusalem even as they consider broadening a diplomatic offensive against continuing occupation. Of even greater concern however, are the very elements of the aborted American package offered to Israel that suggested an Israeli-American understanding on the territorial and diplomatic outlines of a final status agreement.

Palestinian prime minister Salam Fayyad has recently noted that "settlement activity is totally unacceptable, and

even its freeze is unacceptable to us." In a meeting with journalists reported by *al-Hayat* on November 13, Fayyad said that the U.S. guarantees reportedly offered to Israel "are more dangerous and worse" than continuing settlement. In this regard, he referred specifically to the call for "keeping the Israeli presence in the [Jordan] Valley area for decades." In addition, Fayyad criticized the promise to Israel of U.S. diplomatic cover in international institutions. "What is more dangerous," Fayyad said, "is the [U.S.] guarantees to obstruct the [Palestinian and Arab] ability to internationalize the issue" and move it to the United Nations General Assembly or the Security Council.

Next Steps

The Israeli cabinet, for its part, refused to consider the American offer discussed in early November between Netanyahu and Secretary of State Hilary Clinton, in part because of the ambiguity surrounding Jerusalem construction, but more fundamentally because of Netanyahu's reluctance to endorse a process aimed at seriously addressing final status issues. Netanyahu's original game plan was to survive Obama's diplomatic initiatives for two years until Congressional elections and a hoped-for Republican comeback that would weaken Washington's ability to confront Israel. In extraordinary remarks, Republican Representative Eric Cantor promised to do just that. In meeting with Netanyahu on 11 November, Cantor, according to a press release issued by his office, "stressed that the new Republican majority will serve as a check on the administration. . . . He made clear that the Republican majority understands the special relationship between Israel and the United States, and that the security of each nation is reliant upon the other."

After almost two years of energetic but stillborn diplomacy, the Obama administration has been unable to make progress on ending the occupation and creating a Palestinian state at peace with Israel. The president's attempt to rein in settlement expansion and his effort to place settlements at the heart of a negotiated end to the Israel-Palestinian conflict have failed. As Obama surveys the future, he might recall Machiavelli's wise counsel, "He who wishes to be obeyed must know how to command."

REGIONAL TURMOIL PUTS THE PEACE PROCESS ON HOLD

REVOLUTION IN EGYPT BUYS ISRAEL MORE TIME TO BUILD

Originally titled "Egypt at Center Stage," from Settlement Report, January-February 2011.

The historic popular revolt in Egypt threatens more than the sclerotic regime of President Hosni Mubarak. A "new Middle East"—from Tunis to Baghdad, and from Beirut to Cairo—is emerging, with Washington on the sidelines. In Israel, Prime Minister Benjamin Netanyahu has confounded President Barack Obama's unprecedented, if ill executed effort to curb settlement expansion. Washington's energy for confronting Israel on settlements, after what Netanyahu described as eighteen months of "completely useless discussions," evaporated. All eyes are fixed on Cairo.

In the West Bank, a milestone of a different sort has been reached. The deployment of Israeli troops in the West Bank is at its lowest point since the days before the outbreak of the first intifada in December 1987. Not even during the heady days of the Olso era in the 1990s have Israelis considered their position on the West Bank to be as secure as today. Even the absence of a diplomatic process is viewed as positive by the Israeli security establishment. According to a November 28, 2010 report in *Ha'Aretz*, "the Central Command estimates attempts of this sort [i.e. Hamas-led attacks on settlers] will increase if talks are renewed." Notwithstanding the 10-month construction moratorium, the West Bank settler population increased during 2010 by 4.5 percent or 15,000—to 327,800, a rate more than one-and-a-half times greater than the national rate of increase. Another 200,000 Israelis live across the Green Line in East Jerusalem. Israel's biannual budget for 2011-2012 includes more than half a billion dollars in identifiable items for settlements, settler subsidies, and associated infrastructure. According to *Ha'Aretz*, however, "most of the settlement budget is hidden in unspecified budget allocations." The budget includes funds for newer settlements, the so-called "outposts," which Israel has committed to dismantle.

