



Israel's Social Policy in Arab Jerusalem

Anita Vitullo

Israel's social policy in East Jerusalem has been a little understood component of its overall political strategy of annexation and de-Arabization. Much attention has been given to Israel's visible policies of land control, settlement, and house demolitions. Yet it is the social policies that impact on the daily lives of almost all Jerusalem Palestinians. Although less flagrant, they are more pervasive and insidious, tying Palestinians who work and live in annexed Jerusalem to Israeli national and municipal institutions while severing Palestinians in unannexed areas of Jerusalem from their residency rights and social entitlements.

This essay examines the special complexities for Palestinians of Israeli social policy in Jerusalem, especially as it has evolved as a means of economic and political control over an occupied population.

First, the essay points out how Israeli tax and insurance regulations exploit Palestinian cultural traditions and political circumstances, and views the general impact of Israeli policies on Palestinian residency status, living levels and development. It then focuses on the Jerusalem municipality's *arnona* occupancy tax as it applies to Palestinians in annexed East Jerusalem. It traces the gradual application of the tax since 1967, as annexation was secured, and uses municipal statistics and interviews with residents to evaluate current tax assessment, rates, and collection for both residential and commercial spaces. Finally, the essay explores the costs and benefits of the Israeli National Insurance in terms of beneficiaries and non-beneficiaries.

Socio-economic decisions made by Palestinians in Jerusalem can only be understood within the overriding political context of an Israeli government intent on keeping Jerusalem, with as few Palestinian residents as possible. The unique position of Palestinian Jerusalemites vis-à-vis Israeli authorities is an important background to the upcoming final status negotiations. Palestinians have long protested against the *arnona*, for example, a residence tax they consider to be illegal and symbolic of annexation, as well as exorbitant and uncompensated by a fair share of municipal services. At the same time, they are pressured to produce *arnona* receipts to the Ministry of Interior and National Insurance Institute as an essential proof of residency.

Does the Israeli municipality further exploit the political circumstances of

Palestinians in the city by requiring tax payments, knowing they are used for residency proof by other government bodies, while ignoring the provision of essential services to East Jerusalem? Are exorbitant tax assessments gradually driving residents and businesses out of the main city neighborhoods and beyond the municipal borders where they may no longer meet Israeli conditions of residency? Are protests of the unfair application of such policies interpreted as accepting the normalization of occupation and annexation of East Jerusalem?

While virtually all Palestinian Jerusalemites view the *arnona* as exploitative, many believe that their payments into the Israeli National insurance system offer acceptable return benefits. Israeli policymakers often suggest that Palestinians enjoy net financial gain from these ties, especially since they make minimum payments, based on their lower wages, and receive large family allowances. Even Palestinians have occasionally supported this assumption. "Probably 95% receive more than they pay," was how one East Jerusalem lawyer assessed the situation.¹

However, there is substantial evidence that only a minority of Jerusalem identity card holders are able to claim benefits. A large pool of Palestinians from Jerusalem who live outside of the annexed areas continue to pay insurance and willingly accept substantial losses in unclaimed insurance benefits. If they do not pay the insurance, or if they try to claim benefits, they will unleash an insurance investigation--and risk revoking their Jerusalem residency status. While

¹ Interview with Attorney Mazen Qubti.

economic well-being has never been the main cause of struggle for Jerusalem Palestinians, economic pressure certainly influences the population over whether or not to continue to press their claims to a Jerusalem ID. So far Israel has refrained from issuing new identity cards, although it has hinted it will soon. If a "show of presence" is to be required for a new ID, as many as 40% of Palestinians from Jerusalem might immediately lose their "permanent residency" cards.

As unwilling inductees into the Israeli system, East Jerusalem Palestinians themselves generally state that they accept the current arrangements only as temporary expedients for their survival until the Palestinian National Authority is able to take over civilian affairs.² But the rejoining of Palestinian Jerusalem with the rest of the West Bank economy will present an immediate economic disadvantage to those Palestinian households tied into the Israeli National Insurance system. The PNA will be in no position to replace lost or unclaimed benefits, such as universal children's allowances, given its own limited resources and far leaner tax base. Social policy issues could complicate the final status negotiations on Jerusalem by making Palestinian civilian control of the city costly to Palestinian families. It will also be costly to the Israeli municipal and national tax and insurance

² In a survey of Jerusalemites' attitudes on this issue, the majority, 56.1%, rated health insurance and social security services provided by Israel as good to excellent and 49% said they would ask the PNA to provide the same services when their authority was extended to East Jerusalem. However, 62.2%

systems, which reap lucrative benefits from the current political ambiguities.

The Division of Arab Jerusalem's Population

There are no reliable population figures for East Jerusalem in view of the lack of comprehensive census data since 1967. Israel divides the Palestinian population of the city into 27 areas for statistical purposes, exclusive of Israeli settlements, corresponding to its redrawing of municipal borders and annexation of 78 square kilometers of West Bank land. The Israeli CBS estimates the population as 172,300 for these areas, with another 7,700 "Arabs and others" in the rest of the city.

The Palestinian CBS reported the Jerusalem population as being 20% larger than Israeli estimates, or 210,209 in 1997, based "on previous census and assumptions about growth." This is the approximate total reached if projecting an annual growth rate of 3.9% using original Israeli census figures from 1967.

The Israeli division of Jerusalem excludes the large Jerusalem neighborhoods of Abu Dis, Azariya, Anata, Sawahra al-Sharqiya, Hizma, Ram and Dahyat al-Barid, just over the municipal lines, where the Palestinian CBS estimates that 113,000 Palestinians live, among them a significant number of Jerusalem identity card holders. A total for

did not expect to receive the same services under the PNA. *Human Development Profile*, Appendix 4, "Results of Jerusalemites' public opinion survey concerning issues related to Jerusalem," December 1996. See also *The Status of Jerusalem in the Eyes of Palestinians*, by Nader Izzat Sa'id and Jerome M. Segal, June 1997, p. 76, reporting that survey data dispels the myth that Jerusalemites do not want to see the expansion of a Palestinian state into East Jerusalem because of the loss of social benefits this would entail.

the Jerusalem district can also be gathered by estimating building occupancy, using housing surveys and average household size. (Appendix, Table 2). The total occupancy of 277,447 is not that far from the total PCBS population estimates of 323,000 for the Jerusalem area. Some of this population should be considered potentially mobile in preparation for and in the event of a redrawing of borders and transfer of authority at the time of final status negotiations.

