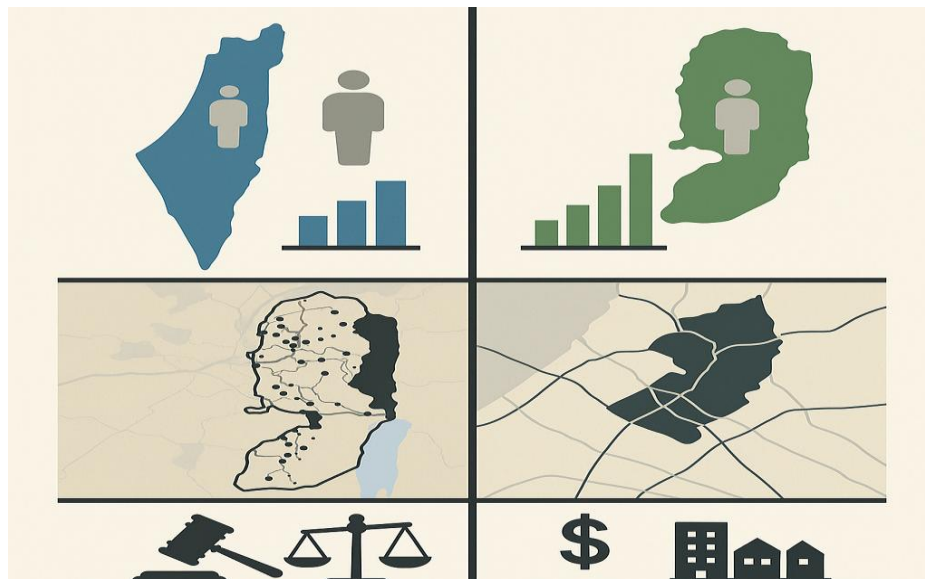


Comparison Between the Israeli and Palestinian Settlements system in the West Bank

**An Economic, Spatial, Demographic, and Legal
Perspective**

Dr. Shaul Arieli



December 2025

Printed in Tel Aviv-Jaffa

**Translated by Meitar Sorek*

With Appreciation

To the members of the Tamrur Politography Research Group

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Comparison Between the Israeli and Palestinian settlements system in the West Bank- An Economic, Spatial, Demographic, and Legal Perspective for 2025

Dr. Shaul Arieli

December 2025

Executive Summary

The current study aims to present an updated, comprehensive, and informed picture of the spatial, demographic, economic, and legal systems in the Judea and Samaria region (the West Bank excluding East Jerusalem) in 2025, while comparing the structural aspects between the two main settlement systems – Israeli and Palestinian. The purpose of this report is to offer a synchronous analysis based on a solid database that integrates seven updated databases collected and produced by the Tamrur Politography Research Group (for comparison purposes, 7,508 different variables were used from economic, spatial, demographic, and legal fields over the past 15 years), coordinated with official statistical sources: the Central Bureau of Statistics (CBS), the Palestinian Central Bureau of Statistics (PCBS), the Ministry of Interior, the Ministry of Education, the Ministry of Finance, the World Bank, the UN, and others, as well as unofficial sources such as Peace Now, the Institute for National Security Studies, and more.

The Judea and Samaria region of 2024-2025 presents a complex spatial, demographic, and economic structure in which two large populations—Israeli and Palestinian—exist in the same physical space but under two completely different regimes of control, planning, accessibility, rights, and development capacity. This is no longer just a political conflict but a sophisticated territorial system where every component—from population to economy, from roads to the legal system—is shaped according to an asymmetric power structure.

As of September 2025, 518,911 Israelis live in Area C, which constitutes most of the West Bank territory (62%), while the Palestinian population, according to the latest complete 2024 data, numbers 2,933,000 residents. Even at the quantitative level, a unique phenomenon emerges: a relatively small Israeli population spreads across

most development areas, while the Palestinian population, six times larger and owning all private land in Area C, is concentrated in built-up and dense spaces with no significant expansion capacity (Areas A and B span 38 percent, including 3% defined as nature reserves).

The picture is not just numerical. It is fundamentally spatial. Studies by OCHA and the World Bank over the past decade show that over 94% of Palestinian areas in Area C are not approved for construction, and that more than 95% of Palestinian building applications are rejected. In contrast, Israeli settlement develops based on stable and extensive spatial planning, including large jurisdiction areas, a connecting road network, access to Israeli national infrastructure, and future settlement planning.

As early as the late 1970s, when initial Palestinian urbanization processes met the expansion of Jewish settlement, a clear geographical pattern emerged: Palestinian population concentrations in the mountain areas ("mountain ridge") and growing urban congestion in central cities, versus Israeli deployment along traffic axes and topographic control areas. From then until 2025, this pattern has not only been maintained but deepened. While in the 1990s Israeli settlement was originally ideological-messianic, in the past decade it has also become an economic-social space for the middle class and young ultra-Orthodox class, supported by extensive tax and housing benefits. In contrast, Palestinian society in Judea and Samaria has become almost entirely dependent on the Israeli labor market, international support, and a welfare system that cannot meet its needs.

One of the strongest components in understanding the Israeli Palestinian space is the demographic dimension. The rate of ultra-Orthodox Jews among all Israelis in Area C in 2025—38.04%—indicates a profound change within Jewish settlement itself. An ultra-Orthodox city like Modi'in Illit, numbering 90,927 residents, or Beitar Illit, numbering 72,157—both together constitute 31.4% of the entire Jewish population in Area C—are at the heart of the settlement project more than ever. The exceptional proportion of children (over 60%) creates a birth-heavy demographic profile that drives almost all-natural growth.

The economy presents an even more complex picture. According to CBS data, most settlements rely on significant state budgets and struggle to generate high independent income. In contrast, the Palestinian economy operates under much harsher conditions: movement restrictions, infrastructure shortages, blocked access to production and industrial areas, and growing dependence on the Israeli labor market. According to the World Bank, this is a system incapable of generating meaningful growth without profound structural change in development conditions.

One of the most prominent characteristics of the reality in the West Bank is the existence of two separate legal systems operating in parallel, applying to two different populations in the same geographical space. The combination of the four dimensions—spatial, demographic, economic, and legal—creates a system that is externally stable but internally fragile. What appears as stable status quo is a power structure built on growing gaps. On one side—Israeli control over space, planning, and infrastructure; on the other—a Palestinian majority living under conditions of spatial and economic congestion. The Israeli growth engine—ultra-Orthodox society—will continue to grow. The Palestinian growth engine—the young population—will continue to be compressed.

The Judea and Samaria region of 2025-2030, in the absence of political change or policy change, is expected to be an arena where these gaps will sharpen further: Israeli space will expand and its infrastructure will deepen, Palestinian space will continue to be limited by the existing control structure, and the bi-national economy will remain asymmetric. Without policy changing planning, accessibility, economy, and infrastructure—the system will continue to move in a trajectory that feeds the duality and does not create a horizon of long-term stability.

The current study seeks to examine these interrelations scientifically not only in terms of conflict or security but in terms of spatial structure and demographic-economic dynamics. The goal is not to take a political position but to provide a solid empirical basis for understanding processes and planning future policy—whether in the context of preserving the status quo or in the context of a future arrangement.

Map 1



Theoretical Geographic Introduction

A deep understanding of the territorial reality in Judea and Samaria in 2025 requires adopting a broader analytical framework than that used in daily political discourse. The space between the Jordan River and the Mediterranean Sea does not operate according to classical sovereignty patterns (clear borders, legal uniformity, centralized control) but according to a complex model of multi-layered spatial control, as defined by John Elden (2013) and Robert Sack (1986) in their foundational books on territoriality. According to this view, space is not just "area" but a mechanism: a system that allows one group to influence the behavior of other groups through planning, movement, land ownership, supervision, and enforcement.

The system under examination—"the Judea and Samaria area"—is described here as a dual parallel spatial system, controlled by two populations distinct in their legal, economic, and spatial status. It serves as a classic example of a situation where geography is not only physical but political and economic.

Three theoretical approaches provide the basis for understanding the phenomenon:

1. The Critical Spatial Approach (Spatial Criticality) views the political-social space as a product of power and control. According to this approach, the territory in Judea and Samaria is not just a geometric given but a power mechanism serving to establish the superiority of one system over another (Harvey, 2019; Lefebvre, 1974). The current report adopts this approach as a tool for understanding the spread of Israeli settlements and the relationship between them and the Palestinian blocs.
2. The Systemic Demographic Approach treats population as a variable directly affected by spatial policy, meaning that any change in territory (roads, planning, fences) changes demography. This approach is particularly evident in the struggle between natural increase (fertility) and migration movements and explains how population composition changes as a result of economic-spatial policy (Brodsky & Arnon, 2017).

3. The Functional Economic Approach examines space as a unit of production, consumption, and capital. According to this approach, Judea and Samaria constitute one economic space de facto, but with a sharp division in access to resources. Settlements enjoy full integration into the Israeli economy, while the Palestinian economy is legally separated and subject to movement, import, and export restrictions (World Bank, 2024).

The combination of these three approaches enables a multi-layered understanding of reality: geographic control creates infrastructure for demographic and economic governance, and economic inequality translates into social and geographic depth.