Israel worries about Egypt, but it is complacent about relations with the

Palestinians. In his biannual appearance before the Knesset Foreign Affairs and Defense Committee earlier this year, Netanyahu reiterated a maximalist view of Israel's territorial aspirations, "It should be remembered," he said, "that we, as Jews, have been within the broad borders of the Land of Israel not tens or hundreds of years, but thousands of years. When the Palestinians talk about historic rights, they should remember that they have been there a shorter time. The rights of the Jews to Hebron, Beit El, Rachel's Tomb and Shilo are greater and much more significant. Therefore these places should remain in our hands in any arrangement."

Despite declarations to the contrary, the U.S. effort to revitalize talks in the wake of the failure of the settlement freeze effort lacks both content and commitment. Instability in Egypt virtually assures an extended "time out" in U.S. efforts. Even before the uprising in Egypt, Nabil Shaath, a top advisor to PA President Mahmud Abbas, said that the peace process with Israel was in a "coma." He described Washington's proposals as "pointless."

On this last point at least, Palestinians and Israelis agree. Weeks before the eruption of the historic events in Tunisia and Egypt, *Yedi'ot Abaronot* reported that Netanyahu's office let it be known "that negotiations with the Palestinians would not be given top priority by the American mediators. The prevalent assessment among [Israeli] decision makers is that the Obama administration will continue to chatter about its intentions of moving the process forward but will not push the Netanyahu government into a corner and will not pose demands that could endanger the coalition."

YESHA COUNCIL PUSHING AHEAD WITH MASSIVE CONSTRUCTION AGENDA

From Settlement Report, January-February 2011. Excerpted from the article originally published as "With Freeze Over, Yesha Council Spearheading Massive Boom in Illegal Construction in Settlements and Outposts," by Chaim Levinson in Ha'Aretz, December 13, 2010.

Since the end of September, when the partial moratorium on construction in West Bank settlements ended, there has

been a massive amount of illegal building in the settlements. The construction effort is extensive, in well-established communities and illegal outposts alike, and is being led by Amana, the settlement branch of the Yesha Council of Settlements. Yesha Council leaders recently stopped taking Israeli leaders on community tours because construction has been renewed without the proper permits.

By the end of December according to Peace Now, at least 1,712 new housing units were under construction. Most of these units have permits from Israeli authorities. An additional 13,000 units have been approved.

“We haven’t seen illegal building of this magnitude since 2002,” said leftwing activist Dror Etkes, who monitors illegal building in the territories. “[Like] in the previous wave eight years ago, Amana is leading the construction.”

The Civil Administration’s focus on enforcement in other areas has resulted [in] a lack of enforcement of the construction freeze on Amana’s building sites. The agency recently demolished a memorial to a fallen soldier in Elon Moreh. A few days before the administration destroyed a goat shed at Meshek Ahiya and a road in the Kana River Wadi funded by the Palestinian Authority. Last week it demolished eleven Palestinian buildings in Khirbet Tana, east of Nablus [see Repeated Large-scale Demolitions in Khirbet Tana Village in the following section].

LIFE IN “AREA C”

DISCRIMINATORY RESTRICTIONS, PLANNING, AND FORCED DISPLACEMENT IN AREA C, FROM SEPARATE AND UNEQUAL: ISRAEL’S DISCRIMINATORY TREATMENT OF PALESTINIANS IN THE OCCUPIED PALESTINIAN TERRITORIES (EXCERPTS).

This report by Human Rights Watch was published in December 2010. Footnotes have been omitted for space considerations. See Doc. D1 for further excerpts from this report. The full report is available online at www.brw.org.

Israel has facilitated the construction of 121 officially recognized settlements in Area C. These include the cities of Ma’ale Adumim, near Jerusalem, with roughly 35,000 residents; Ariel, in the central West

Bank, with roughly 17,000 people; as well as the ultra-Orthodox settlements of Beitar Ilit, near Jerusalem, with close to 35,000 people, and Modi’in Ilit, between Jerusalem and Tel Aviv, with more than 40,000 residents. It has also supported—by, in various cases, providing caravans, building access roads, approving connections to utility networks, and providing IDF soldiers as guards—more than 100 outposts there, even though they are illegal under Israeli law.