Issues Related to Tenancy, Occupancy and Levels of Living

In addition to a per capita income of one-third that of Israelis, Palestinian residents of East Jerusalem find that their cultural traditions and the central location of their poor housing are taxed at higher assessment rates.

Tenancy: Jerusalem has the highest percentage of tenants in the West Bank with 27.4%, due in part to poverty and the restriction on building. Within the Old City, where 40% of houses are severely substandard, about half of all residents rent their homes from owners, or are given rent-free housing as social welfare cases by the churches or the *Awqaf*.

Density: Very crowded housing conditions are indicated by Israeli statistics, which measured average housing density for "non-Jews" at 2.2 per room, twice as crowded as the houses of Jewish residents.

Conditions: Few new buildings have been licensed since 1967 and most existing dwellings, especially large ones, were constructed prior to Israeli occupation. Palestinian homes reflect a semi-rural tradition which is now taxed according to Israeli building classifications. Almost half of all houses, which often include

commercial areas within the same building, consist of four rooms or more and reflect the practice of living with extended family as well as the importance of public space for socializing with large groups of guests.

Migration: A high number of Jerusalem residents by birth migrate to other areas of the West Bank for housing and work (8.2%), a dramatic demonstration of the social and economic pressures of life in East Jerusalem, especially housing shortages.

Amenities: Jerusalem residents enjoy relative prosperity as measured in terms of amenities and consumer durables, when compared to living levels of the rest of the West Bank and Gaza, although they lag behind Gaza in public sewage infrastructure normally provided by the municipality. Even this relative prosperity clouds when compared to important development indicators such as education. For teenage boys, Jerusalem has the poorest record of school enrollment of any Palestinian district, and the highest dropout rate, indicating the opportunity of jobs in the area, but also the pressure to raise family income.

Labor force: The Palestinian labor force in Jerusalem is marked by low skilled employment, low female participation and job insecurity due to competition with foreign workers. About 28% of the 31,800 registered non-Jewish employed persons in Jerusalem were unskilled workers in 1995, compared to only 5.6% of Jewish unskilled workers. 35.5% were industrial, construction, or agricultural workers compared to just 13% of Jewish workers. Female labor force participation rate is 12-19% for Palestinian women, but 52% for Israeli women in the city. The employment of women accounts for much higher "family income" among Jews in Jerusalem, where the average net income per household was NIS

7,583 in 1996. The average family income is more than twice as high among Jews as non-Jews and individual incomes are three times as high. In terms of per capita GNI, the rate is seven times as high.

Poverty: Israeli statistics show the poverty rate in Jerusalem as 27.4% of residents (21% of families) and attribute the high rate to the large proportion of non-Jews and Jewish ultra-Orthodox in the city. Israel's latest statistical report on Jerusalem notes that the poverty index is calculated by the National Insurance Institute and includes "almost no Arab inhabitants," so that the actual rate is much greater. If the Israeli poverty line of 50% of the median disposable income (which includes government assistance) is applied to Palestinian residents of Jerusalem, an estimated 45-60% of the population would fall into the category of "poor."

Tax Policy Toward East Jerusalem, 1967 and Beyond

The balance between taxation and social benefits and its relationship to potential political resistance has been well understood by Israeli policy-makers. They have chosen to apply taxes gradually but steadily on East Jerusalem residents, at the same time extending social insurance, and have been flexible in reconsidering tax policies which have proved too controversial. After the first decade of rule in Palestinian Jerusalem, however, Israel was applying taxes and expecting payments at the same rate as applied in Jewish West Jerusalem despite measurable differences in per capita income between the two population groups and the lack of recognition by Palestinians of Israeli political authority.

New taxes: Immediately after its occupation in 1967 of those parts of Jerusalem previously under Jordanian

administration, Israel applied a number of new taxes on its 70,000 Palestinian residents: income tax, taxes to cover absorption loans, and a civil defense levy³.

At the same time, Palestinian workers found new work opportunities in Jewish-owned industry, services, and construction which, while paying 25-50% less than Jewish workers' salaries, represented higher wages than they had been accustomed to. Jordan continued to provide income supplements and transfers to former government employees and institutions, amounting to 300,000 Jordanian *dinars* by January 1968. The post-war economic recovery experienced in Palestinian Jerusalem raised purchasing power by 50% according to one estimate⁴ and continued until 1973. Lasting several years, the initial burst of economic growth was followed by economic stagnation, as Palestinian workers from Jerusalem tended to remain in lower grades of low-paying jobs. Like Palestinian businesses, the labor market was also sensitive to drops in demand caused by unpredictable declines in tourist revenue. Palestinians were laid off first, a situation that has often recurred in the years since.

In 1970 Israel imposed taxes for defense and savings loans. In April of that year, the still economically depressed East Jerusalem business community,⁵ estimated at 2,600 active businesses, went on strike to protest the size as well as the kind of taxes imposed by the new authority. In the compromise that resulted, no back income taxes were to be

³ Uzi Benziman, "Israeli Policy in East Jerusalem After Reunification," pp. 100-130 in *Jerusalem: Problems and Prospects*, ed. Joel Kraemer (New York: Praeger, 1980).

⁴ Meron Benvenisti, *Jerusalem: The Torn City* (Jerusalem: Isra typeset, 1976).

⁵ Benvenisti, p. 178.

collected and the defense and security-related taxes were disguised under other headings, allowing Israel by 1978 to reap the same rate of collection in both East and West Jerusalem.

Equal rates with Israel: Under Jordanian administration, a small property tax was levied on owners, and landlords generally passed 20% of the tax on to tenants. Only a negligible amount was listed on Jordanian books (IL 4,000) as in arrears when Israel assumed authority over East Jerusalem. The Israeli policy of maintaining the Jordanian rates for the first few months following occupation changed by mid-1968 as rates equal to the Israeli ones were introduced, a jump of 50-60%. New taxes for the use of Israeli municipal services such as bus stations and slaughterhouses and new residency or municipal "room" taxes were also used to expand municipal income. Residents were charged according to the number of rooms in a household, and a general municipal business tax was levied according to the cumulative floor space. After exempting residents from payment in 1967-68, the taxes were gradually imposed at yearly rates of 35%, 60% and 80%. By 1972 East Jerusalemites were charged the full municipal *arnona* tax rate.⁶

Additional taxes were imposed in the 1970s: a betterment tax on property transactions was applied in 1972, and in 1977 property taxes (per dunam) were required from the Palestinian community, first at 20% of the amount assessed, then at 40% in 1978,

and finally at the full rate.⁷

The value-added tax (VAT) went into force in Israel in 1976 on all goods and services, affecting East Jerusalem at the same rate. Today it is set at 17%. (The reason Palestinian shopkeepers prefer not to issue receipts on purchased merchandise is to avoid this tax whenever possible.)