Analysis Principles

The analysis in the report is conducted at a comprehensive regional level: Judea and Samaria as a single territorial unit. By calculating identical indices:

- Total population
- Jurisdiction area
- Built-up area
- Population density
- Total and per capita budget
- Employment and income sources
- Natural increase and migration

When distinguishing between components of the West Bank space (who can build, where infrastructure expansion is permitted, who holds transportation continuity, and who requires permits that are nearly impossible to obtain) we see a complex control system based not only on physical presence but primarily on planning control. OCHA studies and the Geography Department of Ben-Gurion University have shown for years that planning restrictions in Area C are not just a matter of temporary policy but a structural component defining Palestinian development capacity. Policy has intensified during the current government's tenure, when civilian control passed to Finance Minister Bezalel Smotrich in his capacity as minister in the Defense Ministry overseeing the Settlement Administration. More than 94% of Palestinian areas in Area C lack an approved outline plan, preventing basic settlement development: neighborhood expansion, building addition, or establishment of simple public infrastructure.

On the other hand, Israeli space in the West Bank enjoys full settlement planning: extensive jurisdiction areas, modern building patterns, permanent connection to Israeli infrastructure, and transportation continuity based on a network of bypass roads and

interchanges. Israeli planning in Judea and Samaria is not just a product of urban needs but of a strategic concept aimed at maintaining convenient access to settlement blocs and maintaining a transportation fabric connecting them without dependence on Palestinian space.

In this framework, it is important to understand the meaning of spatial separation between populations: Palestinians are located in a dense and fragmented settlement network, where each village and city are connected mainly to themselves and their immediate surroundings, without inter-urban continuity. Studies by the Applied Research Institute Jerusalem indicate that this fragmentation is not accidental but the result of layered restrictions over decades. Palestinian density, reaching about 600 people per km² on average (PCBS 2024), is not just a product of natural growth; it is a product of lack of derivative development areas.

Against this, Israelis hold relatively large areas for their demographic needs. Jurisdiction and planning data clearly indicate vast control areas relative to actual built-up area. This creates a system where the gap is not only between the number of people but between development potential. Access to territory—not just the actual population size—determines power relations.

This approach recalls comparative studies regarding areas such as Northern Cyprus, Western Sahara, or South Tyrol in Italy before autonomy (Arieli, 2016). In all those cases, one group held spatial and infrastructural continuity while the other group was limited in fragmented space. In such areas, space is not just "background" but an integral part of the political regime, and lack of continuity—or inability to develop it—becomes a power tool.

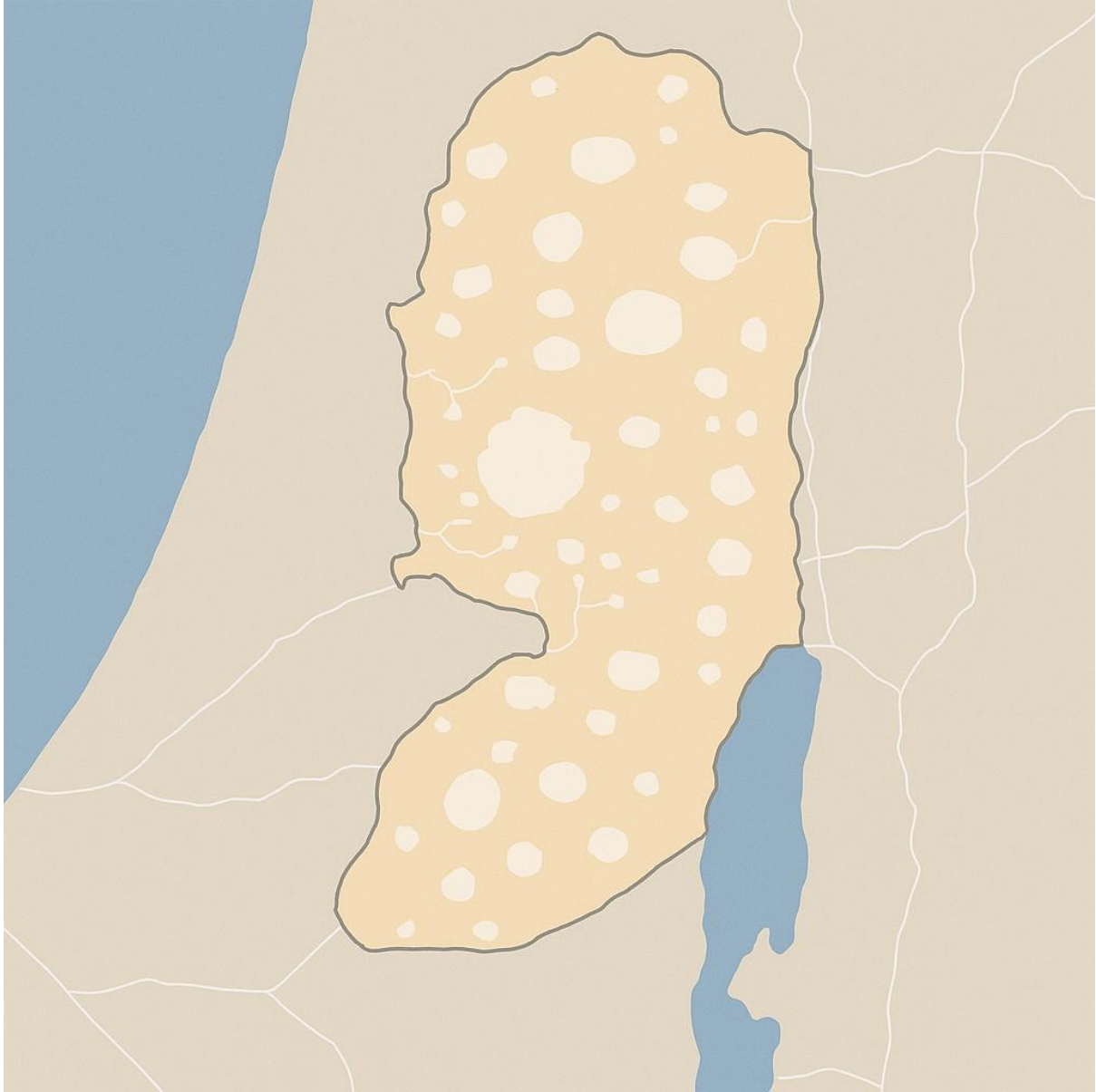
This pattern is particularly evident in the West Bank. Two spaces live side by side but do not share the same rules. Israeli space is coherent, planned space with high expansion potential. Palestinian space is compressed space subject to systematic restrictions. Both sides live in the same geographical space—but not in the same planning space.

According to modern geopolitical research, such a system is defined as "space under fragmented sovereignty"—a model in which territorial control defines power relations

and becomes a regime mechanism. In the context of the Judea and Samaria area, this is a structure that explains not only spatial gaps but also demographic, economy, and even access to services.

Understanding this theoretical power framework is essential before approaching the data itself: numbers are not just quantitative values; they are deep expressions of a control structure. And only when connecting theory to numbers, space to reality on the ground, can we see the complete pattern: a space divided into two systems of life, planning, and development—in one geographical space.

The Geo-Spatial Dimension



Deployment, Planning, Control, and Development Capacity

The space in Judea and Samaria in 2025 is not just a geographical field; it is a political-engineering system where every road line, every boundary of a jurisdiction area, and every land division creates a reality of power and control. Data collected and produced by the Tamrur Politography Research Group reveal precisely how Israel has built over decades a continuous, strong, and connected spatial network, albeit very sparse in population, while Palestinian space has remained fragmented, compressed, and subject to planning restrictions preventing natural expansion. Analysis of this networked system illustrates how the territory itself becomes a mechanism of political structure.

Within the framework of the Oslo Accords, the West Bank was divided into administrative areas: Area A (full Palestinian security and civilian control), Area B (Palestinian civilian control and security authority with growing Israeli security control), and Area C (full Israeli security control, full civilian control regarding Israelis, and territorial civilian control regarding Palestinians). Areas A and B together constitute about 38% of the West Bank area, while Area C is about 62% of the West Bank area. The Jewish settlement system (settlements and outposts) is concentrated entirely in Area C, while Palestinian settlements are spread both in Areas A and B (major cities and towns) and in many villages and rural communities within Area C. This situation created a parallel but separate spatial pattern: the settlement system "reflects" in the Palestinian system but does not integrate with it and even fragments it spatially—a scattered settlement network, including small settlements and illegal outposts, designed to drive wedges into the continuum of rural Palestinian settlement. In other words, Jewish settlement parallels the deployment of Palestinian settlements but does not create a shared territorial continuum; rather, it cuts them off and isolates them in enclaves.

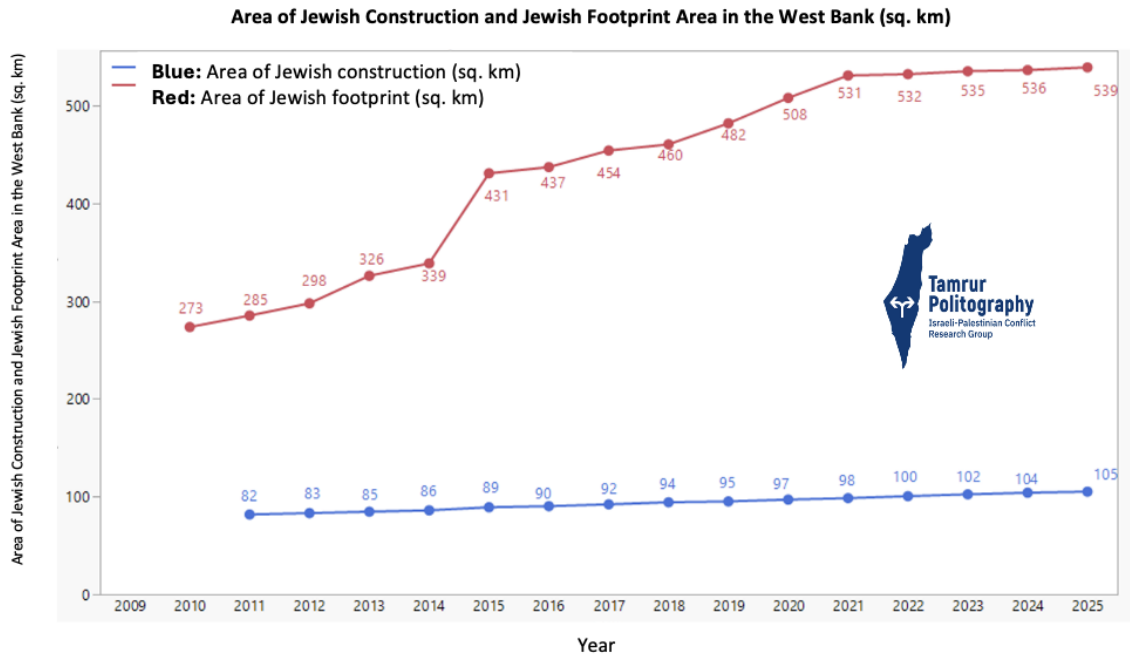
Land Control and Planning: In this area, there are significant quantitative and qualitative gaps. The Israeli built-up area in the West Bank (total built-up area) is estimated at about 105 thousand dunams—about 1.8% of the West Bank area. However, the municipal jurisdiction boundaries of settlements are much wider than