At the same time, Israel controls and severely restricts land use of the 150,000 Palestinians who live in Area C. Israeli restrictions and demolitions of Palestinian property in Area C have forcibly displaced thousands of residents, some of them permanently. In these areas, the main displacement triggers were Israeli military orders, house demolitions, and inadequate shelter (where this category included lack of access to water, electricity and sanitation).

Israeli policies not only directly affect Palestinians’ ability to use and improve land that has been confiscated; they also affect land that has not been seized. Moreover, similar restrictions either do not exist for or are not enforced against Jewish settlers.

In addition to property that Israel declared “state land,” Area C includes land that the Israeli military acquired control of by other means (such as by military requisition orders) as well as land that Israel has not officially confiscated but over which it asserts full control.

Israeli restrictions on Palestinian building in Area C reflect a change of policy that is apparently linked to reservation of land for settlement construction. Until the late 1970s, Israeli authorities approved most Palestinian building applications in rural areas. According to figures from the Civil Administration Planning Bureau, in 1972 and 1973, when there were few Israeli settlements in the West Bank, the Civil Administration approved, respectively, 97 percent of 2,199 and 96 percent of 1,466 Palestinian residential building permit applications in the “rural sector” of the West Bank. During the 1980s, Israeli authorities gradually adopted a position that opposed Palestinian construction, while simultaneously earmarking land for the settlements. From 2000 to 2007, the Civil Administration approved just 5.6 percent of 1,624

Palestinian building applications in Area C. One effect of this policy has been to create a striking disparity between the population density of Palestinian communities versus Israeli settlements in Area C: under the town plans that Israel applies to Area C, the density levels of Palestinian villages range from 24 to 70 housing units per hectare compared to 2.7 to 12.8 units for Israeli settlements located in the same area.

By contrast, Israeli settlers participate fully in planning settlements and are responsible for licensing and inspecting building activities in these areas. . . . The plans that Israeli authorities draft for Palestinian communities without their participation sharply limit the territory or area allocated to a town and into which it could expand in the future; in several cases, such plans actually exclude parts of Palestinian communities that were already built up before the plan was imposed, retroactively rendering those buildings outside the planned area “illegal.” By comparison, Israeli planning allows settlements to be built and to expand on large tracts in Area C, parts of which may have been confiscated from Palestinian owners.

Discriminatory Enforcement

Israel’s settlement policy also discriminates in its differential enforcement of law where that law applies to both settlers and Palestinians. For example, Israeli authorities are far more likely to demolish Palestinian buildings that they have declared illegal than they are to demolish Israeli buildings declared illegal. Because Israeli authorities grant so few building permits to Palestinians in Area C, an increasing proportion of Palestinian construction is deemed illegal under Israeli law and subject to demolition. Between January 2000 and September 2007, Israeli planning institutions approved just 5.6 percent of 1,624 Palestinian building permit applications. During the same period, the Israeli Civil Administration carried out 34 percent of the demolition orders it issued against 4,820 Palestinian buildings—an average of 240 buildings a year. However, from 1997 to 2009, Israeli authorities executed only 3 percent of 3,449 demolition orders issued against buildings in settlements and outposts, according to Civil Administration records cited by Peace Now.

...

There is no indication that Israeli settlers are building illegally due to an overall lack of approved building permits inside settlements (not including outposts, which violate Israeli laws). In any case, many settlers voluntarily moved to the West Bank from Israel or overseas, while many Palestinians have no choice but to build illegally if they wish to remain on their land.