During the intifada, owners and tenants of closed and boarded shops were exempt from paying the *arnona* under an old tax regulation, and many merchants stopped paying the tax altogether as part of the general protest against the occupation. The exemption policy was changed in 1993 to require shopkeepers to pay 50% of *arnona* even on closed shops. Storage areas without water or electricity facilities or consumption were taxed at the full rate. The next year shopkeepers demonstrated against the *arnona* and formed a committee to represent them to the city. An East Jerusalem retailer recalls the experience:

The city officials wouldn't listen to us. We showed them the electricity bills and all of our records to show them the space was not economically viable, that you could not tax a storeroom or closed shop in East Jerusalem like a good business in West Jerusalem. But you have to deal with them indirectly. You pretend you are friendly, and they pretend they will do you a favor.

The Palestinian community has paid for these taxes by further reducing their business profit margin, already minimal due to low volume, and by lowering household consumption levels.⁸

⁶ Benziman. East Jerusalemites paid 27% of the *arnona* charged in 1968-69, and 65% in 1975-76, compared to 85% paid by Jewish city residents.

⁷ Benziman, p. 116. According to notices in the local Palestinian press, failure to pay this tax can result in Israel's confiscation of property, a regulation especially significant for property holders living abroad.

⁸ Interview with East Jerusalem businessman.

Arnona and Municipal Services

Residential Taxes: Palestinian residences represented 15.2% of the total number of Jerusalem residences subject to *arnona* in 1995. For that year, the Palestinian East Jerusalem population paid NIS 14,870 million in *arnona* and Jewish residents paid NIS 214,284.4 million, an average of NIS 1,555 for 9,564 paying Palestinian residences and NIS 2,442 for the 87,743 paying Jewish residences. The average Palestinian dwelling has 7.4 persons compared to 3.29 for Jewish dwellings. The rate of payment by Palestinians was 42%, the same rate as the previous year, and significantly lower than that of Jewish residents, which was nearly 70%. The rate of collective remissions and special exemptions appeared nearly equal for the two population groups, with the exception of Israeli settlers, who are exempted from paying *arnona* for the first five years (see Appendix, Table 3).⁹

Arnona rates are graded by area, situation of the dwelling, neighborhood, and construction quality, corresponding to four levels of construction and size. There is no written criteria for designation of neighborhood, and rates can vary considerably depending on the city's arbitrary classification of the dwelling's location. The existence of shops on the ground floor of residential buildings, for example, can change the classification of an otherwise residential area to a commercial one and hike *arnona* rates. The fact that most multi-dwelling buildings have ground floor shops has raised taxes for most East Jerusalem residents to the maximum category of "Aleph, 1." According to construction type,

they are classified in the following manner:

Type 1: building with one or more dwellings, of 120 sq. meters per unit.

Type 2: building with one or more dwellings, built of stone, concrete, or concrete blocks.

Type 3: building with one or more dwellings, built of stone, concrete or concrete blocks in which the dwelling or dwellings lack part of the conveniences, or where a part of the conveniences is outside the dwelling or dwellings.

Type 4: dilapidated building or building of wood or metal sheets, or a dwelling without conveniences, or a basement dwelling with the ceiling at or below ground level (see Appendix, Table 5).

Because Palestinian houses are built to accommodate a large number of household members (44.6% are 4 rooms or more) and are usually over 120 square meters, the rates are highest for East Jerusalem. The taxing structure does not take into account Palestinian lifestyle, where several generations live together under one roof and the size of a house does not necessarily reflect luxury. Dwellings are very functional, with simple furnishings, and the large verandahs typical of Palestinian houses are included in the area assessments (see Appendix, Table 5).

Problems occur with not only the rate and category of assessment but even the measurement of the property. It can take years to correct a wrongly measured area, and residents are required to pay the over-assessment until adjustments are officially made.

Exemptions or large reductions in *arnona* are made for 43% of residences in Jerusalem¹⁰ who meet age, income, or social

⁹ Calculated from statistics on population and building units charged with *arnona*.

¹⁰ *Jerusalem: Urban Characteristics*, Section H.

situation criteria, for example, widows or the elderly on pensions. In order to qualify for *arnona* reductions, the resident must not earn income or have property in his or her name, neither land, house, business nor even a car. As an NGO social worker in the Old City explains, this is problematic in the context of Palestinian social tradition:

Socially, it is not accepted for a mother or father to give away their inheritance while they are still alive. This can also lead to problems within the family, which they would like to avoid. However, even though they earn no income from the property, they cannot qualify for an old age pension or reduced arnona, unless they turn over their property to their adult children. About 70% of the elderly are not convinced this is to their benefit and do not accept the conditions.

Residents of large sections of the Old City, primarily in the Muslim Quarter, must pay prime "Area A" rates on Type 3 houses that have outdoor bathrooms, due to the Israeli municipality's classification of their neighborhood. *Arnona* bills of NIS 2,500 often exceed the annual rent of these lower income families. For those on fixed incomes, especially pensioners and widows, *arnona* payments can drain 20% of their income.

Jerusalem Businesses: Commercial property is assessed at a rate about three times the maximum rate for residences and charged by size, whether the area is used for simple storage or high-volume, high-profit retail sales. In 1997, a shop in the Salah ad-Din commercial area costs its owner or renter NIS 215 per square meter. West Jerusalem shops on Ben Yehuda and Jaffa Road are assessed at the same rate, although economic activity is three times greater, as can be seen by per capita income. In periods of total

closure, when income for the East Jerusalem commercial sector can fall by as much as 50%, as it did during the September 1997 closure, no adjustment is made in *arnona*, which remains fixed at a yearly rate. The owner of East Jerusalem's most well-known clothing shop received a tax assessment of NIS 44,000, which he regards as unpayable, for his stylish but cramped shop that has few customers.

Reluctant to boycott the tax, Palestinian shopkeepers usually evade it, delaying payment, reducing the size of their businesses, or renting their property. Some merchants have been asked to promote city council candidates in elections in exchange for "help" with *arnona* debts. One of the active merchants described his own predicament:

My brothers and I each have a family. Together we operate a 46-square meter electrician shop, and store our goods in a 21-square meter storage area. We were forced to close our second 40-square meter shop after the closure five years ago. These properties cost NIS 22,500 in arnona taxes last year, a tripling in tax over six years. And I still must pay the house arnona payments for myself and my mother.