their built-up area, reaching about 539 thousand dunams (about 9.2% of the West Bank area). This means that settlements have large expansion potential reserved: about 450 thousand dunams (another 7.4% of the West Bank) are "vacant" land already included within settlement jurisdiction boundaries and designated for future Israeli construction and development. In contrast, Palestinian built-up area (cities, villages, and Palestinian residences) constitutes about 14.5% of West Bank area—about 850 km². Of this, 140 km² in Area C, divided into 114 km² built-up area that spilled over from Areas A and B, and 26 km², built-up area entirely in C. According to Civil Administration estimates, almost all state lands in Area C (lands defined as public lands or expropriated) have been allocated over the years for settlement use, and only a tiny percentage was designated for Palestinian use. This figure indicates a long-standing policy of preferring Jewish development in Area C, while Palestinian development there is suppressed or highly restricted.

The jurisdiction areas allow future expansion without limitation, but more importantly: they create Israeli continuity at the planning level. Thus, even relatively small settlements—with 1,000 or 5,000 residents—control large areas creating continuous strips of Israeli presence and a future development axis.

Palestinians lack similar capacity. OCHA reports indicate that the vast majority of areas adjacent to Palestinian settlements—even when they are uninhabited—are classified as Area C and are outside Palestinian development capacity. The result: Palestinians get married, establish families, want to build—but there is nowhere to build. Israelis establish neighborhoods, industrial zones, and expansions—with approved planning and land areas.

Chart 1



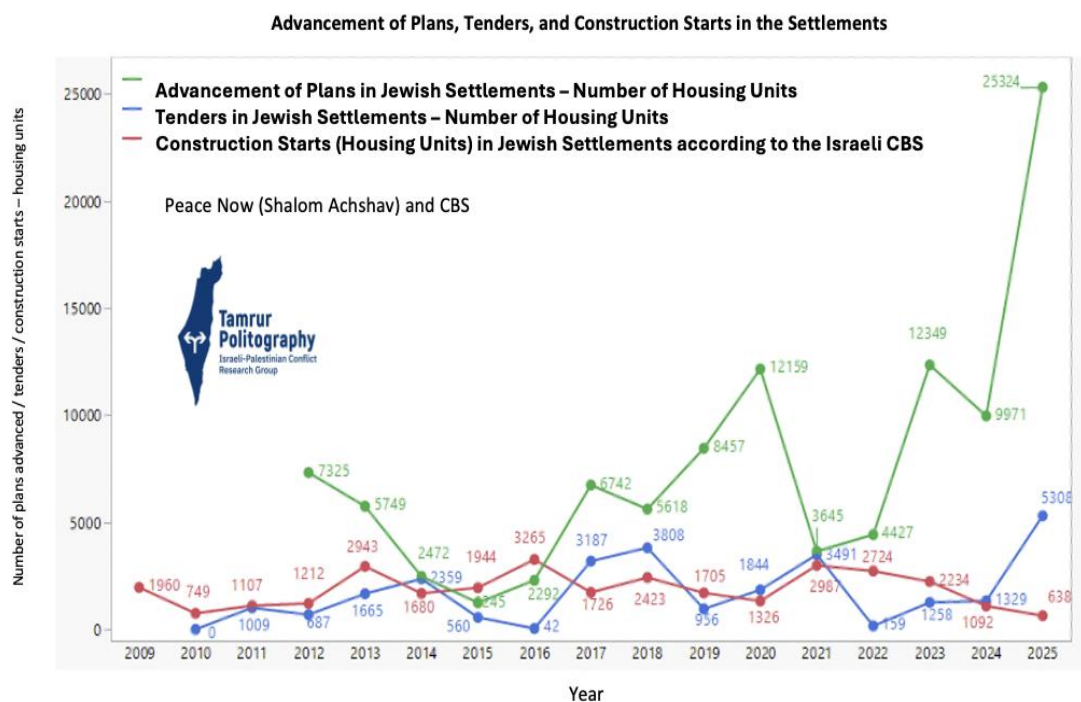
Settlements and Outposts: In the past decade, the expansion trend in settlements continued—both in establishing new housing units and in spreading unauthorized outposts. As of September 2025, there are 167 recognized settlements (only 146 completed the official process). Alongside this, the "outpost phenomenon" has been established, established since the 1990s without formal government approval (and without legal status under Israeli law). As of September 2025, 312 outposts were counted throughout the West Bank (including about 128 grazing "farms"). Despite their illegality, in the past decade Israeli governments tended to legalize some outposts retroactively: by 2025, 71 outposts were legalized (some converted to legal settlements or neighborhoods of existing settlements), and about 31 additional outposts are in legalization and planning processes. This phenomenon increased particularly from 2012, after years of relative freeze, and indicates the continuation of Jewish dispersal in Area C at new points—sometimes at the expense of private Palestinian lands or areas strategic for Palestinian territorial continuity.

Palestinian Population in Area C: It should be noted that the Palestinian population also has a significant presence in Area C, albeit in a weakened spatial and political status. Over 400 thousand Palestinians currently reside in Area C, scattered in more than 1,100 villages, farms, and small communities throughout the area (about 80 thousand houses). Palestinians hold slightly less than a quarter of Area C territories for livelihood purposes—about 5% of the area for residential areas, public buildings, and infrastructure, and another 20% of Area C for agricultural cultivation and grazing. Palestinians, who own about half of Area C territories, struggle to develop them due to Israeli policy, which intensified with the current government. Moreover, a significant part of Area C lands (about 50%) was declared by Israel as "state lands" or "survey lands" under its control, preventing Palestinians from utilizing these areas. The gap between settlers' land control and Palestinians' control is thus evident: the municipal and resource control envelope of settlements is immeasurably wider than that of Palestinian settlements, despite the latter numbering a demographic majority in the West Bank area.

Construction and Spatial Planning: The separate planning systems in Area C illustrate the built-in discrimination—while settlements enjoy master plans and building permits under the authority of Israeli planning authorities (subordinate to the Settlement Administration), building permits for Palestinians in Area C are almost never granted. Civil Administration data indicate that in 2023-2025, authorities issued 3,649 demolition orders for unlicensed Palestinian construction and demolished 1,681 structures. A broader picture over the past decade: between 2009 and 2018, a total of 98 building permits were issued to Palestinians in all of Area C out of 4,422 submitted applications—an approval rate of only about 2%. In contrast, during this decade and particularly in recent years, thousands of new housing units were approved and underwent planning processes in settlements. For example, in 2019-2020 alone, plans for housing about 265 housing units for Palestinians in all of Area C were approved, compared to 16,098 housing units approved and advanced in settlements during the same period. In 2023-2025, the Settlement Administration advanced 47,644 housing units (25,324 in 2025 alone). Additionally, in 2023-2025, tenders were issued for 7,825 housing units, but in practice construction began on only 3,964 housing units during

this period. This dramatic gap illustrates spatial policy: on one hand, constant encouragement and growth of Jewish settlement, and on the other hand, suppression of physical development of Palestinian society in Area C. This policy leads Palestinian construction to be generally forced into "coercion" of unlicensed construction and then stands under constant threat of demolition orders from the Civil Administration/Settlement Administration.