In addition to failing to enforce demolition orders against Israeli settlements and outposts, Israeli authorities have failed to enforce planning and other laws against them, with the result that settlements have been built in violation of Israeli law not only on “state land” but also on private Palestinian land. In 2004, then-Minister of Defense Shaul Mofaz requested Brigadier General (Res.) Baruch Spiegel to assemble a database that would include current information regarding the status under Israeli planning laws and other regulations of each settlement in the West Bank. The database, which was leaked to the public in 2009, lists 118 settlements, including more than 30 settlements that were to some extent built on private Palestinian land, as well as many others that violated Israeli legal requirements regarding their construction.

Israeli governmental support for “outposts,” or settlements built without official approval and so illegal under Israeli law, presents an even more striking contrast to Israel’s enforcement of restrictive building codes against Palestinian communities. An Israeli governmental report, published in 2005, sharply criticized Israeli agencies and ministries for providing significant support to the outposts. Former U.S. ambassador Kurtzer summarized the findings of the report (written by Talya Sasson) as follows:

Sasson outlined systematic and systemic illegalities and misconduct on the part of the government in support of settlement outpost activity. Indeed, the Sasson report indicted an array of Israeli official behavior, spread over many years. Sasson found that the settlers themselves had in some cases [gained employment in] government offices responsible for various aspects of settlement activity, including the housing ministry, or they had found allies ready to circumvent the law, even lawyers to make legal what clearly was not. Budgets were redesigned to divert funds to the outposts. Indeed, the pattern of outpost activity was transparent and patently illegal: Settlers would stake an unauthorized claim to a piece of land and bring in caravans in which to live. Shortly after that, the authorities would establish linkages to electricity and other infrastructure,

including paving some roads. In short order, the “illegal” or unauthorized outpost was being treated to essentially the same level of government services and support enjoyed by settlements that had gone through the formal processes of approval.

Sasson found that decisions “to establish outposts . . . probably” originate with “regional [settler] councils” in the West Bank, but received significant support and were even “inspired” by government policies and officials.

As noted, there are currently approximately 100 Jewish settlement outposts in the West Bank, all of them illegal under Israeli law, which have not been demolished. Israeli authorities have not acknowledged the pattern of differential enforcement measures against illegal construction in Palestinian communities and in settlements.

REPEATED LARGE-SCALE DEMOLITIONS IN KHIRBET TANA VILLAGE (EXCERPTS)

This fact sheet, titled Khirbet Tana: Large-scale Demolitions for the Third Time in Just over a Year, by the UN Office for the Coordination of Humanitarian Affairs (OCHA) was published in February 2011 and provides an overview of demolition in the Palestinian village of Khirbet Tana, located in the Nablus governorate of the West Bank. Footnotes have been omitted for space considerations. The full report is available online at www.ochaopt.org.

On 9 February, Israeli forces demolished six residential structures and twenty-one animal pens in the community of Khirbet Tana in the Nablus governorate. These demolitions displaced six families (52 people) and affected a total of 106 people. This is the third time since January 2010 that the community has experienced wide-scale demolitions, and the fourth time since 2005. Humanitarian organizations are currently working on assessing basic needs and providing an emergency response.

Background on Khirbet Tana

Khirbet Tana is a community of around 250 people, located in Area C, southeast of Nablus city, in an area declared “closed” by the Israeli military for training purposes. The residents, who have lived in the area for decades, reside in basic shelters (tents,

tin structures, old caves) and rely on herding and agriculture for their livelihood.

Because residents of Khirbet Tana need grazing land for their livestock, most have no choice but to stay in the area, in order to sustain their livelihood. As such, the community has repeatedly rebuilt modest structures on the land, including residential tents and animal shelters. In 2008, the community, with the help of the Israeli NGO Rabbis for Human Rights, lodged a petition with the Israeli High Court of Justice, requesting the preparation of an adequate planning scheme for the village that would allow the issuance of building permits. The court rejected the appeal in January 2009, and, shortly thereafter, the community again began receiving demolition orders.

The repeated waves of demolition carried out by the Israeli authorities make it extremely difficult for Khirbet Tana residents to live in stability, sustain their livelihood, or, given the repeated demolition of the village school, educate their children. There are numerous other Palestinian communities living in a similarly precarious situation due to their location in an area declared “closed” by the Israeli authorities.