His total *arnona*, income tax, and VAT payments represent almost 50% of his modest estimated annual income on which he supports himself and eight dependents. He and less successful shopkeepers are still settling accounts with the municipality dating back to the intifada, when a partial strike prevailed for several years and incomes stagnated, but *arnona* rates increased and debts accumulated interest. His outstanding city taxes for the past seven years now amount to NIS 130,000.

And I am a big merchant, dealing mostly with wholesale! How can the small businesses survive? The arnona officials try to convince me to leave Jerusalem and go to Ramallah if I can't pay my debts.

In fact, family members of a number of Jerusalem merchants have opened satellite shops in Ramallah where they find their sales volume higher and overhead lower, with profits subsidizing declining family businesses in Jerusalem.

Municipal Income from Arnona: In 1994, *arnona* represented 62% of the city of Jerusalem's self-generated income; that is, about 38.7% of its final income came from this residency tax. In the preceding decade, *arnona* represented an even higher percentage of the city's income, 68-70%, but this was reduced by the large flow of government funds made available to Jerusalem, especially following the election of Ehud Olmert as mayor in 1993 (see Appendix, Table 7).

Jerusalem municipal councilor Anat Hoffman (Meretz) described municipal inequity as

*discrimination so ingrained that it is no longer conscious or deliberate... The Palestinian third of the population only contributes about 20% of the income going into municipal coffers. In light of the clear economic disparities, this is considered even by the city's tax collectors to be a pretty good showing.*¹¹

In fact in 1995, Palestinian *arnona* payments comprised 9% of total resident and non-resident *arnona* collected that year in the city, not including payments made in arrears.

¹¹ "Monologue of a Jerusalem Councilor" in *Palestine-Israel Journal of Politics, Economics and Culture*, Vol. II, No. 2, 1995, pp. 8-14.

While services are difficult to "tag," Hoffman estimates that only 5-10% of Palestinian tax money is given back in services, even though poorer and neglected neighborhoods require more services and expenditures. The heaviest expenditures are provided to new Jewish settlement areas.¹²

Recent visible improvements of sidewalks and lighting in East Jerusalem have been partially paid for by a \$18 million European Union contribution for development.

The municipality's list of services, most of which are unavailable or inappropriate to Palestinian residents, include the following:

- Welfare Offices. In 1996 Palestinians represented 1,174 cases or 4% of the total caseload of 26,865.¹³
- Educational Services. Palestinian students represent 15% of the 154,439 school students served (among which are 60,000 ultra-Orthodox students in special schools) although they constitute one-third of the school age (5-19) population in the city.¹⁴
- Services for the Elderly. Of the 122 neighborhood centers and clubs for the elderly, seven are located in East Jerusalem, representing about 6% of the total.
- Services of the Immigrant Absorption

¹² The 1995 city budget of almost NIS 1.6 million was to deliver NIS 2,700 in services to each resident, according to the city's Division of Strategic Planning and Research (Sara Derschkovitz and Sarit Fairmont-Rafiah, *Jerusalem: Urban Characteristics and Major Trends in the City's Development*, (The Municipality of Jerusalem, January 1997) (Internet site of Israel Ministry of Foreign Affairs). About one-third is from the local services budget and two-thirds are expenses for state services of which education represents about one-half. Jerusalem has the lowest expenditure per resident of major cities in Israel, yet "encounters many additional expenses as the capital of the State of Israel," according to city planners.

¹³ *Urban Characteristics*, Section J.

¹⁴ *Urban Characteristics*, Tables 2 and 3.

Authority. The authority does not serve the Palestinian community.

- **Cultural Services.** There is one community center and one library in East Jerusalem, less than 5% of available services.

- **Community and Youth Services.** Seven youth clubs, nine student homes and five clubs for the Armenian population are listed for East Jerusalem.

- **Public Health Services.** There are three facilities located in East Jerusalem.

- **Sports Facilities.** 1,087 exist and 77 are being planned including shooting galleries, swimming pools, tennis courts, weight rooms, and playing fields. Other than a major soccer and outdoor playing field located in the center of East Jerusalem, all are inaccessible to the Palestinian population.

- **Security and Emergencies.** Falling under this category are shelters, civil guards, alarms, and volunteer activities. Only fencing around schools is extended to East Jerusalem.

- **Water and Sewage.** Large areas of East Jerusalem such as Bayt Hanina are attached to the Ramallah water system and have no public sewage system, although water and sewage infrastructure is being built into new Jewish settlement areas.

- **Urban Improvement and Beautification.** Of a total of 988 "units" of municipal gardens, green strips, public parks, and small parks in the city, only two inadequately maintained public parks exist in East Jerusalem.

- **Sanitation.** Garbage removal is inadequate in East Jerusalem, but one of the few visible signs of municipal services. The municipal dumping ground is located in East Jerusalem, near Abu Dis and Izariyya, and has been an environmental concern for Palestinians.

- **Fire-fighting and Rescue.** One of the

three secondary stations is located in Wadi al-Joz, East Jerusalem. New stations are being located in settlements.

- **Community Councils and Community Centers.** There are 28 community councils and centers, boycotted by East Jerusalem residents by and large. Only 5-10% of the small percentage of registered East Jerusalem voters participated in the last municipal election.

Israeli National Insurance Payments and Benefits

The Israeli social insurance system extends a range of benefits to dues-paying participants, both citizens and permanent residents. Benefits include payments to the elderly, the widowed, the unemployed, and the permanently disabled and to children, to mothers for birth and maternity, and to injured workers. The system also provides income supplements and maintenance to those with low and no income. Israeli reservists are compensated under a separate fund. Non-cash social welfare assistance is provided by the municipality.

Rate of Payment: Payments to the National Insurance Institute must be made by residents of Israel, its settlements, and East Jerusalem after the age of 18, and including working wives. Payments are made by residents according to three schedules: salaried employees have 5.76% of their salary automatically deducted from their paychecks as their contribution and 9.47% is withheld by the employer. Independents or the self-employed pay about 15% of their monthly income up to NIS 17,000 and then are taxed at a higher rate. Non-independents and non-

employees also pay at the higher 15% rate, but can pay on minimum salary.¹⁵ The least payment is about NIS 120.

