



Transcript

Jerusalem: A Modern Vision

The Hon Nir Barkat

Mayor of Jerusalem

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Nir Barkat:

Thank you Dr Robin Niblett, Director of the Royal Institute for International Affairs. Distinguished members and guests of Chatham House, good evening and thank you for the opportunity to speak here. What I would like to accomplish here is to give you a bit of wider vision as to the vision, the thoughts, and challenges of managing Jerusalem, and leave you with a wider perspective than when you entered this discussion. With your permission, I'd like to expand and talk about the motivation - what caused me to leave all my business - and focus on Jerusalem.

I was minding my own business doing some high-tech stuff in the global marketplace for about 20 years, and thank God for our home, my wife and I, about 12 years ago I decided to do some philanthropy, and we got engaged in education. We built with Hebrew University the largest Hebrew educational website with a big portion on the Arabic educational website, and got engaged in the educational system.

That gave me a peep into the public life of the city of Jerusalem. And the more I got engaged in the schooling system, the public sector, the more I realised that Jerusalem has many challenges. As a high-tech entrepreneur on average I lived over Italy, spending about a week a month in the States and North America, and I didn't really understand the depth of the challenges in Jerusalem.

I've learned that there is negative migration of the Jewish population of over 6,000 people per year to the country. I've learned that Jerusalem is the poorest city in the country. I've learned that the gap between the potential of the city and the reality is increasing rather than exploiting the full potential of our wonderful city. I've learned that... think of a conflict, we have it, big time.

And the challenges we all have, is how do we bring Jerusalem to the Middle East? What I've learned in high-tech is win-win strategies. The global world... in high-tech you cannot succeed unless you develop win-win strategies. And in the Middle East, win-lose strategies is the most common practice.

I realised that after seeing all that, I could not sit aside and continue my own business. So I retired from all my business activity seven years ago. It's costing me an arm and a leg. And all of my energy is focussed on one thing, how to create a better Jerusalem, for the benefit of Jerusalemites and the benefit of the world.

A few remarks about Jerusalem. Our history is not controversial. 3,000 years of history in Jerusalem is practically an agreed upon fact. 1,000 years of

Jewish history, 2,000 years of different conquerors of Jerusalem. Anywhere you put a shovel in the ground, you will find Jewish roots. Jerusalem was mentioned in the Bible 663 times. And the relationship and contact between Jews and Jerusalem is second to nothing. We also know that Jerusalem is an important city for over 3.4 billion of faith throughout the world, the three monotheistic religions - Christians, Muslims and Jews.

We know that Jerusalem, besides being an important holy city has a huge potential, both for culture, spiritualism, education. Jerusalem, when I walk the streets and talk to the people of the world, when I tell people I'm from Jerusalem, even before I was mayor, people's eyes open up apologetically, 'This is a place I would like to visit at least one time in my life'.

And when you look at the situation in Jerusalem today, we are about 800,000 residents. One third of the residents are Muslims, 2 per cent Christians and 65 per cent Jewish, plus or minus two thirds of the population. The increase of the Arab population is faster than the Jewish population. In the last 15 to 20 years, the Arab population grew from 30 per cent to 35 per cent. Which is fine, there is room in Jerusalem for everybody.

This is generally the picture we're entering, and now with your permission, and I'd be happy to expand more in the Q&A, I'd like to share with you my vision for the city of Jerusalem.

As a matter of fact, it's returning to the role Jerusalem played 2 or 3 thousand years ago to the front of the table. Jerusalem was a destination for pilgrims of all religion. The centre of the world, where modern civilisation practically started, Jerusalem has that potential. And if we compare the number of people visiting the city... I'm, as an entrepreneur, I look at the gap and I think 'wow, there's a huge opportunity for scaling and building the city'.

If New York had 48 million tourists, and I think London has over 20 and Rome had 40, there's no reason why Jerusalem has just over 2 million tourists a year. One of the challenges we have is to open up Jerusalem for the benefit of the world. To open up its economy; to expand the freedom of religion. Right now, in the 42 years of united Jerusalem, there's never been a better freedom of religion to all religions in Jerusalem. In fact, the only religion that is limited is the Jews that are not allowed to pray on Temple Mount.