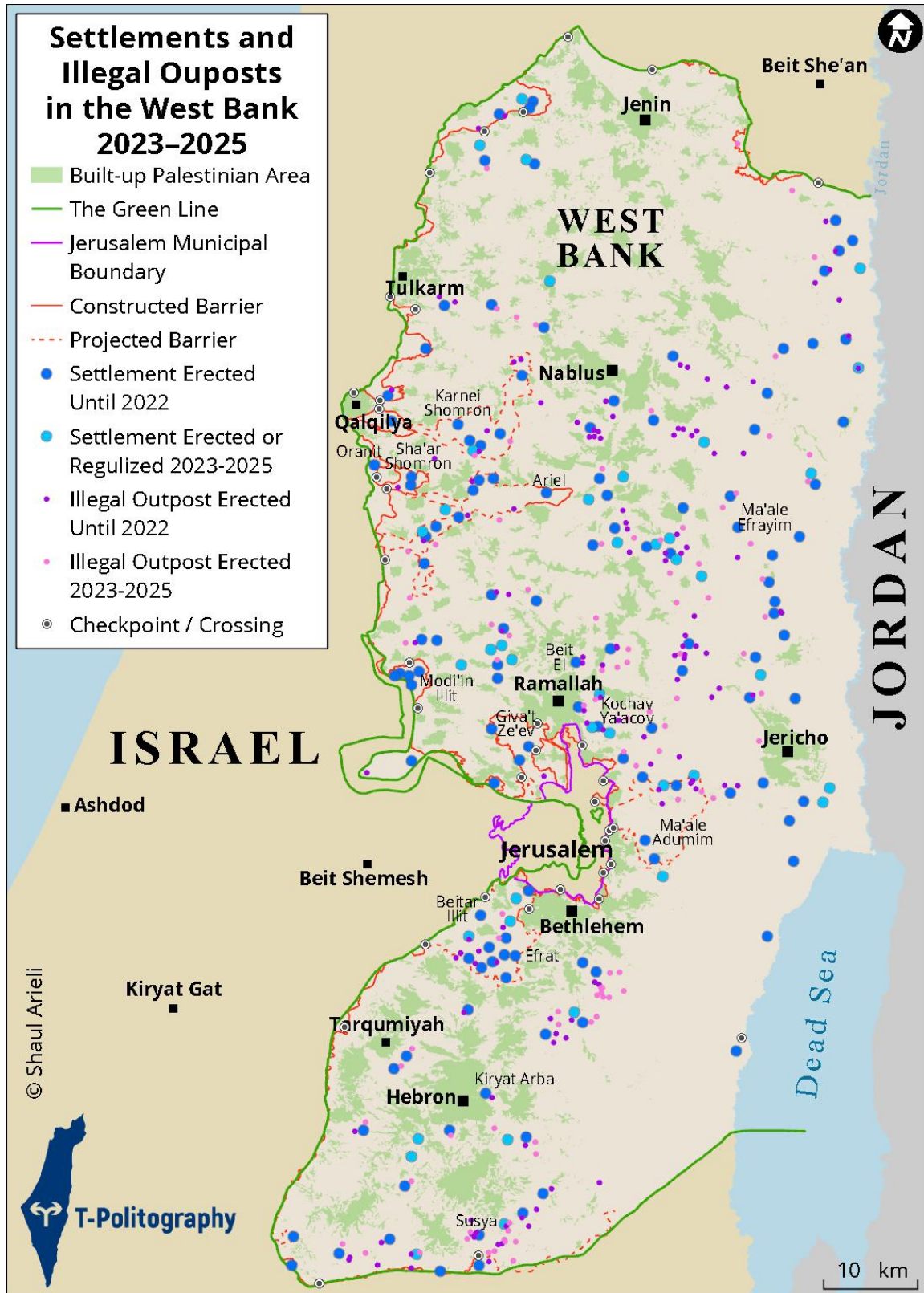
Chart 2



Israeli Settlement Network: Continuity, Control Areas, and Future Planning

Israeli settlements in Area C are spread in a geographical structure serving the logic of Israeli spatial continuity along the length and width of the West Bank, while relying on main roads.