Policy Changes Since 1967: When Israel's National Insurance law came into force in 1954, benefits were given to three groups of citizens: the elderly, who received old age and survivor pensions; workers, who received work injury benefits; and mothers, who received maternity benefits for birth and maternity grants. In 1967, in the months after occupation, the NII worked quickly to extend its presence into East Jerusalem. In November 1967 a local staff of 12 began training in basic Hebrew and insurance regulations, and a small public information campaign was launched. By January 1968, the NII began operations in East Jerusalem, replacing some functions of the Jordanian social welfare system in the city.¹⁶

It is a role often cited by Israel as evidence of the benevolence of its takeover of East Jerusalem:

It is in the realm of social welfare that the greatest improvement in life among the Arab population has been felt. In 1967, some 70 needy families received sporadic assistance from the Jordanian authorities...[By] 1977, 6,000 families receive welfare and old age pension and

¹⁵ Palestinians of the Gaza Strip and West Bank who work in Israel or in settlements are also required to make insurance payments, but at a reduced rate since they are not entitled to the same benefits. The tightening of restrictions on workers and requirements of a work permit, drastically reducing illegal workers, has economic benefits for Israel since National Insurance payments are easily deducted from paychecks by the Employment Departments.

¹⁶ See Dori Aronson, "The Politics of Social Welfare: The Case of East Jerusalem," in *Middle East Report* 146 May-June 1987, pp. 33-35.

*800 families receive municipal welfare payments.*¹⁷

Residents were required to register to receive benefits and did so slowly at first, although one Israeli analyst observed it somewhat differently:

*People came to the new office because they heard that there was money...This was the major motivating force in getting East Jerusalemites so quickly and so closely involved with this Israeli institution.*¹⁸

In fact, Palestinians came to claim benefits after payroll deductions had already been taken by their new Israeli employers. It was the idea of recovering income that had already been taken from them that motivated the first groups. Teachers in the government school system under Jordan, which was taken over by Israel, were the largest group of involuntary participants. A schoolmaster's widow who today depends on her survivor's pension receives only NIS 1,700 of the NIS 3,600 pension after insurance and other automatic deductions.

Insurance benefits, primarily the universal allowance to all families for children, made up almost 40% of the average salary in East Jerusalem at the time. It is probable that at least one-third of the 13,000 households in East Jerusalem benefited to some degree from Israeli social insurance by 1969.

Insurance contributions were difficult to extract from the population, however, since most of the labor force was self-employed or employed independently and not subject to

¹⁷ Yael Guiladi, *One Jerusalem, 1967-1977* (Keters Books, 1977).

¹⁸ Gideon Weigert, *Israel's Presence in East Jerusalem* (Jerusalem: 1973), p. 68.

automatic payroll deductions by employers. National Insurance records for January 1968-March 1969, which do not differentiate between Palestinians from Jerusalem and from the rest of the West Bank, indicate that 7,900 salaried workers and 37,000 independent workers contributed IL 2.250 million and IL 350 million respectively (for a total of IL 4.6 million), less than the IL 6.5 million which records indicate was paid by the NII to Palestinian households in Jerusalem.¹⁹

Six categories of payments were available in 1969:

1. Family allowances, for over 4 children under the age of 18 (to 3,650 families with 11,000 children).
2. Children's allowances, for the first three children of salaried workers (12,000 children).
3. Cost-of-living allowances, for salaried workers with less than minimum wage (IL .700).
4. Birth grants, to mothers for every hospital delivery (1,700 mothers).
5. Work accidents, for medical treatment, hospitalization, sick pay, and compensation (1,000 cases).
6. Widow and orphan grants, for dependents of workers who died through work accidents (100 persons).

In 1972 the first pensioners (men aged 65 and women aged 60) became eligible for benefits after making monthly payments into the system for five years. To encourage payments, residents were released from the requirement to pay contributions owed from 1967-1970.

In 1973, the National Insurance regulations were changed to allow for payments to be

made to all Jerusalem identity card holders who paid dues, whether or not they lived within the municipal borders.²⁰ This decision had tremendous symbolic as well as financial import for Palestinian Jerusalemites, since it gave them a measure of reassurance that the state of Israel would continue to recognize their residency rights in Jerusalem and backed up the recognition with real social assistance. By not penalizing residents who moved outside the Jerusalem borders, the National Insurance decision also allowed Israel to continue its policy of curbing the growth of the Palestinian population within the municipal area by not issuing housing construction permits in East Jerusalem, and at the same time incurring only a minimum of social agitation.

The policy was again changed in 1984 by a quiet reform in the National Insurance regulations which denied benefits to permanent residents living outside the Jerusalem borders and collectively terminated payments to 1,500 families who had moved to Izariyya, A-Ram and Dahya al-Barid.²¹ This caused other Jerusalem residents who lived in outlying areas to panic that their Jerusalem residency would soon be taken away.

Under the current regulations of the National Insurance Law, only residents of Israel living in Israel and citizens of Israel who are living in Israel or in the occupied territories are entitled to national insurance benefits. Palestinian Jerusalemites, who have the status of permanent residents of Israel, lose these rights when they move outside Israel's Jerusalem borders and cannot regain

¹⁹ Ibid.

²⁰ Nathan Krystall, *Urgent Issues of Palestinian Residency in Jerusalem* (Jerusalem: Alternative Information Center, 1993), pp. 23-4.

²¹ Ibid.

benefits until two years after they move back.

Those who travel abroad may claim benefits immediately upon their return. In 1993 the Israeli High Court recommended that the policy be reconsidered and payments resumed, but this has not been speedily or uniformly implemented. The real danger may be for the new generation of Jerusalemites who are now applying for identity cards, since permanent residency can only be passed on if the applicant meets certain conditions of residency and of "center of life."²² The view was expressed by the Ministry of Interior in a letter in September 1996 that seven years of "center of life" in the West Bank in effect cancels Jerusalem residency.²³

Residency Proof: The Ministry of Interior, which issues identity cards, and the National Insurance Institute, which legitimizes residency by granting social benefits, have a sophisticated information-sharing system to verify the addresses of residents. When Arab residents claim benefits, the National Insurance sends investigators to validate that the claimants are bone fide Jerusalem residents (as opposed to only identity card holders); no such investigations are made for Jewish residents. The residency check can take years, seriously delaying the receipt of benefits and, in the case of childbirth, the receipt of a birth certificate and identity card number, jeopardizing continued residency in the city. In February 1998 civil rights lawyers

went to court to argue that the NII regulations were discriminatory against Palestinian residents who held Jerusalem identity cards, since Jews were not subjected to the same treatment. The court issued a directive (rather than a ruling) that in cases of both husband and wife being identity card holders the residency check should be made during the pregnancy, but if not possible, then payment would be made, and investigation carried out later.²⁴

For this reason, many Jerusalem identity card holders (estimated to be as many as 30,000 households) who have been forced for one reason or another to live outside the Israeli-drawn borders of the city continue to pay into the National Insurance system (or their employee's contribution is deducted by their Jerusalem-based employer automatically), but not to claim benefits, which would immediately launch an Israeli address check. Households who have family-owned property in the city give that address as their primary home, hoping to qualify for the benefits they have indeed paid for.