We must, with lots of spine, protect the ability of people to practice their religion in the city of Jerusalem. But that's not enough, I want to enable many more tourists and pilgrims to come to the city of Jerusalem. I put a goal: 10 million tourists in a decade from now. 10 million tourists is the equivalent of 140,000 new jobs. It means sending 10 million ambassadors of the city of

Jerusalem to the world. It's sharing Jerusalem with people, not only the 800,000 residents.

By the way, when people understand the strategy, it's a win-win strategy. When it rains, it rains on everybody. For the job force, in culture, in tourism, are Arabs and Jews. When people understand that it is boosting their economy, they play ball.

A carrot, an economy, is the best way to promote the city of Jerusalem and the Middle East in general. I strongly believe and know that everywhere there's economic growth, people have more to lose, they become calmer. When the economy is poor, people become more radical. So part of the solution, and part of the vision I share is making Jerusalem a better place to live, to visit, to open a business. That's the Jerusalem people want to hear. That's the Jerusalem that we have to develop.

I'm focussing on the common theme, the common denominator of people. People asked me what's harder, to develop a relationship between Jews and Arabs, or between Jews and themselves? Well, I believe it's more difficult to align interests between Jews and themselves and Arabs and themselves and Christians and themselves, than sometimes to see a win-win between the different groups.

There are 31 council members in the city of Jerusalem. 30 of them are in my coalition. In the coalition we have ultra orthodox, national religious, and secular. We have left wingers and right wingers, and it works. When you come with transparency - I've opened up all of the committees - no surprises. The strategy I shared with you is part of the coalition agreement. We seek win-win deals, and slowly but gradually build trust between the different sectors in the city of Jerusalem that did not trust each other in the past.

When I was head of opposition, this wasn't the case. And it's extremely important for me to slowly build trust between the different parts and to work together to create one plus one equals three.

Jerusalem is indeed a microcosm of what is happening not only in Israel, in the Middle East and maybe even beyond. I am sure that by getting these wheels to move together and work together is the only way that Jerusalem will work in a better way.

In terms of the planning process, planning is quite challenging, to say the least. There's a shortage of land. We are a city that has patches upon patches of plans for thousands of years. There are three thousand buildings for preservation in such a small area. We have modern, we have ancient, we

have a need to expand the infrastructure for tourism, for the benefit of the world that does not exist as it should in this point in time. And there are needs for residential areas, for businesses, for culture. We need schools, public buildings.

All of these have to go into one planning process. We anticipate Jerusalem to grow to about 1 million people in 2030. The master plan that has been worked on for about a decade has converged to think through how to allocate all of the needs that are derived from the public and what I've shared with you right now into one master plan. We anticipate building 50,000 apartments to catch up with the need of moving from 800,000 people to a million people and the plan is a natural expansion of Arab neighbourhoods for Arabs and Jewish neighbourhoods for Jews.

The macro plan calls for about a third of the apartments to be planned for the Arab sector in Jerusalem, and two thirds for the Jewish sector. Mind you, that under Israeli law, you cannot force people or stop people buying apartments or houses by their race or their colour or religion. In Jerusalem, there is no problem, Arabs can live in Jewish neighbourhoods, Jews can live in Arab neighbourhoods. I believe that you will accept, if you don't have double standards, and there's one standard in the world you must accept equality by law.

Indeed when we plan the different neighbourhoods, we plan them anticipating that most people would like to live next to the people they are similar to, but under law people have the right to live anywhere they want. I am not in the business, as mayor of Jerusalem, of telling people or blocking people from where they want to live. The planning committees have to be equal by law and enable people to build according to what we anticipate are the holistic needs of the people of the city, and as I said, also the world as a whole.

I come from the private sector, I have to tell you, there are planning gaps in all parts of the city. One of the reasons why Jews migrate out of the city is lack of affordable housing. In East Jerusalem, some of the neighbourhoods were not planned properly, and there's a big gap between the plan and reality, which forces us to replan some of the areas for the benefit of the Arab residents.

We understand those gaps and I'm totally committed, leveraging my skills as a business entrepreneur, to catch the bull by the horn, focus on fulfilling gaps that have been caused in the last few decades, and turning Jerusalem into a place that is better for tourists, for investors, for its residents. I strongly believe that by developing Jerusalem with such a strategy, a win-win philosophy is the best future for the city.

When you bear all that in mind, and you understand all these needs, you understand why Jerusalem has to stay united. There is not history of one city in the world split that ever worked. Understanding the needs of the different sectors of the city, and the role that Jerusalem must play, it has to stay united and we have to focus, rather than on the division, but on the whole.