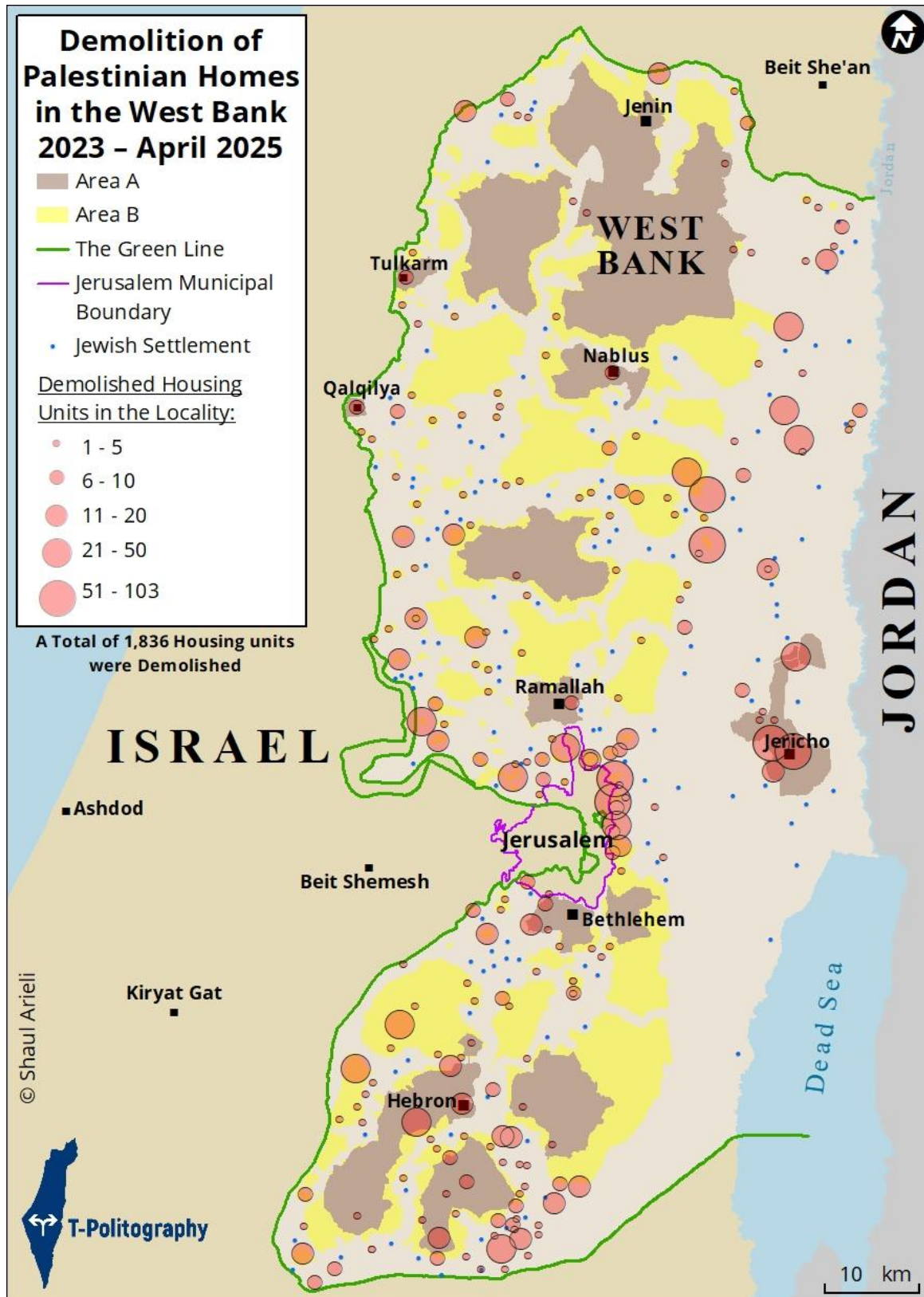
Map 2



Map 3



Map 4



Map 6

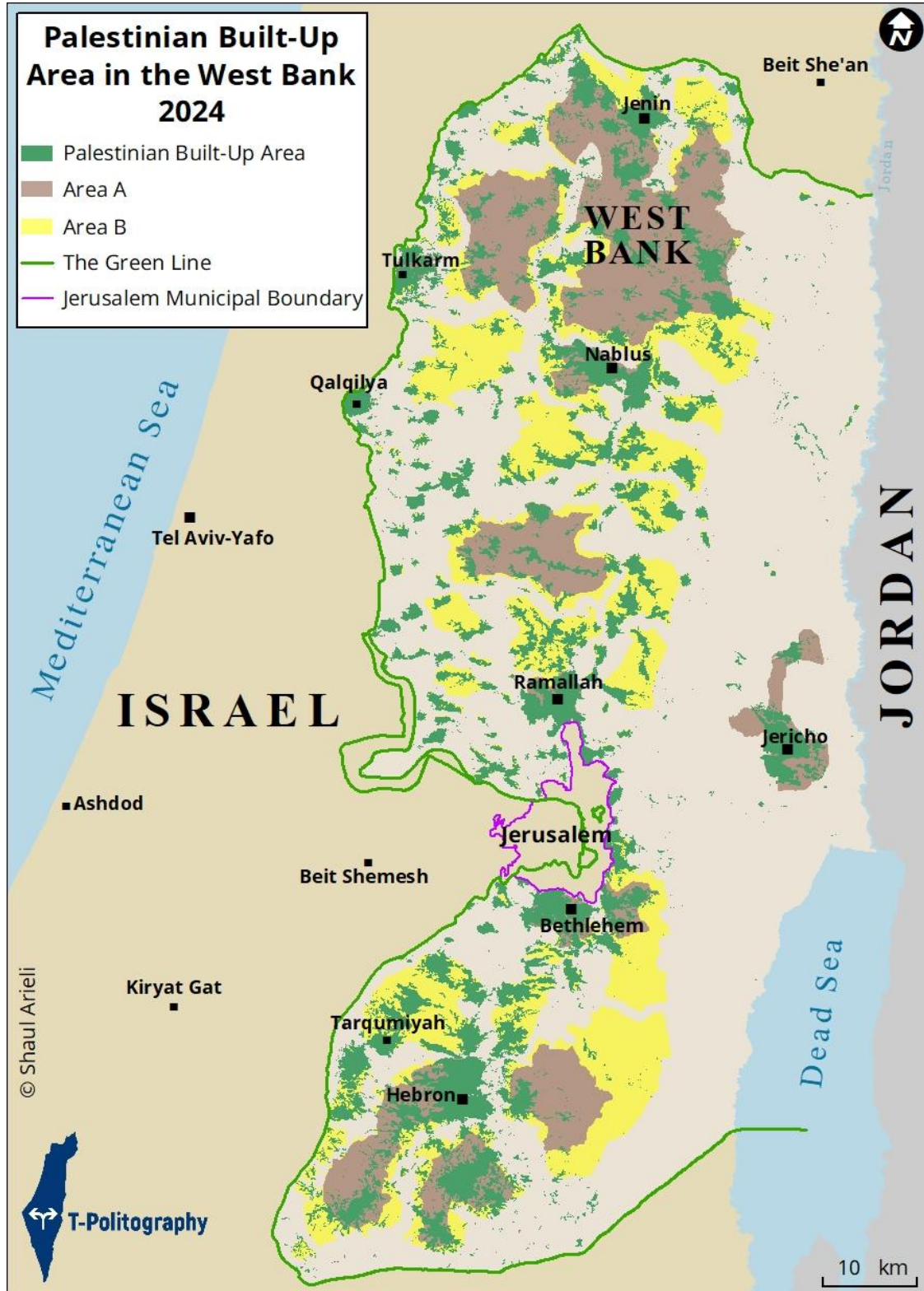


Chart 3

Outposts, Farms, and Shepherding Farms

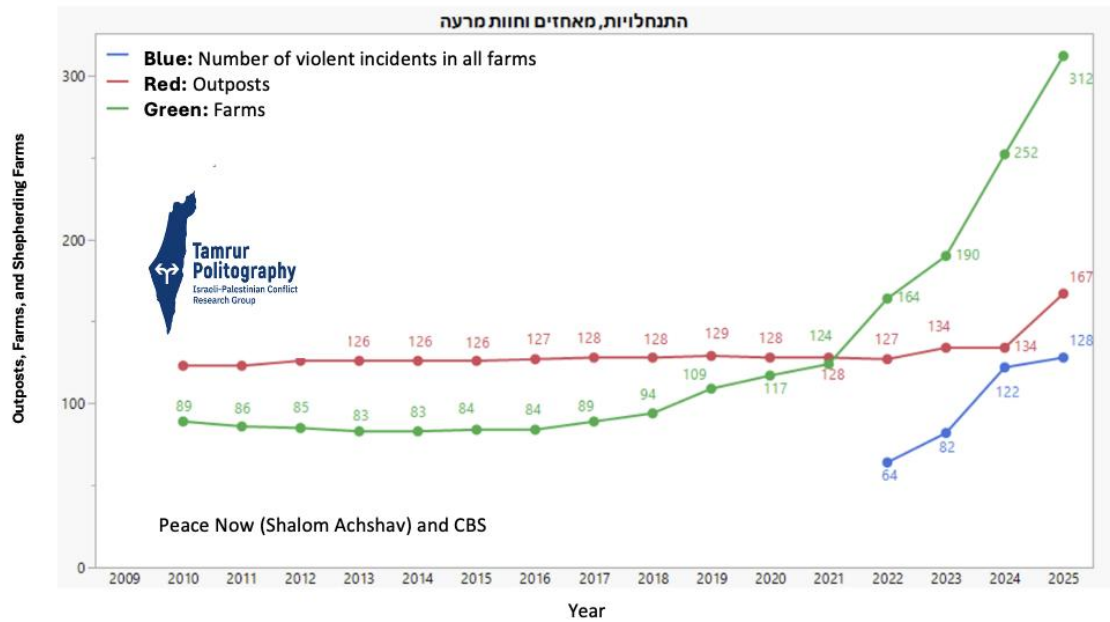
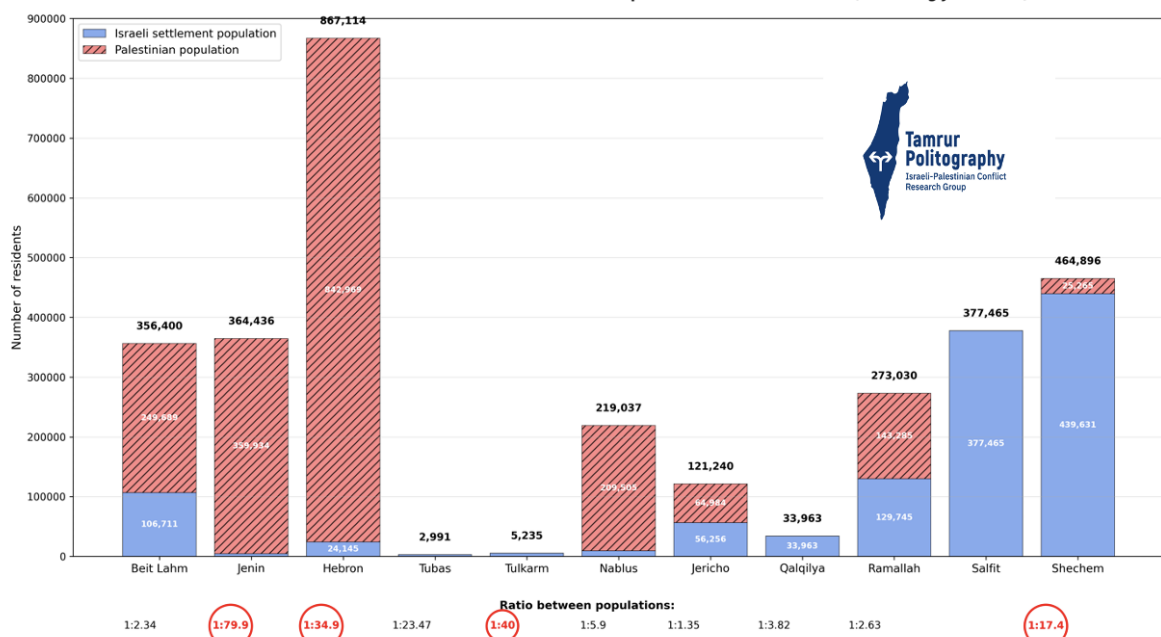


Chart 4

Ratio Between Israeli Settlement and Palestinian Populations in the West Bank (Excluding Jerusalem)



At the same time, despite the extensive deployment, north of Nablus and south of Gush Etzion, as well as in the Jordan Valley, Israeli demography is extremely sparse and negligible relative to the Palestinian population. Israeli jurisdiction areas encompass areas much larger than the area where this population resides. This gap between "built-up area" and "jurisdiction area" is not accidental: it is a product of strategic planning allowing Israel to hold control over future development areas, road routes, and access continuity between settlement blocs. INSS studies cite this phenomenon as "spatial movement continuity," where main transportation axes—Route 60, Route 5, Route 437, and the Shiloh Valley—function as the backbone of Israeli control in the space. In this planning, roads are not just transportation infrastructure but a strategic tool connecting between Jewish blocs, bypassing Palestinian population centers, and creating internal accessibility completely absent from Palestinian space.

This pattern is particularly prominent in settlement areas such as Ariel (Route 5), Ma'ale Adumim (Route 1), Gush Etzion (Route 60) sitting on both sides of main access roads to Israel and directly connected to full Israeli infrastructure systems. This does not exist at any level in Palestinian space, where there is no transportation continuity between major cities—Nablus, Ramallah, Hebron, Jenin, and Bethlehem—but rather a network of routes fragmented by checkpoints and especially by the long bypass of Jerusalem—adding complexity to any spatial movement.

Palestinian Settlement Network: Compression, Fragmentation, and Lack of Convergence

In Palestinian space, the picture is completely different. Average density in Palestinian spaces in 2024 stands at 599 people per km², and joint density (Palestinians and Israelis together) reaches 689 people per km². These are figures characterizing bounded urban areas, not a district space where territorial flexibility is expected to exist.

The problem is not just density. This is a structure of fragmentation: villages and cities not connected to each other by transportation continuity, development engines that do not exist, and lack of new industrial areas in the only development spaces—Area C. This crowding creates a phenomenon that UN-Habitat studies define as "pressing urbanization": population growth imprisoned within built-up space without expansion capacity.

A prominent example is the city of Hebron. Despite being a metropolitan center of hundreds of thousands of residents, its urban space cannot develop into adjacent Area C. Instead, the city grows inward, usually in the form of expanding buildings or shifting to intensive use of existing built-up areas—a process leading to decreased quality of life and burden on city services.