Jerusalemites tried to solve the potential residency problem by renting houses within the city borders, moving in with members of the extended family or simply listing family property inside the city as their legal address. A Jerusalem nurse explained the decision that her family of six made to remain in the West Bank part of Jerusalem:

My husband's family has a building in the center of East Jerusalem, but the part of the house which is in his name is low and very dark. We preferred to stay in Ram [outside Israel's Jerusalem borders] and pay rent rather than move into an

²² *The Quiet Deportation: Revocation of Residency of East Jerusalem Residents* (Jerusalem: B'Tselem and HaMoked, 1997), p. 6.

²³ In a letter to attorney Lea Tsemel (cited in Article 74 (21) September 1997, p.5). B'Tselem was notified by the Ministry of Interior that all citizens and residents would be required to replace their identity cards by the summer of 1997 to allow for a "detailed examination" of their status (*Quiet Deportation*).

²⁴ Interview with staff at HaMoked.

unhealthy house. But we pay the arnona and use the address. We cannot rent it to others because the National Insurance people come from time to time to check on who lives there. So we keep some furniture there and we go and stay there for a few days at a time if we know beforehand they are coming to investigate. We pay the National Insurance, but we have not claimed benefits for our children for the past eight years.

Other owners of property come back into Jerusalem to take over smaller and often less comfortable houses that they once rented out, creating a wave of evictions. Landlords who rent now will openly state their preferences for foreign and institutional tenants. This allows them to still register the *arnona* in a family member's name, to demand high rents, and to be free to re-negotiate leases frequently and raise rents substantially over time. With fewer buildings available to Palestinian families seeking housing, rents have escalated in the city, tripling over the past five years. Some residents, therefore, are forced to weigh the added income of benefits and the higher rents in Jerusalem against the somewhat lower cost of living in the rest of the West Bank and the risk of losing their Jerusalem identity cards.

Payments Without Benefits: Faced with unaffordable rents, many young families are forced to leave Jerusalem, but remain paying into the National Insurance through payroll deductions at their Jerusalem workplace. A physician who holds a Jerusalem identity card and earns NIS 6,000 monthly finds NIS 900 is deducted for National Insurance by the Jerusalem hospital where he works. Although he is entitled to benefits, he cannot claim the monthly child allowances for his two

children, which would amount to NIS 312, because he recently moved to Ramallah and believes an investigation will result in the withdrawal of his identity card.

One Jerusalem lawyer no longer works on individual claims against the National Insurance, although lawyer's fees are 20 percent of the settlement, because the cases are too numerous, time-consuming, and difficult to win. "My office began to look like a social welfare office, with people everywhere." Most residents who feel cheated out of claims are too poor to pay a lawyer to pursue the case.

The amount of money lost in unclaimable benefits could be substantial for Palestinians in the following categories:

- a) If the resident made regular payments to the National Insurance and then moved outside of the city borders, no benefits can be claimed. This is especially important for the elderly on pensions who may move to live with family members, forfeiting their pensions. Many residents simply do not report their change of address and continue to collect benefits until they are terminated by the National Insurance after investigation.
- b) Palestinians pay the same rate as citizens, but cannot collect all the benefits available to Jewish citizens, in particular, severance payments. Nor can they receive compensation for military reserve duty, being ineligible for the draft, although this benefit has been "hidden" recently as a separate fund. Maternity allowance is given only to dues-paying mothers who work, which includes few Palestinian women.
- c) If the Jerusalem resident has always lived in the West Bank and works in Jerusalem, the full rate of National Insurance is still deducted automatically from their salaries

by their employer, although they cannot claim benefits.

- d) Some Jerusalem residents pay voluntarily into the National Insurance although they live in the West Bank, as a way of preserving their Jerusalem identity card, although it is not proven to have any effect.

Health Insurance tied to National

Insurance: For households for whom Israeli health insurance was voluntary and the only valued service they accepted and received from Israeli institutions, the element of choice was eliminated in 1995 when health insurance became a mandatory part of the National Insurance package. Effectively this meant Jerusalem identity card holders, wherever they lived, could not benefit from private Israeli health insurance schemes without paying into the National Insurance fund. Since this could entail paying considerable sums for retroactive payments for past years, many households living outside Jerusalem borders had their insurance lapse; others moved back to Jerusalem.

Jerusalem residents have also voluntarily paid into the National Insurance specifically in order to keep social benefits, incurring other problems as well. A Jerusalem woman married to a Bethlehem resident left her rent-free house in Bethlehem and moved to a rented flat within the Jerusalem borders (where she lives "illegally" with her husband who has no permit), chiefly in order to keep her Israeli health insurance from lapsing:

I have a chronic illness and need hospitalization from time to time and expensive medicines which I cannot afford without insurance. I keep up my National Insurance payments. My life depends on it.

Her children cannot be registered as

Jerusalem residents since their father is a West Banker, and so are not entitled to allowances, but do benefit from the health insurance.

Benefits: Published National Insurance statistics indicate the number of benefit recipients by residence according to major city, but do not have a further detailed breakdown by payment, or by national group except for children's benefits and supplementary income. There seems to be no explanation for this except that the two categories detailed may be the only ones where the numbers of Palestinian beneficiaries are close in percentage to their share in population. As for other categories, representing 75% of total payments, Palestinians are largely excluded. As noted earlier, Palestinians are ineligible for Reserve Service compensation and some unemployment benefits, and few women benefit from maternity compensation since they work outside the formal sector. Also of note is the fact that work injury benefits include "hostile action casualties" under which Palestinians are unlikely to present claims.

Total payments made by the National Insurance in all of Israel, and including East Jerusalem residents, in 1995 were NIS 21.2996 billion in the following categories: old age and survivors (36%), general disability (10.6%), work injury, border and hostile action casualties (7%), maternity (5.6%), children (20%), unemployment (5.8%), reserve service (5.2%), income support (5.3%), and long-term care and "other" (3.7%).

Children's Allowances: The Israeli policy of children's allowance is pro-natalist in theory and practice, giving benefits to all children across income and granting much higher allowances to large families as a

poverty prevention measure. This has encouraged Palestinian families to begin registering with the National Insurance, usually with the birth of their first child, even if salary deductions have been made automatically before that time.