Background on Closed Military Zones/“Firing Zones”

Since 1967, the Israeli authorities have declared approximately 18 percent of the West Bank as a “closed military zone” or “firing zones,” for training. The Israeli Civil Administration (ICA) prohibits construction in these areas and residents are routinely issued demolition orders and eviction orders, during the execution of which, wide-scale demolitions also frequently take place. In 2010, some 65 percent of Area C demolitions occurred in “firing zones.” The constant threat of demolition and eviction creates pressures on Palestinian communities to leave these areas, raising concerns about forced population transfer. Many residents report that there is little or no military training in the areas in which they are residing.

...

2010 Trends: Significant Rise in Demolitions and Displacement

In 2010, OCHA recorded more demolitions in Area C than in any other year since it began its protection of civilians database in 2005; at least 353 Palestinian-owned

structures were demolished, up 85 percent from the number of structures recorded demolished in 2009. An additional 78 structures, including 24 residential structures, were demolished during the year in East Jerusalem.

The number of persons displaced by demolitions in Area C, some of whom were displaced multiple times, also rose significantly, by almost 50 percent. Additionally, the number of those affected, but not displaced, by demolitions, increased exponentially. This was due to the high number of people affected by the Israeli authorities' demolition of water wells and cisterns in Area C; such demolitions accounted for 94 percent of all those "affected" in 2010. However, if one excludes that type of demolition, the number of persons affected by demolitions still increased dramatically, up by 48 percent, compared to 2009.

As of 8 February 2011, the Israeli authorities had demolished 20 Palestinian-owned structures, including 11 residential structures, in Area C of the West Bank this year. These demolitions resulted in the forced displacement of at least fifty-five people, including thirty-three children.

Impact of Forced Displacement

Forced displacement has a serious immediate and longer-term physical, socio-economic and emotional impact on Palestinian families and communities. In addition to depriving the family of its main asset and source of physical and economic security, forced displacement frequently results in disruption in livelihoods, reduced standard of living and limited access to basic services, such as water, education and health care. Families are often faced with mounting debt, increased poverty and dependency on humanitarian assistance, as well as increased vulnerability. The impact on children can be particularly devastating, including post-traumatic stress disorder, depression, anxiety, and reduced academic achievement.

BUDGETING FOR THE OCCUPATION

THE PRICE OF MAINTAINING THE TERRITORIES: DATA FROM THE 2011–2012 BUDGET (EXCERPTS)

This report by Hagit Ofra of Peace Now was published on 26 December 2010. When this issue went to press in April 2011, the exchange rate of New

Israeli Shekels to U.S. Dollars was 3.43 to 1—all figures in this report reflect that rate. However, when this report was published, 26 December 2010, the shekel-to-dollar ratio was 3.58 to 1. All bolding in text is from the original. The full report is available at www.peacenow.org.il.

According to Peace Now's calculations, the various state budget items include **at least \$500 million** dedicated to the settlements and the maintenance of the occupied territories. However, the budget invested in the settlements is much larger, but well hidden between the various budget items.

How much do the settlements cost us?

If you are looking for a bottom line with a number at the end, we are sorry to disappoint you, but it is very hard to estimate the price of the occupation and the settlements. The difficulty is not only because Israel pays very high prices for maintaining the settlements and the continued occupation in terms of its security, values, society, and international standing but also because the items in the state budget simply do not specify allocations to the settlements explicitly. Most of the budget items are worded in a general way without a geographical breakdown and without listing the communities for which the money is designated. Nevertheless, past attempts to estimate the price of the settlements reached more than \$725 million a year.

How, then, do the settlements receive the surplus allocations?

It is done in the budget allocation stage, apparently in the decisions of the various ministries to divide the budget pie between the different communities, and their choice to prefer investments and projects in settlements at the expense of other locations. In order to know about special benefits for the settlements, the decisions of the various government ministries must be followed on a daily basis, and complete transparency about the budget allocations is needed.