My recommendation to the US administration and to the European Union: don't come to the Middle East, to Jerusalem, with sticks. Come with carrots. What I'm doing in many areas is talking about how to increase the pie, one plus one equals three. How to make things better. Come with sticks and you will not get your way with Israel and the Middle East. You will eventually, rather than with a win-lose zero sum strategy, come with a win-win strategy, make the whole city work better as a whole, everyone wins.

When you focus on the division, the differences, there are many sectors in the city of Jerusalem. If there is one city in the world that has to work as a whole, that's Jerusalem. If there's one city in the world that making it work better for the impact of all its residents can make an impact on the world, that's the city of Jerusalem.

I'm very optimistic, I have to admit. People ask me how it is, in the first year of office. What I find is there's a high acceptance to strategy of win-win by public officials, members of the council. There is high acceptance by public servants in the municipality. We are in the process of upgrading many plans for the city. I've changed priorities last summer, we broke records for culture events. There is positive momentum in business opportunities; there is growth of 30 per cent in new business recommendations and proposals by young entrepreneurs and I'm totally committed to make our economy work much better for the benefit of all the people.

A few words about the peace process and then I'll sum it up and enable you to ask questions. My recommendation starts with our history. I don't know if you remember that in all prior negotiations between Israel and Palestinians, never was Jerusalem an obstacle. In all negotiations, while there were negotiations between Israelis and Palestinians, Jerusalem kept on building for the benefit of all residents.

My recommendation is don't demand a freeze in the city because that in itself is an obstacle and undermines peace. From my perspective, we have to push Israel and push the Palestinians with carrots, and not with sticks.

I call the US administration and the EU to focus on win-wins and not win-lose. The process that has developed is perceived as a process that pushes us to do a bad deal and nobody wants that. I strongly believe that we need peace

in the region and that negotiations with the Palestinians... we have our red lines... mustn't take any obstacle to peace the same way it was in the past.

There are many things to tell you, but I'd prefer to stop here and I'll be happy to answer any of your questions.

Robin Niblett:

Let me take the privilege of the chair to ask you one slightly provocative question. You said that there is great transparency that you've brought to the city that wasn't there before. But were you aware in advance of the settlement decision, the 1,600 homes that were announced during that point? Were you aware of that at that time? Because I think transparency obviously is at the heart of the process there.

Nir Barkat:

First of all, it wasn't the municipality, it was government. The government process, it went to the district committee. I'd like to share with you how the process flows. You start with the local committee of planning, where the municipality proposes a plan. We do that with 50,000 apartments and then we come up with a plan, there is a discussion, people can come... it's a process that is practically similar to what happens in London.

The second phase is after people object and their objections are heard, they can go a step up higher. With bigger plans you go to the district committee. That plan is put in place, people can come and object, and if people don't like it they go to the national. That process takes years, especially in Jerusalem. It's all transparent in the way it's put in the public eye.

So the reality is it is as straightforward as one could think. Nobody gave any thought that it's a problem, because Israeli government didn't say there's freezing in the city of Jerusalem and the public figures they're working there. They go through the same week, approved 1,000 new apartments in another city. So what's the problem? I agree that because of the sensitivity it could have been wiser to wait a bit, and nobody, definitely not the people, would like to put a stick in the wheel of the negotiations.

But the key question is, if you're hinting that this should be a total freeze, the answer is no, there is no freeze. If you're talking about being polite, and wait a week in the middle of negotiations, that's fine. We should be honest and fair with our partners in the US and EU.

The point is that there's full transparency; nobody meant any harm. People are continuing to plan the city for the benefit of the residents and it's a bit... nobody likes the situation we went into, but it's not a strategic fault, it's tactical impolite thing that happened that the Prime Minister didn't know about, I didn't know about. It's the committee that went about doing their own thing but derived from a plan that everyone agrees upon.

Robin Niblett:

I was trying to work out at which stage, and I think you've answered my question, at which point the Jerusalem municipality was aware, as opposed to the district, as opposed to the national level.

Let me take a few questions.

Question 1:

Do you think that Israeli-Palestinian conflict is a failure of international law?

Question 2:

You mentioned the 6,000 Jewish constituents leave Jerusalem every year. Would you mind telling us how many Palestinians leave? You were talking about equality in planning, if you don't mind telling us the names of the new Palestinian neighbourhoods that are going to be set during your tenure. What are you planning? How many housing units will be built, and how many places of employment in East Jerusalem?