Children's allowances under the National Insurance were equalized between Jewish and Palestinian children only as recently as 1997, adding half a billion shekels to allowances given to Palestinian families.²⁵ Prior to that, children of reservists received about 20% more than children in Palestinian families. The child allowance rate for National Insurance payments as of January 1998 (linked to CPI and cost-of-living index) was 1 point equals NIS 156 and paid according to the following schedule:

Schedule of Payments for Children's Benefits, 1998.

<i>No. of children</i>	<i>Points (add to previous total)</i>	<i>Cumulative allowance</i>
1 child	1 point	NIS 156
2nd child	+1 point	312
3rd child	+2 points	624
4th child	+4.05 points	1,256
5th child	+3.40 points	1,785
6th child	+3.75 points	2,370
7th child	+3.50 points	2,916

Classified as "Arabs born in Israel" and residents of Jerusalem, Table 8 (see

²⁵ Retrospect and Prospects, *Equality and Integration: Government Policy Toward the Arab Citizens of Israel from June 1996 to June 1997 and an Outline of Suggested Policy on the 50th Anniversary of Israel* (Jerusalem: Sikkuy, October 1997), p. 8. The equalization process began in 1994. The previous policy had allowed a higher rate of allowance, about 20% more, to children of reservists.

appendix) shows that Palestinians in East Jerusalem have not benefited disproportionately from child benefits. Using 1995 statistics for the 0-19 age population (although benefits end at age 18) of 260,300, even if it is assumed that every single Jewish child in this age group (181,500) received National Insurance child support, there would still be 53,144 child payments made that year to non-Jews, presumably to Palestinian children. Thus it could be argued as a bottom estimate that 67% of Palestinian children receive benefits, and probably more.

Income Supplements and Maintenance: Needy residents who have no income or very low income can submit a claim for income supplements or maintenance and receive payments as a percentage of average wage, depending on their household composition. The least benefit is NIS 1,084 for a single person as supplementary income, and the most is an increased rate of income maintenance of NIS 2,682 for a couple above the age of 46 with two or more children. In Jerusalem, a total of 1,055 Palestinians receive some form of this benefit, as do 3,459 Jews.²⁶

Role of Assistance: In the FAFO survey, 39% of Palestinian Jerusalem households reported receiving non-labor income in the form of social benefits and 5% received pensions, although the survey did not differentiate between sources of these benefits or their share of total income. This should be compared to 8% in Gaza and 4% in the West Bank, roughly the percentage of those receiving assistance from the Ministry of Social Affairs and from UNRWA as hardship cases.²⁷ Those who cannot afford

²⁶ *Statistical Yearbook of Jerusalem* (1996), p. 117.

²⁷ FAFO, pp. 378-9.

the Israeli insurance system, or who refuse to participate for political or other reasons, depend on assistance and services from Jerusalem's many charitable and social service organizations. The Palestinian Ministry of Social Affairs also receives appeals for assistance from Jerusalem residents in urgent need. These appeals are primarily from families in neighborhoods adjacent to Ramallah and al-Bireh, such as Qufr Aqab, which are poorly serviced by the municipality and benefit from neither Israeli nor Palestinian assistance. Jerusalem residents who are within Israeli-annexed areas can only be referred to charitable societies working in Jerusalem or to lawyers to obtain their social rights under Israeli law. Among Israelis in Jerusalem, the National Insurance represents 6.4% of household income.

The Israeli National Insurance provides payments to 19,852 Palestinian households in Jerusalem in children's benefits, in addition to an unknown number of pensions (for example, for retired schoolteachers) and 1,055 income supplements to needy people. Another 4,700 Palestinian households receive services from the Municipal Department of Welfare in the form of training and other rehabilitation interventions. A Palestinian social affairs officer for the Israeli municipality in East Jerusalem sees the problem of Palestinians in the city as one of not having equal services:

For an Israeli, basic needs include a vacation, restaurant meals at least once a month and generally higher expenditures. Arabs have large families and therefore more of a home-based life. If you apply the Israeli standards to East Jerusalem, 60% of households would be below the poverty line. And if you raise their

incomes to that of Israelis, they would live like kings.

I see problems, but I do not see a lot of poverty. On the level of services, however, there is great inequality.

Jerusalem's most vulnerable population groups--the elderly, the ill, the disabled, and the poor--have been assisted since before occupation by the considerable role of Palestinian charities and service-oriented NGOs in the city. The charitable societies have had a reduced impact since 1994, due to Israeli restrictions on their operations and huge income deficits.²⁸ About 4,600 poor families had received regular assistance, educational grants and jobs through the non-governmental network until recently. The local Palestinian social safety net solicits about 30% of its funds from Jerusalem merchants and more affluent families and the rest from donations abroad in order to provide assistance to the poor, especially in the Old City. Fund-raising for Jerusalem has been complicated by the peace negotiation process, which has delayed discussions on the status of the city. Foreign donors and the United Nations, with the exception of UNRWA, are sensitive to charges of showing bias by supporting Palestinians in Jerusalem, and many have declared the city "off-limits" to assistance.

The social aims of Israel, as articulated through changes in municipal tax policy and in National Insurance regulations as they affect Palestinian Jerusalemites, are difficult to separate from the political aims of the Israeli state and cannot be viewed in isolation. The Jerusalem municipality tax on

²⁸ Interview with Dr. Amin al-Khitab, former Union chairman. Dr. Diab Ayyush, Deputy Minister of Social affairs, estimates the debts of the charitable associations at \$5 million.

East Jerusalem has powerful symbolism regarding Israeli claims of sovereignty in the city and presents an economic and political dilemma for the Palestinian community. The expansion and contraction of the social safety net has special implications on the demo-

graphy and political disposition of Jerusalem, and could be a powerful determinant in future of who will live in the city.

Anita Vitullo is a researcher and writer on political and social issues in Palestine.

APPENDIX

Table 1. Israeli Statistical Subdistricts for Palestinian Neighborhoods in Jerusalem and Population in 1996.¹

<i>Statistical Subdistrict</i>	<i>Locality</i>	<i>Dunams</i>	<i>Population</i>
61 (1)	Christian Quarter, Old City	180	4,900
62 (1)	Armenian Quarter, Old City	123	2,200
64 (1,2,3)	Muslim Quarter, Old City (south, center and east)	303	22,100
71 (1,2,3,4,5,6,7)	Qufir Aqab, Atarot, Beit Hanina (north and south), Shu'fat (west and east), Shu'fat RC	17,069	50,500
75 (1,2,3,4)	Isawiyya, A-Tur (north and south), Sawaneh, Jabal Zeitun, Shaya, Wadi al-Joz	5,420	27,900
76 (1,2,3)	Sheikh Jarrah, Nablus Road, Bab az-Zahra, American Colony	1,521	7,600
81 (1,2,3,4)	Wadi Hilwa, Silwan, Ras al-Amud, Abu Tur (east), Jabal Mukabir	4,151	33,400
82 (1,2,3,4)	Arab Sawahe, Umm Leisun, Sur Bahir, Um Tuba, Beit Safafa (south), Sharafat	22,964	24,600
TOTAL		*51,731	173,200
Estimate by Israeli CBS (highest of various estimates)	"Arabs and Others" in Jerusalem		180,900
Estimate of Palestinians in Jerusalem without permits	(West Bank, Gaza, or foreign passport-holding)		10,000 +
Estimate by Palestinian CBS (1997)	Palestinians in Jerusalem city limits		210,000

*Includes closed areas, public space, green areas and confiscated land.