Retroactive information: Some of the figures can be found in the publications of the Finance Ministry and the Central Bureau of Statistics (CBS) on state transfers to local councils. The information is

published after the end of the budget year and collected retroactively based on the actual budget performance. The transfers to the local councils are just part of the overall investment in the settlements. According to Finance Ministry figures, in 2007 the state transfers to local councils in the territories amounted to over \$328 million. That amounts to 8.9% of the total transfers from the state to councils that year. At that time the number of residents in the settlements was 3.8% of the residents of Israel.

Therefore the budget for the settlements was more than double their relative size in the population.

According to CBS figures, gross investment in public construction in Judea and Samaria (not including East Jerusalem) in 2009 was over **\$125 million**, which constituted 15.36% of total public investments in construction for housing that year. It should be noted that some of that amount is included in the amount transferred by the state to the local councils.

A. Amounts that Appear Explicitly in the Budget Proposal:

Ministry	Item	2011 Budget	2012 Budget	Item Number(s) in the budget
Defense	Coordination of activities in the territories/ Seam zone, continued construction and maintenance of the separation fence	\$299,835,277	\$313,556,560	17 and 1400
Education	Higher education Council in Judea and Samaria	\$132,362	\$131,195	203120
Prime Minister's Office	Funding the disengagement plan*	\$70,233,236	\$70,291,545	406
Prime Minister's Office	Supplement to develop Old City basin in Jerusalem	\$7,288,629	n/a	40112
Prime Minister's Office	Supplement for Western Wall Heritage Foundation	\$2,186,589	n/a	40112
Housing	Security for settlers in Palestinian neighborhoods of East Jerusalem, Development in Ma'ale Adumim and Har Homa	\$72,303,207	\$65,597,667	706910, 707005, 707007
Transportation	Bus armoring	\$2,915,452	\$2,915,452	n/a
Transportation	Highway #20 between Pisgat Ze'ev and Highway 45	\$52,478,134	n/a	7930
Transportation	Upgrading Highway, #1 between Mishor Adumim and the Good Samaritan junction and between Pisgat Ze'ev and the Zeitim intersection	\$74,344,023	n/a	n/a
Various subsidies	Exporter compensation—compensation for settlement factories for loss of tax discounts in European market	\$3,255,102	\$3,157,434	320408
Total		\$584,972,011	\$455,518,659	

*Budgeting for disengagement is not a direct investment in the settlements but a continued investment in evacuating the settlements from the Gaza Strip

B. Selected Items Where Budgets for the Settlements are Hidden:

Ministry	Item	2011 Budget	2012 Budget	Item number(s) in the budget
Transportation	Support of other populations—subsidy of bus prices for settlers and Haredim	\$9,037,901	\$9,037,901	n/a
Defense	Civilian emergency expenses—fortification and security measures for settlements and confrontation line communities	\$92,864,431	\$92,275,801	16
Housing	Aid for national priority areas	\$46,880,117	\$47,090,962	700916
Tourism	Development of tourism infrastructures including projects in the territories	\$15,335,276	\$15,335,277	n/a
Agriculture	The settlement division—aid for settlements and communities in the Negev and Galilee	\$23,252,186	\$22,652,770	3328
Infrastructures	Sewage projects including subsidies for the Judea and Samaria Council	\$198,250,729	\$221,428,571	7322
Education	Allocations for the Judea and Samaria Academic College—the largest allocation of all colleges; in 2009 the amount was \$25,420,117	n/a	n/a	n/a
Industry	Benefits to encourage capital investment	\$150,811,953	\$92,378,134	3803

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D. The Hidden Budgets in the Budget Proposal:

Most of the settlement budget is hidden in the various budget items without explicit specification. The state budget is written generally without regional specification, so that it is impossible to know how much of it is dedicated to the settlements and how much to other parts of the country. Only special items for the settlements, which cannot be written into other general items, appear explicitly in the budget, and they amount to about more than \$500 million.