Nir Barkat:

What do you mean about a failure of international law?

Question 1:

For example, international community does not recognise Jerusalem as a capital city of Israel but Israel in its domestic law recognises as a capital city.

Nir Barkat:

I think there's a difference between the West Bank and Jerusalem from an Israeli perspective. Israeli law applies in all of Jerusalem, on all its borders.

When people ask me about annexation... and I say annexation from whom? From the Jordanians? The British before? Look at the history of conquerors of Jerusalem. The Ottomans, the Crusaders, the Muslims. 2,000 years ago it was 1,000 years Jewish. And by the way, nobody claimed Jerusalem as their capital except the Jewish people until recently. I have no problem, on the contrary, we have to treat all people honestly and fairly under law.

And right now, Jerusalem is part of Israel and hopefully will stay like this forever, and we have to be very honest with all our residents in the city. My answer to you is, this is the law and nobody is claiming that we should return it to Jordan or Britain or anybody else. We have a right to it much more than anybody else, both historically and practically.

Robin Niblett:

To stay on that before we get to the Palestinian immigration... do you think it was a wise idea (maybe it's not fair to ask you, but I'm not an expert on the Middle East) to make Jerusalem the capital? No one else claimed it; perhaps that's a good thing, given that it's such a touchstone for the three monotheistic faiths. And therefore for one faith to claim it as its capital, that causes the type of problem that's existing now.

Nir Barkat:

Well, I mentioned that Jerusalem is mentioned in the Bible 663 times. Correct me if I'm wrong, but no times, 0 in the Koran. Everyone claims, which I accept that we have to be better to all the residents. By the way, the problem serving West Jerusalem is as severe as East Jerusalem. People are forgetting that. We have a number of objective problems. I think that generally we have a historical and practical right more than anyone else. And by coming and demanding these demands, I personally think it's unacceptable.

The reason there is growth of the Arab residents of the city of Jerusalem is because of practical economics. The average income of Jews is \$16,000 a year in Jerusalem and in the centre of the country it's \$24,000. You can understand why the job market and quality of life in the centre of the country is more attractive and Jews migrate out. By the way, 18,000 migrate out, 12,000 migrate in; it's a net negative migration of 6,000.

Arabs in Jerusalem, the average income is about \$4,000, but in the West Bank is about \$800. There's no reason to migrate out of Jerusalem. If anything, people migrate into Jerusalem because they improve their quality of

life. So it depends what you compare to what. The reality is that as mayor of all residents, and I treat the ones that voted for me, against me and the ones that didn't vote in the same perspective, I have to improve people's quality of life. The vision I shared with you is improving quality of life.

You asked me about neighbourhoods. In general, all the new expansions are straightforward expansions of current neighbourhoods. We have a list of the plan, if you like you can look at it on the internet. Out of 50,000, over 17,000 are perceived to be for the expansion of Arab neighbourhoods.

What I've done, in a neighbourhood where you're allowed to build just two storeys, and from the 657 buildings, 50 per cent are over two storeys, so we have over 300 of them beyond the limit. Rather than hit our head against the wall, we've now approved going up to four storeys. That automatically enables in the same neighbourhood to expand 1,000 new apartments for better quality of life. And we're enabling better infrastructure to get Arabs a proper license. That on its own is expanding the current neighbourhood.

We have others that the Arabs came up with the plan that I'm blessing. In one, the residents came up with a plan, I saw it two or three months ago and we're going to approve it as part of the macro plan. In many areas of the city... check us out, you will see that we are fulfilling the strategy and enabling Jews and Arabs to live in a better quality of life. The list is long, you'll be able to see it on the net. I'm standing behind the strategy, 50,000 and a third are for Arabs.

Question 3:

Mr Mayor, I can feel your enthusiasm and passion for the city, and desire for win-win solutions. But I think that many people believe that the real win-win situation would be if you could have peace. You talk of Jerusalem as a unified city, and I can see that's something passionate that you feel and believe, but could you ever conceive of sharing sovereignty? You could still have a unified Jewish state, a unified Jerusalem but you could share sovereignty? On the Silwan district, why is it the Palestinians, we read in our newspapers that they're complaining of the proposed demolition of about 70 houses for the King's Park Project?

