

Jerusalem Municipality Budget Analysis for 2013: **Share of Investment in East Jerusalem** **December 2014**

This document presents the relative share invested by the Jerusalem Municipality in East Jerusalem, in general and according to departmental budgets, as evidenced in the Municipality's actual budget data for 2013. This document follows up on preliminary data published by Ir Amim for Jerusalem Day in May 2014. With the Municipality's full performance report (trial balance) now published (October 2014), it is possible to present a complete analysis.

The basis for this comparative budget analysis is actual budget data for 2013, including both municipal budgets and state budgets funneled through the Municipality; for example, salaries for teachers, social workers, and public health nurses. The calculation also takes into account the "additional irregular budget". This budget is mainly intended to fund large, high investment infrastructure projects, and is brought to the City Council for approval only in the middle of the year, after the different government offices have decided the sum of their budget to be allocated to municipalities. Once the money is transferred to a municipality, distribution of funds between various municipal departments falls under the municipality's authority, independent of the government.

The relative share of the Jerusalem Municipality's budget invested in East Jerusalem should be compared, at the very least, in relation to the percentage of the Palestinian population living in East Jerusalem. According to estimates of the Central Bureau of Statistics (Israel), the average population of Jerusalem during 2013 totaled 822,600 people, 303,900—or about 36.9%—of them Arabs. According to the Population Registry of the State of Israel, Jerusalem's non-Jewish population totaled about 371,844.¹

As such, the Municipality's relative investment in East Jerusalem should have been, at the least, 37% of its total budget given this portion of the city is among the poorest and most neglected areas under Israeli jurisdiction. As of 2012, 75.3% of the Arab residents in the Jerusalem district, and 82.2% of the children, were living under the poverty line.² In this situation, we would expect the budget to favor East Jerusalem, and investments in its residents a share even larger than their percentage in the population. As we will see, this is far from being the case.

Main findings

Calculations of the Jerusalem Municipality's relative investment in East Jerusalem were based on three models:

1. Comparing the sum of known investments in East Jerusalem to total budget: **only 10.1% of the municipal budget is invested in East Jerusalem.**
2. A "softer" model, of comparing the sum of known investments in East Jerusalem to total budget, subtracting the "administrative staff" budget (the part of this budget that is invested in East Jerusalem is known to be low; removing it completely raises the investment ratio): **only 13% of the municipal budget is invested in East Jerusalem.**

The municipal staff budget includes the office of the mayor, the office of the general director of the Jerusalem Municipality, legal counsel, city comptroller, ceremonies, deputy mayors' salaries, accounting department, etc. While the part of this budget invested in East Jerusalem is known to be low, subtracting it entirely raises the investment ratio.

3. According to the softest model—comparing the sum of known investments in East Jerusalem to the total budget, without "administrative staff" and departmental staffs: **only 13.6% of the municipal budget is invested in East Jerusalem.**

According to even the softest of the three calculations, the percentage of relative investment in East Jerusalem by the Jerusalem Municipality is low. Between 10.1% and 13.6% of the city budget has been invested in 37% of its residents. Furthermore, in five different departments the Municipality's relative investment is smaller than 5% of the budget. In the culture department, the share of investment is a mere 3.4%; in the sports department, 0.6%; in the welfare department, 4.2%; in the business promotion department, 1.5%; and in the youth promotion department, 2.5%. The scale of investment from the welfare department is astounding when considering the high poverty rates in East Jerusalem. So too is the percentage of investment in youth promotion—mainly targeting dropouts—considering the fact that East Jerusalem has a dropout rate of 13%, in contrast to the 1% dropout rate in West Jerusalem.

The Municipality generally denies the veracity of these figures, but fails to produce alternative data to support its claims.