For example, the Housing Ministry's budget is almost \$2 billion and it includes planning, development and construction, as well as grants and benefits to buy

apartments. Part of that budget goes to settlements. The same is true for the budgets of the ministries of agriculture, industry and all the other ministries.

Priority areas: Another way to encourage the settlements is to define them as national priority areas. Besides the ordinary budget, the government ministries also provide various benefits to communities and residents according to each ministry's map of priority areas. This budget, although it is detailed in the budget items, does not include a breakdown into areas and localities. In December 2009 the Netanyahu government decided on a map of priority areas that defined almost all of the settlements as national priority areas.

Continuing the settlements and the occupation of the territories is a controversial question in Israel. The financial price of at least more than \$500 million a year is tremendous. But the budget remains vague and unspecific regarding the funding of the settlements. A comprehensive process is required to make the state budget transparent and clear regarding investment in the settlements. This means requiring the government ministries to report the geographic breakdown of their budget allotments and close monitoring of those figures.

U.S. TAXPAYERS ARE PAYING FOR ISRAEL'S WEST BANK OCCUPATION (EXCERPTS)

This article by Akiva Eldar was originally published in Ha'Aretz on 16 November 2010.

Travelers along the "original" West Bank roads, the ones enabling drivers to bypass Palestinian villages, can see signs declaring "USAID from the American People."

The roads are one of the initiatives of the United States Agency for International Development for building infrastructure in underdeveloped countries. Israel has already proudly left the club of developing countries and is not among the clients of USAID. Nevertheless, it appears the Smith family of Illinois is making the occupation a little less expensive for the Cohen family of Petah Tikva.

According to a June 2010 fact sheet on the USAID Internet site, last year American taxpayers funded the paving of 63 kilometers of asphalt roads in the West Bank. It also says completion of a road in the southern part of the West Bank dramatically increased the amount of trade between Dahriyya and Beersheba.

What the site doesn't say is that a significant segment of the road goes through Area C—the 60 percent of the West Bank under exclusive Israeli civilian and military control and responsibility under the interim agreement of 1995 (the second Oslo agreement). The agreement states: "Territorial jurisdiction includes land (and) subsoil."

This is not the only occupation-perpetuating road funded by American money. Dror Etkes, an expert on the settlements, noticed a few days ago USAID workers

energetically laying asphalt on two roads in the Samaria region (northern West Bank) that crosses Area C. Israelis haven't been traveling these roads for years now because the taxpayer (in this case, the Israeli taxpayer) has already paved separate, wide, modern roads for them.

Etkes wondered how it is possible that the Obama administration, which is vociferously opposed to the continuation of the status quo in the West Bank, continues to subsidize the road for Israel. "If the State of Israel is insisting on continuing to hold on and de facto annex the West Bank," he says, "it should also be allocating the money needed to take care of the infrastructure."

I asked an American official why the administration isn't demanding of Israel that it fulfill its obligations and pay the price of the occupation out of its own pocket.

"Who told you we aren't demanding that?" replied the official. "We are also demanding a construction freeze in the settlements and you know at least as well as anyone else what is happening on the ground."

It is worth mentioning that when the Palestinians sought permission to pave a short road in Area C to enable access to the planned town of Rawabi, Israel pulled out the Oslo accord and kicked them down the stairs. The USAID tractors don't have access to the area either.

However, when it suits his interest, Prime Minister Benjamin Netanyahu is a stickler for Oslo. A few days ago he announced that unilaterally declaring a Palestinian state would be considered a violation of the agreement. Tomorrow, incidentally, will mark the eighth anniversary of Netanyahu's statement on Israel radio that "all the Oslo agreements are null and void."

A USAID spokeswoman responded that the program's infrastructure projects "respond to the needs of the Palestinian people and are implemented in response to requests from the Palestinian Authority. Many of the USAID-funded projects cross from one area to another in accordance with the needs of the Palestinian communities and the specific project. There are roads and water pipelines that cross through Area C or are adjacent to Area C as designs require and agreements with Civil Authorities allow."