Nir Barkat:

We've learned our history. Israelis saw what happened in Gaza. Pulled out of Gaza, you got thousands of rockets on your head. There are certain things

from the near and past future, there are certain risks we are willing to take, Jerusalem we're not willing to take that risk. It would be the most strategic risk for Israelis and I would strongly recommend government not to go that route.

There's a difference between being wise and smart. A wise man knows how to get out of situations. A smart man doesn't get into situations that cause trouble. I think that we should be very smart here and not enter a deal that will never work.

Sovereignty cannot be shared. Sovereignty is who manages the city, who develops it and you have to be very honest and fair to all residents and differentiate between the two, i.e. strategy is to open up the city not only for the benefit of the residents. For all religions and all people of faith in the world, that's the direction we have to take Jerusalem.

We have to be considerate as much as you can, but don't take risks and sovereignty in the city of Jerusalem is crossing a red line. I come from win-win situations and most of my business career is in North America, in the Western world and it's very difficult for people in the Western world to understand win-lose strategies. In game theory, if you approach a deal win-win, you are looking for a give and take, and if the other party comes with a win-lose strategy, you will always lose because whatever deal you come up with is the beginning of the next phase of negotiations.

The Middle East works very different than in Europe. What seems to work very reasonably in Europe doesn't necessarily in this case work in the Middle East. The rules are different. I wish that we can get there one day, and I believe we can. But don't rush into bad deals.

Robin Niblett:

What are the best plans to deal with holy sites in particular within the Old City?

Nir Barkat:

Go to the Old City and you will find so many people of different faiths enjoying and practising their religions. We just had Ramadan, over 100,000 Arabs came to the Temple Mount with no problem at all. The next month we had the Jewish holidays and hundreds of thousands of people came to the Western wall and we had Christians flowing in and out of all parts of the Old City.

Today Jerusalem is enjoying freedom of religion, lots of tourism and we have very good growth.

As to demolitions. King's Garden, we put out the plan. The reality is as follows. King's Garden is in the valley which is the closest to the Temple Mount. If there's any park, green area that is more strategic or closer to the Temple Mount, I don't know of one. Think Hyde Park, Central Park, a green area around the old city. Thousands of years, it was never built on. It was green area and by law no one can build there. That specific area is where King Solomon wrote the Song of Songs and in the time of the Bible took out water from the Silwan spring... it has strategic value. We have air photos going back to 1918 showing that nothing was built there.

In 1967 when Jerusalem was reunited, there were four buildings at the bottom left side, southwest side of King's Garden. In 1992 when the Jerusalem municipality fixed the running sewage under the ground, all of a sudden there was a flow of illegal buildings coming down from Silwan and building illegally. There are court orders to demolish those houses. By Israeli law, it's green area, you cannot build there.

When I entered office, I had three choices. The first was to demolish them all according to the law. I don't think it's a good idea. The other choice was to leave it as a slum. I don't think it's a good idea because it was never planned as a residential area. So what I've done, I've taken the chief architect of the municipality and tried to develop a better plan for the benefit of the residents. What we developed is a plan to revive the water, run it down in open water.

Take the area and on the valley, on the east side, open up stores and restaurants, take 3,000 square metres of restaurants for the benefit of the Arabs. There are no Jews there. Enable them to make a better living and turn that, excuse me for saying, slum, not worthy for many people to live in, into a high quality green area, park open for all, with running water, stores and on a top level, enable all illegal residents that are living there to stay and live properly in a new apartment.

By design, no evictions. By design, strategic upgrade of quality of life, and winning a park which can become an anchor for tourists and people to come and enjoy.

By the way, the Arabs that live there understand that and are willing to negotiate. The Prime Minister asked me to delay putting the pipe in the process so that we can have more negotiations with residents. I'm fine with that, because I want this to become a successful area.

The extremists on both sides are not happy with this. The extreme right will say 'why are you giving Arabs a green area that was not allowed to build on, why are you enabling them to build a new neighbourhood?' The extreme left are saying 'if the Arabs are going to be happy, that may mean strategic impact on sovereignty of the city of Jerusalem'. So you find extremists pushing this not to become a successful deal.

We will make this happen, for the benefit of the residents. There are 22 houses on the west side and 66 houses on the east side. Our notion is how to do a wise deal so that everyone who has a permit on the right side will somehow have to take responsibility for their neighbour, which is usually family, on the left side.

Generally, once this park becomes an open park for the benefit of all people, better economics and no evictions because yes, we have to clear 22 houses which are currently there illegally and we will upgrade their quality of life 20-30 metres on the right.