Table 2. Arnona on Residential Buildings in Arab Jerusalem, 1995. ²(NIS thousands)

<i>Sub-district</i>	<i>Number of Properties</i>	<i>Arnona Charged</i>	<i>Collective Remissions</i>	<i>Special Exemption</i>	<i>Collected</i>	<i>Rate of Collection (%)</i>
61	1,051	754.9	10.7	262.7	242.8	32.2
62	585	768.2	22.3	139.2	443.8	57.8
64	2,663	1,721.7	19.0	638.9	572.7	33.3
71	5,847	14,276.9	363.5	4,105.6	6,573.2	46.0
75	3,604	5,555.7	60.5	2,360.9	2,048.4	36.9
76	1,216	2,745.9	38.3	898.3	1,134.9	41.3
81	4,002	4,551.5	52.2	1,807.3	1,839.7	40.5
82	3,859	4,529.8	52.6	1,660.2	2,014.7	44.5
Total	22,827	34,904.6	619.1	11,873.1	14,870.2	41.9
Jewish Sub-districts	126,614	298,085.0	7,690.3	63,988.8	214,284.4	69.3

Table 3. Population by Palestinian Occupancy in Jerualem District Building Units

	<i>Building Units</i>	<i>Population @ 5.7 persons/household</i>
Within annexed East Jerusalem (inside Israeli municipal borders)	22,827	230,114
Within Jerualem District but outside annexed Jerusalem (PCBS)	25,848	147,333
	48,675	277,477

Table 4. Arnona Rates by Building Category and Location, 1996 (NIS)

<i>Location (Proximity to main road)</i>	<i>1 = <120 s.m.</i>	<i>2 = >120 s.m.</i>	<i>3 = outdoor amenities</i>	<i>4 = underground or ancient unit</i>
A	66.20	54.85	38.60	23.65
B	60.15	44.00	28.70	23.65
C	46.40	32.75	23.65	23.65
D	37.95	23.65	23.65	23.65

Table 5. Arab Residences by Building Type Classification for Arnona³

<i>Subdistrict</i>	<i>Classification By Building Type</i>				<i>Total</i>
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	
61	9	105	852	85	1,051
62	13	221	289	62	585
64	20	222	2,227	194	2,663
71	1,184	3,638	515	510	5,847
75	156	1,951	1,415	82	3,604
76	136	518	531	31	1,216
81	95	1,684	2,124	99	4,002
82	185	2,165	1,406	103	3,859
Total	1,798	10,504	9,359	1,166	22,827
% of Arab total	7.8%	46%	41%	5.1%	
% of city total	20%	8.3%	80%	56%	
Charges					
(NIS thousands)	9,337.3	18,134.2	6,856.6	576.7	
% of city total	17%	6.8%	77.6%	55.6%	

Table 6. Arnona on Non-Residential Buildings in Arab Jerusalem, 1995 (NIS thousands)⁴

<i>Sub-district</i>	<i>Number of Properties</i>	<i>Arnona Charged</i>	<i>Collective Remissions</i>	<i>Special Exemption</i>	<i>Collected Arnona</i>	<i>Rate of Collection (%)</i>
61	913	4,659.9	55.1	903.0	2,025.8	43.5
62	173	846.3	10.5	187.1	329.0	38.9
64	977	6,437.7	281.0	1,445.0	2,250.4	35.0
71	1,190	17,659.7	836.8	985.11	8,488.2	48.1
75	584	6,432.8	295.1	2,315.0	1,436.7	22.3
76	1,288	24,527.3	2,191.1	2,195.0	10,843.1	44.2
81	246	1,893.9	209.5	414.2	490.3	25.9
82	249	2,239.1	88.4	1,362.5	258.1	11.5
Total	5,620	64,696.7	3,904.5	9,806.91	26,121.6	40.3
Jewish properties	20,104	385,457.7	17,437.0	93,308.90	220,101.8	57.1

Table 7. Jerusalem Municipality Final Income, 1994 (NIS thousands)⁵

<i>Source of Income</i>	<i>Share of Total (%)</i>	<i>NIS Total Amount</i>
Self-generated income	61%	NIS 753,505
<i>Arnona</i>	62.6%	471,685
<i>Other</i>	37.4%	281,820
Government sources	37.1%	451,094
<i>Earmarked revenues</i>	52.6%	237,298
<i>General grant</i>	47.4%	213,796
Receipts from government	1%	12,132
Total Income		1,216,731

Table 8. Jerusalem Families Receiving Child Support Allowances from the NII, 1994-95⁶

	<i>Families</i>	<i>% of Total</i>	<i>Of those: with 3+ children</i>	<i>% of Total</i>
"Arabs born in Israel"	19,852	24.40	11,208	29.20
Israeli Jews	61,522	75.60	26,305	68.80
TOTAL FAMILIES	81,374	100.00	38,333	98.00
Total Children	234,644		170,743	

¹ *Statistical Yearbook for Jerusalem*, 15, 1997; adapted from various tables. Mount Scopus (74[3]), which has a mixed population of 8,500, is not included here since it is impossible to determine the proportion of Palestinians. Some of the subquarters of Jerusalem were redivided in 1995 for use in the Israeli census. See p. 377 in the *Statistical Yearbook for Jerusalem*, 1996, for the new divisions.

² *Statistical Yearbook of Jerusalem* (1996); information gathered from Table XVIII/13, pp. 365-66.

³ *Ibid.*, pp. 367-374; adapted from Table VIII/13.

⁴ *Statistical Yearbook of Jerusalem* (1996); information gathered from Table XVIII/12, p. 363.

⁵ *Ibid.*, pp. 336 and 338.

⁶ *Statistical Yearbook of Jerusalem* (1996), p. 125. Calculations recorded as in source.