Map 7

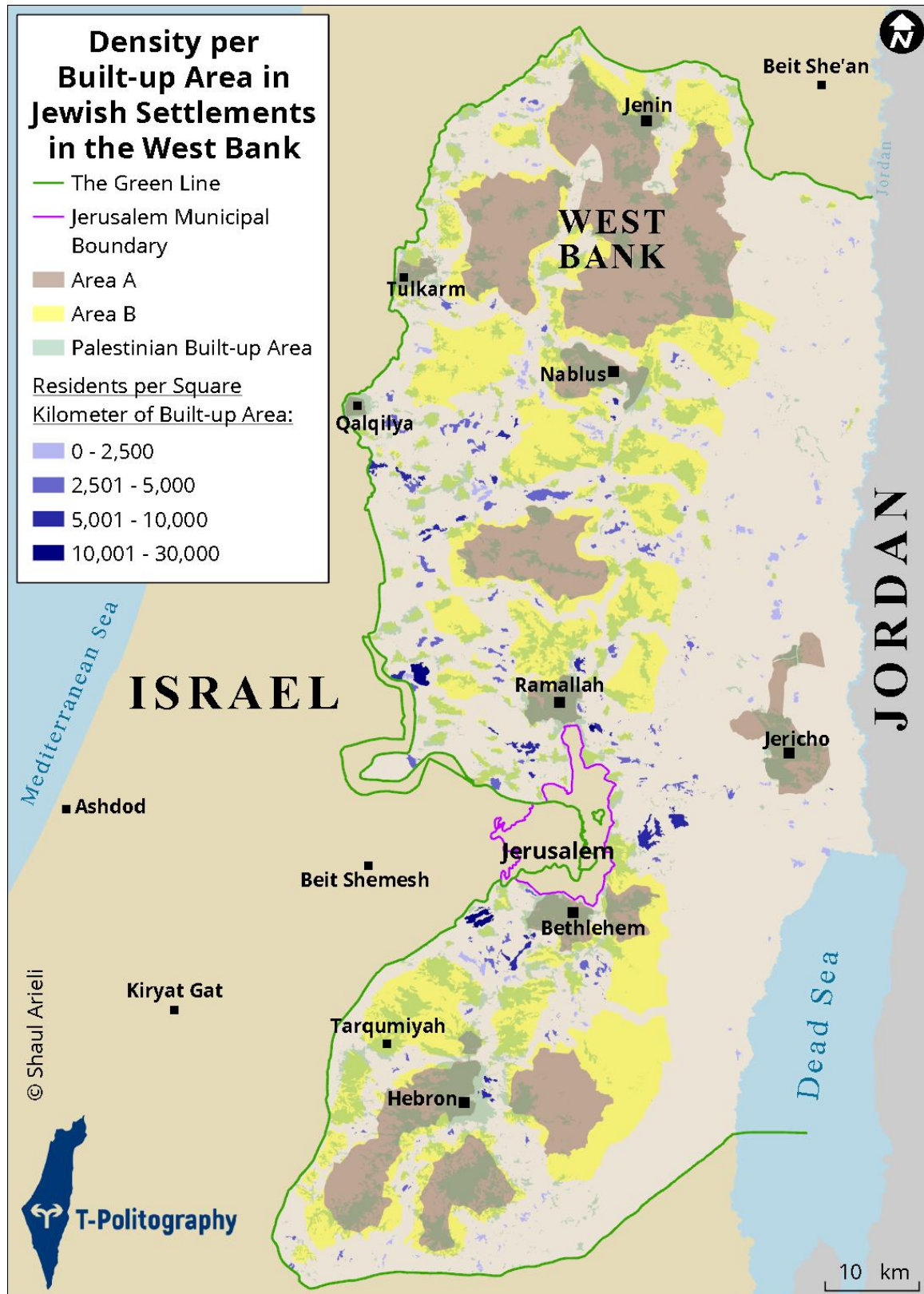
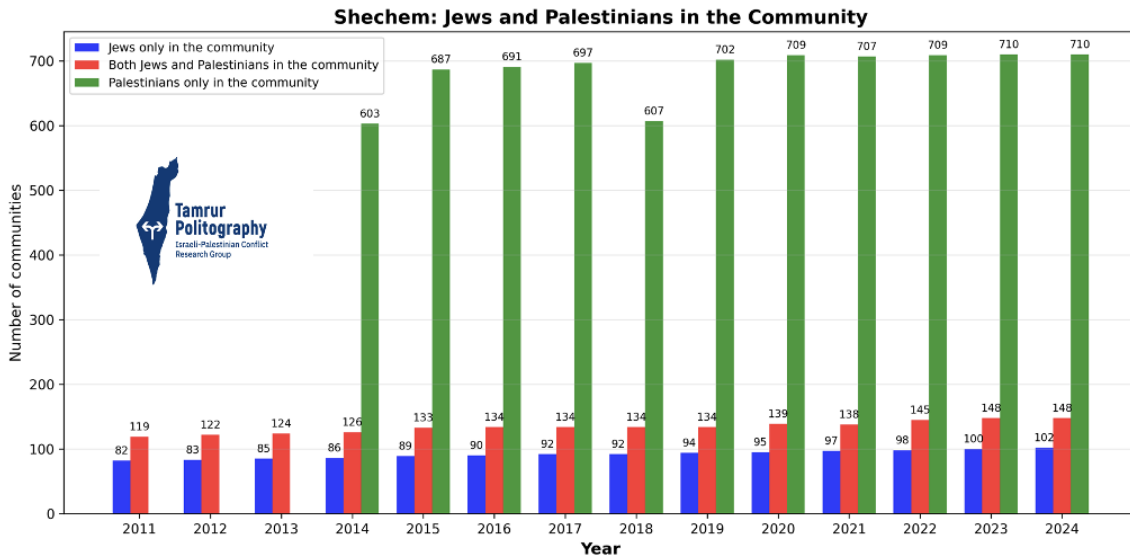


Chart 5



Fragmented Model of Movement and Planning

One of the most influential mechanisms on the spatial gap between Israelis and Palestinians is the movement structure. Israelis enjoy a road network connecting all settlements, between the West Bank and Israel, and between Israeli service centers and every settlement. Palestinians, in contrast, are required to pass through a multi-checkpoint system, side roads, and bypass entrances that do not allow free movement.

The meaning of such a movement structure is twofold:

1. It creates long travel times and adds economic costs to Palestinian space.
2. It creates a sense of Israeli continuity and Palestinian lack of continuity.

This is not just about convenience. This is a control component.

Map 8

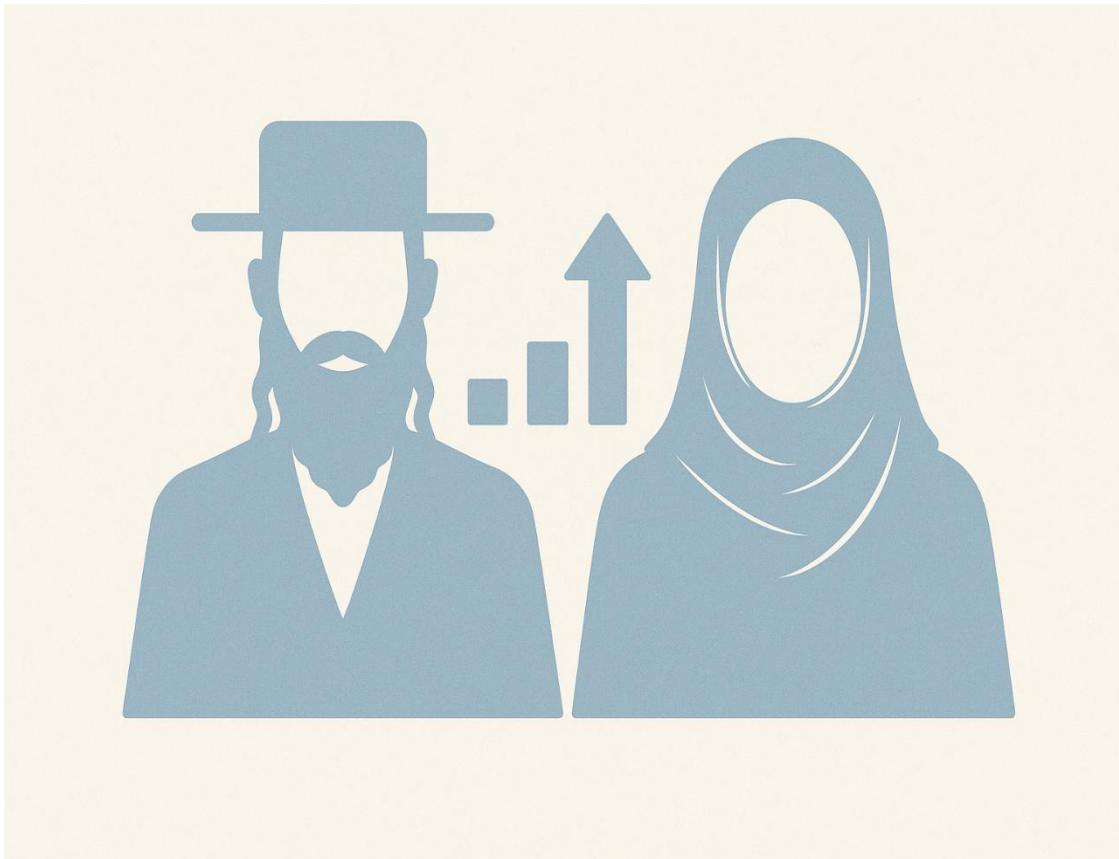


Spatial Conclusion

In summary of this section, over the past decade, the geographical map of the West Bank has been shaped as a complex matrix: a sequence of Palestinian enclaves, mainly in A and B cities, versus an almost-exclusively continuous Israeli space in Area C with dispersed Israeli presence also in the depth of the territory. This reality amplifies the fragmentation of Palestinian communities (often disconnected from each other by areas under Israeli control or by "bypass" roads to settlements) and makes sustainable Palestinian spatial planning difficult. It also lays the physical infrastructure for implementing future Israeli sovereignty in large parts of the West Bank—a trend expressed in annexation initiatives that gained momentum during the decade. Below we will examine how these spatial differences are also expressed in population composition, in the legal regime, and in economic indicators.

The spatial analysis for 2025 makes clear that the two populations do not live in the same space, neither in terms of development nor planning. Israelis operate within a stable, flexible, and continuous spatial framework; Palestinians—within a blocked, compressed, and fragmented space. This gap is not technical but structural. It shapes all the rest of the system: demography, economy, politics, and future possibilities.

The Demographic Dimension



No geopolitical system can be understood without examining the demographic dimension, and in the case of the Judea and Samaria area, this dimension is one of the most influential factors on the entire space. Demography is not just "numbers on paper"; it is a framework of pressures, motives, burdens, and political potential. When it intersects with spatial control and significant economic gaps, it becomes a central component in understanding the system.