Department	General budget	Irregular budget	General + irregular	General invested in East Jer	Irregular invested in East Jer	Total budget invested in East Jer	% of budget invested in East Jer	Departmental staff budget	% of budget invested in East Jer (w/o relative dpt. budget)
Public health	51,855,148	980,641	52,835,789	7,680,481	0	7,680,481	14.5%	4,052,109	15.7%
Community	60,188,246	11,778,462	71,966,708	5,787,626	800,929	6,588,555	9.2%	21,403,135	13.0%
Business promotion	9,693,176	378,713	10,071,889	150,000	0	150,000	1.5%	2,535,641	2.0%
City planning	48,649,803	37,838,724	86,488,527	3,258,645	3,222,587	6,481,232	7.5%	4,986,788	8.0%
Culture	100,509,675	11,689,576	112,199,251	3,830,791	0	3,830,791	3.4%	19,263,982	4.1%
Education	1,032,361,190	104,793,061	1,137,154,251	325,193,775	7,633,143	332,826,918	29.3%	33,623,558	30.2%
Fire and rescue services	7,192,083	530,490	7,722,573	1,798,021	132,622	1,930,643	25.0%	0	25.0%
Sanitation	325,117,387	6,502,338	331,619,725	76,888,671	163,755	77,052,426	23.2%	23,710,636	25.0%
SHEFA	177,386,310	119,259,720	296,646,030	14,856,842	5,475,514	20,332,356	6.9%	7,474,813	7.0%
Sports	37,767,282	64,490,237	102,257,519	603,000	78,636	681,636	0.7%	24,634,708	0.9%
Sports facilities	15,946,592	183,327,181	199,273,773	0	44,541,934	44,541,934	22.4%	2,699,424	22.7%
Tushia' (traffic and engineering services)	39,780,905	677,800,306	717,581,211	3,500,000	59,324,760	62,824,760	8.8%	5,932,665	8.8%
Welfare	598,706,000	1,175,759	599,881,759	25,142,147	153,497	25,295,644	4.2%	29,541,090	4.4%
Youth promotion	31,519,939	443,660	31,963,599	787,998	0	787,998	2.5%		2.5%
Municipal staff budget	982,980,497	364,567,716	1,347,548,213						
Additional departments	735,556,030	37,809,465	773,365,495						
Total actual municipality budget for 2013	4,255,210,263	1,623,366,049	5,878,576,312	469,477,997	121,527,377	591,005,374	10.1%	179,858,549	
Total actual municipality budget without municipal staff budget			4,531,028,099			591,005,364	13.0%	179,858,549	13.6%

This budget analysis was conducted with the support of Dr. Meir Margalit, who held the East Jerusalem portfolio in the previous City Council.³

¹ **Population Registry data, 31.12.12.** The data for the non-Jewish population under the Ministry of the Interior's Population Registry includes Muslims and Christians, including the small share of this population that resides in West Jerusalem as well as residents bearing the legal right to live in Jerusalem who do not actually reside in it. Data from 2009 shows that 99% of the Palestinian population resides in East Jerusalem.

² The National Insurance Institute of Israel, *Poverty and Social Gaps in 2012*, annual report: /Documents/oni2012-e.pdf.

³ Only funds that contribute to development of East Jerusalem and the welfare of its citizens were included in calculation of funds invested in East Jerusalem. For example, the budget article “printing study books”, under the MANHI budget, which serves for printing study books censored by the Municipality, was deducted, as was the budget article “enforcement of constrictions laws” under the licensing and inspection department, which applies to home demolitions.

- The budgets of some departments were not included in the calculation due to the structural assumption that they usually do not serve for the benefit of East Jerusalem. For example, the “Aliyah Absorption” and “Torani Education” departments, as well as “Municipal Inspection”, which mostly acts against street vendors in East Jerusalem, “Parking Inspection”, which distributes parking tickets, “Tax Collection”, which manages collection of arnona (municipal property tax) and debts, etc.
- With respect to the education calculation, the population share of East Jerusalem in the relevant age groups is substantially larger than its general relative share: in the Arab population of Jerusalem, 42% of the population is concentrated in age groups under 15.
- Notes regarding calculations of departmental budgets:
 - “City planning” deals with approvals of construction plans. Our calculation was based on the number of housing units approved in plans as opposed to the number of plans approved. In the department for construction, calculations regarding permits under the licensing and inspection unit were based on the number of permits issued, regardless of the number of housing units (approval process times tend to be similar and depend less on the number of housing units).
 - “Fire and Rescue Services”: In the whole of Jerusalem there are 4 fire stations (one of the four stations is divided into two). One of the stations is located in A-Sawana and intended to serve East Jerusalem. While according to the number of firefighters and equipment it is the smallest; in practice, that capacity may be augmented when additional fire vehicles from West Jerusalem are alerted for emergencies that take place in East Jerusalem. Therefore, to be conservative, the calculation was based on a ratio of 1:4.
 - The “Quarters Administration,” which is under the 'SHEFA' (city improvement) department: Out of 7 quarters (administrative districts), 3 are related to East Jerusalem, although not exclusively. We assumed that 50% of the investment in these three quarters is for the benefit of the Palestinian population (i.e. 1.5), and rounded up to an investment ratio of 2:7.



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