Question 4:

You were talking about the sewage pipe in the Kidron valley. Two years ago when we last checked, all the sewage was going through the Kidron valley and directly into the Dead Sea. Now you're talking about tourist expansion. I do not understand how the tourism in Jerusalem can be catered for when the streets in the Old City are so narrow you can hardly walk down them, if you're walking in the opposite direction you'll be crushed. I don't understand how you can get the tourists there when the road going from Tel Aviv to Jerusalem is so jammed up with traffic, it's so narrow.

Nir Barkat:

I'm happy you brought up this point. Rather than push people for a bad deal, the world could get involved in projects like this. I'm fully aware of the challenges of upgrading the city to be able to cope with huge potential. You mentioned the Kidron and the running sewage. It's a disgrace, I agree with you. In order to fix it, we need a plant, and we need to do that jointly with the Palestinian authority because there's a reasonable chance... the sewage, by the way, doesn't discriminate. Eventually it goes to the same place and we have to make sure that the sewage of all residents... eventually we want to catch it at the bottom and fix it for all.

Projects like this that can get the EU, Americans, Israelis and Palestinians to work together, that's a classic example.

Now, traffic. Don't envy me. The upgrades we have to make to cope with the challenges are huge. We're busy articulating the changes we want to do for public transportation and everything that you mentioned, unfortunately I agree with you. It's a big challenge in managing the city.

One of the challenges that we have to think on is all the needs of the city in order to make it work as a whole. You're 100 per cent right.

Question 5:

The vision you have, and what you're describing, I have to be honest, I don't recognise. I know Jerusalem, and I know Silwan. I don't know any happy Palestinians in Silwan, looking forward to their houses being demolished to make room for a park. I have several questions, really. My question is that of international law. I wasn't quite sure how you dealt with that, maybe you could tell us again, how do you deal with international law? Because you know, according to international law, the world has got a system of laws that we have to live by.

I don't understand what you understand by international law because under international law, everything you are describing on the eastern side of the city is illegal. The housing projects, the settlements, they are all illegal. Clearing houses lived in by Palestinians is illegal. I don't understand, do you recognise international law?

I can't believe anybody here shares your vision. On the question of freedom of worship, what freedom of worship is it when Palestinian men below the age of 50 cannot enter the city to go to their holy places? For 40 years, people cannot go from the West Bank except with extraordinary difficulty and permits to get in for freedom of worship.

The two final, very important points is the question of the archaeology, which you have not mentioned. How do you explain that the archaeological digs taking place, particularly in the Silwan which are endangering the top layer of houses endangering, and in some places a couple of collapses... this has been given into an extremist, Jewish fundamentalist organisation, which is digging with a clear partisan agenda. How do you justify that?

Finally, please justify the house demolitions that are threatened to take place.

Nir Barkat:

First of all, Israeli law applies. Which law do you propose if not Israeli law at this point? Jordanian, British? There's no such thing as United Nations law. Israeli law is based, by the way, on British law, not French, not others. The judicial system is perceived to be much more fair than others and the courts are independent. It's not easy to deal with the courts sometimes. From that perspective, there is Israeli law and I don't see any problem with it.

In terms of people entering the Temple Mount. Restrictions happen when there are tensions and it's a police limitation when they feel there is risk of riots. It happens only when there is tension and it's not by law. I think that wisely they use it. The head of police in the city of Jerusalem doesn't like to use it a lot; he uses it only when he feels there is threat of riots and threat of life.

The reality as you will see, more than not, that it's totally free ability to come. In the last few weeks, I have to say that there were claims in the air that Israel wants to take over the Temple Mount and that we're going to run into Temple Mount and change the status quo.

It's exactly the opposite. We are very strictly maintaining status quo, both the municipality and the Israeli government. That's just a rumour that has no base to it. But still, people came and rioted because of this reason. And the police limited the number of people, when you limit the age to 50, the chances of having a riot gets dramatically decreased. I think it's perfectly fair in managing a city as complex as Jerusalem to decrease the chances of having riots.

In terms of archaeology. Have you been to the City of David before? The City of David is just south of the wall, south of the Temple Mount. Digging into the layers, you find the real City of David. You go with a Bible in your hands into these digs and you see the Bible open up. By the way, it's not controversial that when you walk into these areas and you see the Bible, on that little hill and history tells you that the real City of David, the old city of Jerusalem was south of the Temple Mount.