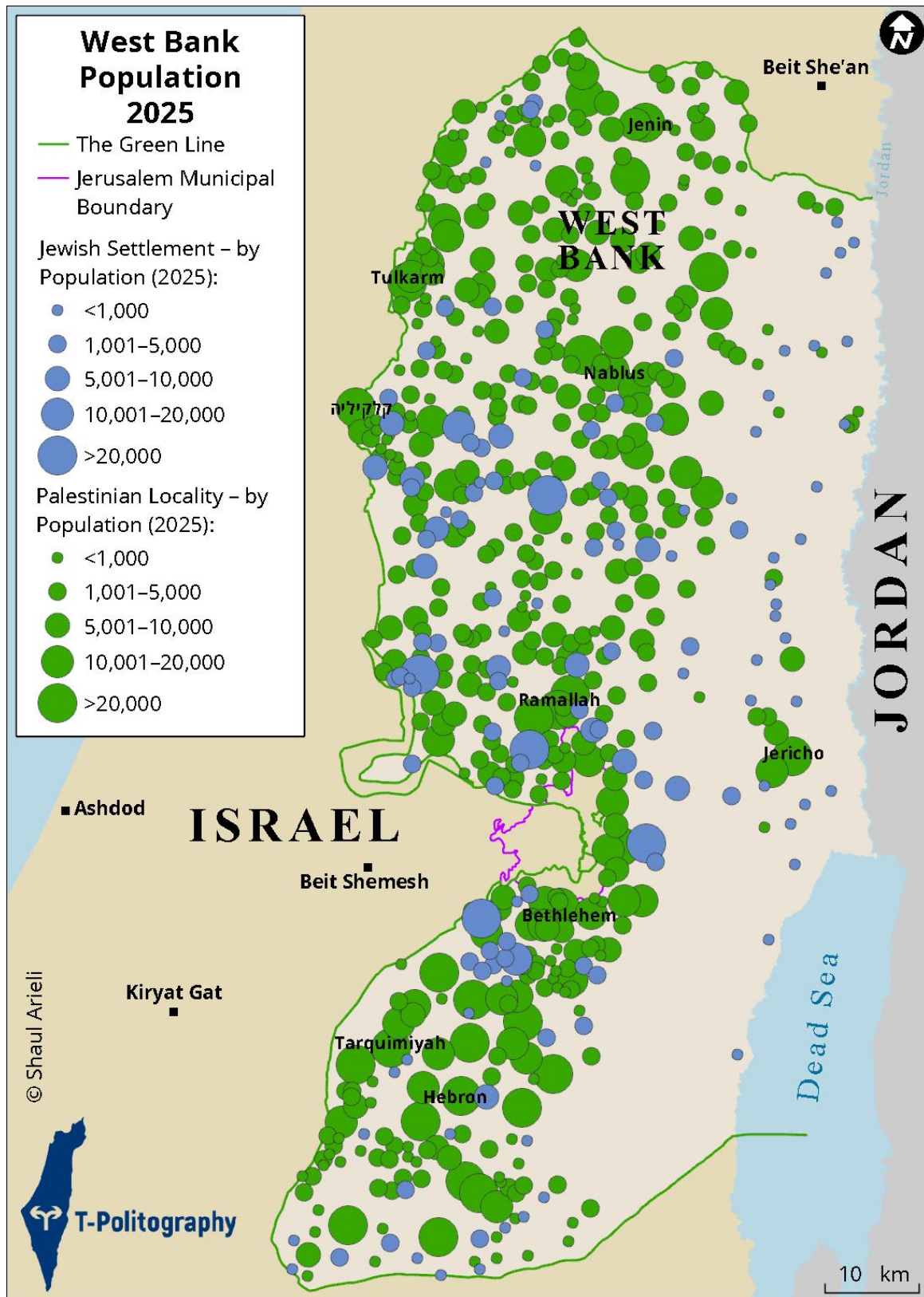
The Judea and Samaria area of 2025 presents unique demography: the growth engines of both populations are strong but operate in different directions and under spatial and economic conditions that are not similar. The Israeli population in the West Bank enjoys planning and development, while the Palestinian population grows in dense and blocked space. These processes create a structure of dual demography where two young, large forces grow, but not from the same space and not on the same resource system.

Israeli Population: Size, Growth, Population Composition, Settlement Profile Change, and Strengthening of Ultra-Orthodox Society

The total population in the West Bank numbers over 3.4 million people at the end of 2023, with about 86% of them Palestinians and the rest—about 14%—Israeli citizens (settlers). In absolute terms, the Palestinian population in the West Bank (excluding East Jerusalem) grew in the past decade from about 2.8 million to about 2.9-3.0 million people, while the number of Israeli West Bank residents grew from 385 thousand in early 2015 to 518,000 in September 2025. The growth rate of the Jewish population in this area is significantly higher than the Israeli average: during the past decade it ranged around 3%-4% per year (compared to ~2% in all of Israel and ~2.5% in the Palestinian population in the West Bank). However, a prominent trend is that demographic growth in settlements began to slow somewhat compared to previous decades, and it is based mainly on natural increase (births minus deaths) and not on mass immigration of new settlers. Most newcomers to the settler sector today are babies born to families already living there, with their large share in ultra-Orthodox cities, while since mid-2010s the contribution of internal migration (family moves from

the Green Line to settlements) has decreased. Indeed, around 2015-2025, there began a decrease in the annual growth rate of the settler population with a steady plus four thousand in 2010 to minus two thousand in 2025. Data show that most growth comes from births, while in several settlements negative migration was even recorded (more leaving than entering). Initially due to limited housing supply and political construction restrictions, and in recent years due to the war in Gaza. For example, the city of Ma'ale Adumim (one of the largest settlements) has not grown in recent years by more than 0.5% per year due to scarcity of available housing units. And in the past two years it has suffered from negative annual growth. This picture sometimes contradicts the popular impression of "unbridled settlement bloom" in practice there is internal variation: alongside rapid growth in ultra-Orthodox settlements and new outposts, there are veteran settlements with relative stagnation.

Map 9

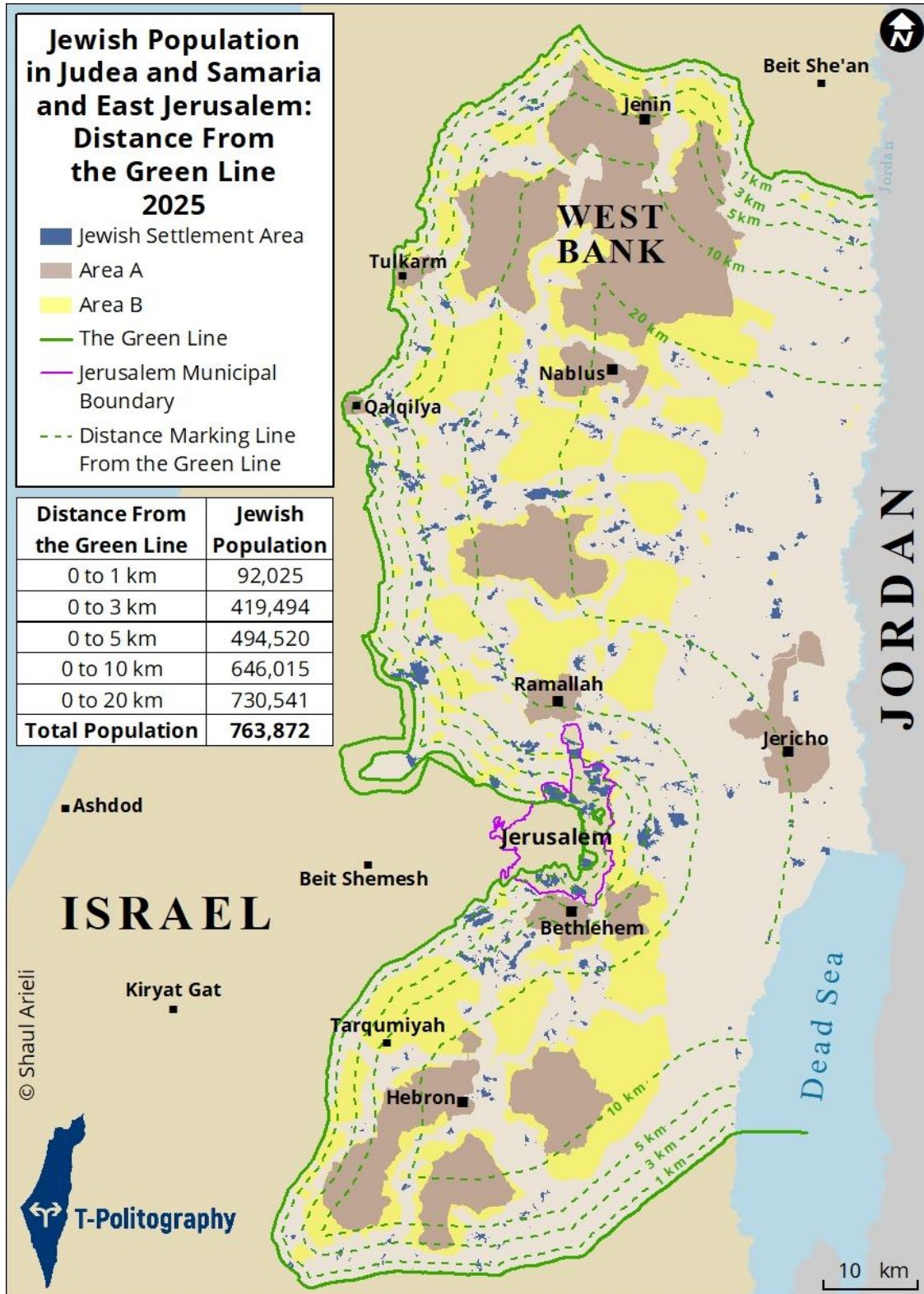


Spatial and Demographic Division: The composition of the Jewish population in the West Bank is characterized by high concentration in a small number of large urban concentrations, versus scattered dispersal of the rest. About 43% of settlers reside in the four largest "cities" in the West Bank—Beitar Illit, Modi'in Illit, Ma'ale Adumim, and Ariel—the first three in the main settlement blocs and near the Green Line. The first two (Beitar and Modi'in Illit) are ultra-Orthodox cities, and together over 163 thousand people live in them. Indeed, about 38 percent of all settlers are ultra-Orthodox—about 196 thousand people, most concentrated in these two cities. Another 38% of settlers are religious-Zionists, and only 24% are secular (a decade ago their proportion stood at 35%).