All of the digging is approved by the Israeli Archaeology Ministry, and none of it is extremist. It is all done under the supervision of the Israeli government, the municipality and you're welcome to go and see it. The 500,000 people that went to see it last year, when people go and see it, they're amazed to see the history unfold in an area that was Jewish 2,000 and 3,000 years ago.

The last finding, by the way, is not only the pool that people used to purify before they go to the Temple Mount, but the actual steps leading to the

Temple Mount 2,000 and 3,000 years ago. The amount of archaeology found in that hill in a week is more than people find in the world in a year. That archaeology is open for all for people to visit.

Indeed, on the top of the mountain, on the top tier, some people live, both Jews and Arabs. It's a challenge how to continue digging such an area and not hurt anybody. Since I've been there, I've see the precautions taken by the archaeologists and the government. I think it's honest and fair and I'm very happy that history is unfolding right in front of our eyes.

House demolitions. It's another point. I don't know how many demolitions have happened in London and your average city. First of all, most demolitions are because people built illegally. There is no demolition that doesn't go through courts. All demolitions go through courts and usually up to Supreme Court in Israeli government, which eventually people have to obey the law.

I have to tell you that people believe that there's between 10 and 20,000 illegal buildings in Jerusalem, mainly in the east side. Still, demolitions in Jerusalem are done under law. Last year, the average was 100 demolitions, that they go through the process of courts... 40 per cent are on the west side of the city and 60 per cent are on the east side of the city.

The reality is that every time there is a demolition, we only look for the hard cases of people that built in the middle of a green area, in the area of a school, in an area that you're not allowed to build at all. Silwan is a good example of 658 houses that right now we are on the verge of making changes so that 97 per cent of houses will be able to get a licence and only what is over four storeys will have to shave their building, and there are 20 buildings like that, one Jewish, by the way.

What we're doing, we're trying to apply reasonable law and make sure people obey the law. If I'm not mistaken, here in London the municipality evicted about 2,000 apartments for the benefit of the Olympics. Even if it's legal, sometimes for the benefit of the city it's perfectly fair to move people from their place of residence in order to gain a bigger benefit for the city itself.

Demolitions is something done in every city I know. It's part of making sure that people obey the law. The average of 100 demolitions, both in west and east, is under law, no politics in it. When people exaggerate and disobey the law, that's how I explain it.

Question 6:

Whilst Jerusalem is clearly at the heart of the conflict between Israel and Palestine, it is also the heart of a conflict between the ultra orthodox Jews and the mainstream. Whilst you referred to your coalition as having different constituencies within the Jewish community, with the impact of ultra orthodox demographic growth and their non-Western lifestyles, that will surely constrict the tax base with which you have to operate within your own city and will act as a deterrent to mainstream Jewish entrepreneurs, such as yourself, moving into the city and creating jobs.

Question 7:

I have a question about the US-Israel relationship. Do you think that the relationship is at a low point and how do you respond to US demands to stop building in East Jerusalem? What negotiations do you see taking place?

Question 8:

Can I ask you about the municipal budget? One of the issues that people point at, and indeed this Chatham House report draws on it when they talk about the Judaisation of Jerusalem, is the share of the municipal budget spent on Jewish and Arab areas and I think the Chatham House report says that something like 12 per cent of the budget is spent on a third of the residents and I think there's a report that says it may be lower than that from the EU. How do you explain that? Why has that happened in the past and what are you trying to do to change that?

Robin Niblett:

One point, you talk about demolitions, but evictions which are an incredibly emotive issue as well, suddenly has picked up in the press as well. Can you say a word about how evictions are carried out, in particular over housing where former Jewish families have come back and said 'this was a house that belonged to our family in the past', the courts have recognised it. Is there parity on those sorts of eviction decisions compared to Palestinians who have perhaps been evicted from parts of Israel and are not able to return?

Second, you said about divided cities not working. The security wall, could you say a word or two about what that's doing to the city of Jerusalem, its impact certainly on your vision for it.

Nir Barkat:

The ultra orthodox relationship in Jerusalem is very challenging. Part of the coalition agreement is upgrading the quality of life of ultra orthodox in their neighbourhoods and communities, side by side to upgrading quality of life of the general public in their own neighbourhoods, side by side to the Arabs.

The strategy is it's not zero sum game. It took me some time to convince them that I'm serious in seeking this win-win deal. When it happened, it sticks in the way that we had some issues on the border between different neighbourhoods and all kinds of questions that you need a lot of trust to complete.

It's not that they like every decision that eventually I make. We had a bit of crisis when I opened up a parking lot right next to Jaffa Gate and five per cent of the ultra orthodox community, which is two per cent of the city, had a serious problem with it. They were concerned that this will have a ripple effect on other things and I said no, it's a local point, we have to solve the problem because it's problematic that everyone parks and blocks the streets, it's a recommendation from the police. After awhile they understand that what I said is what I mean.

The relationship with the ultra orthodox is very good because in my mind I care about them and I want them to become successful in the city. They understand that when they come forward with reasonable requests, we go forwards with it. So I think that I anticipate that this strategy of managing the city openly, with no surprises, I will never surprise them and ask them not to surprise me. There is a liberty of anyone in my municipal government that they can raise any point they want. If in Jerusalem you walk between the drops, you do nothing. You have to make decisions, you have to have a spine derived from a strategy. We do, and the relationship is very good.

The relationship with the US and European Union... we're a democracy in the Middle East. What we are having today, the world will have in 10-20 years and terror is a good example of that. Israel suffered terror for decades and we dealt with it. Terror is a global problem today. Some of the problems that are touching Israel today, we are expanding our solutions to the rest of the world of how to deal with...

Let's not confuse disagreements with strategy. There's no doubt in my mind that Israel and the US and the EU align interests with understanding that we must bring democracy to the world, and eventually if we don't agree on everything, we have to make sure that the relationship is in the right direction.

I think between every married couple I know, sometimes there are disagreements. Fine. Sometimes I have disagreements with my wife, but the relationship is excellent. Eventually you have to overcome those differences, not necessarily agree on everything, but get our strategy right.

The municipal budget is a bit more complex than you see in a single report here and there. Since I came into office I've pushed more and more on percentage and absolute numbers needed in Arab neighbourhoods. One of the things people are not aware of, when you buy a new apartment in a new neighbourhood, the price of the house, you pay for development.

What happens when you build a neighbourhood illegally? You don't pay for the land, the municipality didn't charge you anything for developing your neighbourhood and some of the neighbourhoods there's not infrastructure because nobody collected capital from the current residents.

It's a big problem, because if we go and develop and put money in capital, we'll lose money because the Supreme Court will say that somebody already paid for development in another neighbourhood. One of the challenges we have is how do we collect capital to invest in infrastructure that we collect from the residents by law?

It's a big challenge of how we can expand the capital we have to invest in Israel, in neighbourhoods that were built illegally. I'm committed to solve it, we will solve it, by chipping a bit more from the municipality, getting some philanthropy. Again when we talk about bringing carrots instead of sticks, that's another example of how the EU can chip in. I welcome investments in that community rather than charge them when they don't have a lot of the capital to develop the neighbourhood to seek different sources of capital to help close those gaps.

Evictions. I want to make sure we're on the same page. If someone builds an illegal house and the house has to be restored to the prior, there are no evictions. People have to find legal solutions. I don't know if you are aware of the complexities of [inaudible], after '67 it was always owned by Jews. After '67 Arabs went in to live there and for decades they paid rent to their Jewish landlords. A few years back, they decided to stop paying rent. It has nothing to do with the municipality. It's between the residents and the landlords.

The landlords went to court and they said these guys stopped paying rent, we want them out. They won in the courts. It has nothing to do with the Israeli government or the municipality. When two residents have a problem they go to the court and the courts decide who is right and who is wrong. People that live there were evacuated from their homes and the landlords decided to give

it to someone else. We're not comfortable taking sides when the court has made a decision.

On the subject of equivalency of evictions. There was no Palestinian state before Israel. It was Jordanian, it was British, it was not a state before.

Back to the security wall question that you asked me. The wall around the city of Jerusalem is built to save lives. I was unfortunately in a number of places where there were suicide bombings in the city of Jerusalem and I saw the blood in the streets. They asked me then and I'm telling you now. Life is more important than quality of life. I'm fully aware that the wall deters and makes life difficult for people to cross. It's a challenge that I'd be happy to get rid of once there's real peace. I don't view the wall as beneficial but for one thing, for saving lives. If you ask the security forces of the country, you will find that indeed it had a very positive effect on securing peoples' lives. I would love to see it fall, but we have to wait for the right opportunity when the risk involved in getting it down is negligible relative to the gains.