The rest of the settlers are divided between medium-sized local councils (about 22% of settlers) and regional councils (about 35% of the Jewish population), including small and rural settlements throughout Area C. A significant part (about 77%) of settlers live in what are called "settlement blocs"—relatively large settlement clusters near the Green Line, which most political streams in Israel view as areas that will remain under Israeli sovereignty in any permanent arrangement. In contrast, about 23% of settlers live in "depth settlements"—more remote and isolated settlements in the heart of the West Bank—which according to most policy scenarios are destined to be evacuated or to come under Palestinian sovereignty in a future arrangement. This dispersal indicates that demographically-geographically, most settlers are concentrated in a relatively small area (about 5% of the West Bank) along the 1967 border, while their minority is scattered in dozens of small enclaves in the depth of Area C. This figure is important in planning discourse: it shows that in terms of numbers, evacuation or preservation, isolated settlements touch tens of thousands of people, but most of the settlement public lives in areas that can be annexed to Israel at the '67 lines with minimal border adjustments.

On the other side, the Palestinian population in the West Bank grew in the examined decade at a relatively moderate rate. The general fertility rate among Palestinians in the West Bank has been in a downward trend over the years: it is currently estimated at around 3-4 children per woman, compared to over 5 in the 1990s. Indeed, there are data that in recent years the fertility rate in the West Bank (about 3.8 in 2019) is very close to that in Israel and even lower than the fertility rate of Israeli Arabs. This is reflected in a slight decrease in the Palestinian natural increase rate. Another trend is a certain aging of the Palestinian population—although it is still young compared to Israel: as of 2023, about 40% of Palestinians in the West Bank are under age 15, while in Israel about 28% are under age 15. In contrast, in the Jewish settler population—due to ultra-Orthodox composition and young communities—the population is particularly young: only about 50% over age 19, compared to 73% in all of Israel. This figure reflects a very high proportion of children and youth in settlements.

Map 10



In the composition of the Palestinian population, it should also be noted the refugee issue: about 27% of West Bank residents are registered as Palestinian refugees (many concentrated in 19 historical refugee camps throughout the West Bank). The demographic-social situation of refugees is typically more difficult in terms of density, poverty, and unemployment, but in the past decade there has been no significant change in this division.

Migration Balance and Movement: While organized Israeli migration to West Bank areas was formerly a central factor in settler growth (in the first decades after 1967), in 2015-2025 the share of this migration decreased. Indeed, there is negative migration. For example, in the third quarter of 2025, 47 settlements suffered from negative annual growth (fewer residents than the previous quarter), and another 13 settlements with no growth at all (0). 60 settlements suffered from negative total migration balance, and another 17 settlements from zero total migration balance. In the first nine months of 2025, 32 settlements suffered from negative growth, and 64 settlements from negative total migration balance. However, there are also settlements (particularly new outposts) that grew thanks to arrival of young ideological population. Meanwhile, internal Palestinian migration within the West Bank is expressed mainly in rural movement to central cities in Area A seeking employment and services, as well as young people leaving for studies or work abroad. Significant external migration of Palestinians (meaning leaving the West Bank abroad permanently) was recorded but to a small extent in the past decade—the vast majority remain, despite economic difficulties under occupation. Until 2019, migration volume stood at about ten thousand per year and since then has dropped to four thousand per year. An interesting figure in the context of human movement is the scope of Palestinian employment in the Israeli market: in 2022, about 22.5% of employed Palestinians from the West Bank worked within Israel or in settlements. Of these, the vast majority were employed in Israel proper, and only a minority (but significant) work in industrial zones and settlements in the West Bank. According to estimates by the Palestinian CBS and according to Matpass data, in 2023 about 25 thousand Palestinians were employed in work within settlements (in agriculture, construction, industry, and services), in addition to about 120-140 thousand who worked within

Israel itself. This fact emphasizes mutual dependence: the Palestinian system in the West Bank depends largely on employment opportunities provided by the Israeli system (both within the Green Line and in settlements), while the Israeli system benefits from cheap and available labor force from Palestinian society. This connection, which will also be discussed in the economic chapter, adds complexity to the demographic fabric: although the two populations are separate in their political status, there is daily contact between them through the labor market and people's movement.

CBS data indicate 518,911 Israelis living in Area C, of whom 38.04% are ultra-Orthodox—an exceptionally high rate not characterizing any other area in Israel (3.5 times their rate in Israel). This is a consistent growth over the past decade, where ideological national settlement is no longer the central force; instead, the demographic growth engine is ultra-Orthodox society, particularly two large cities: Modi'in Illit (90,927 residents) and Beitar Illit (72,157 residents), joined in the past decade by the local council of Givat Ze'ev (24,725 residents).

Chart 6

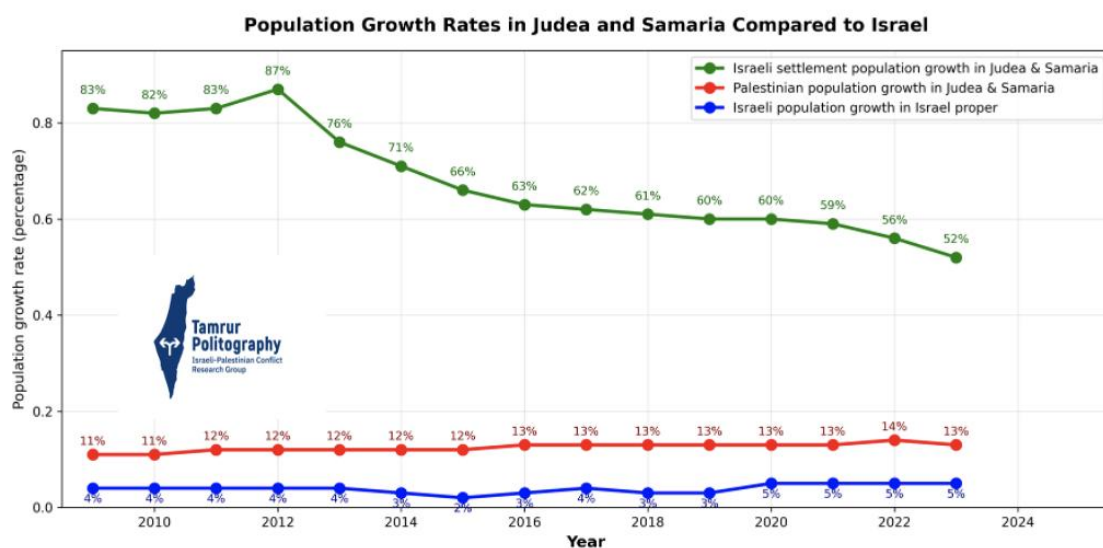


Chart 7

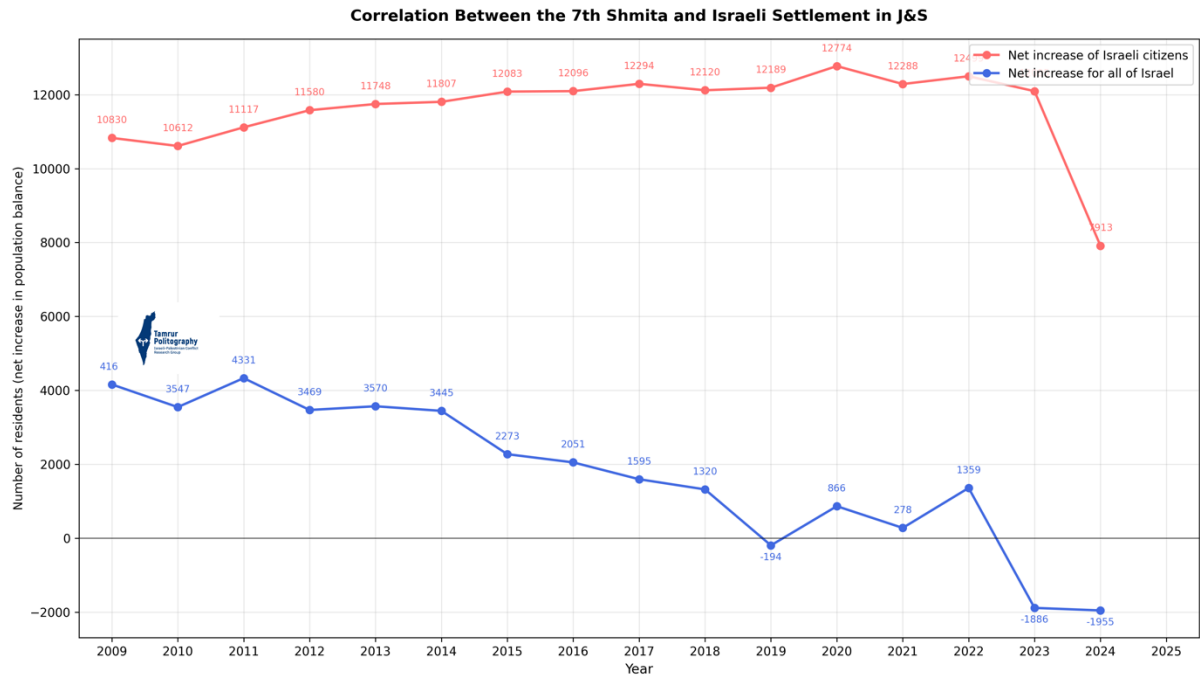
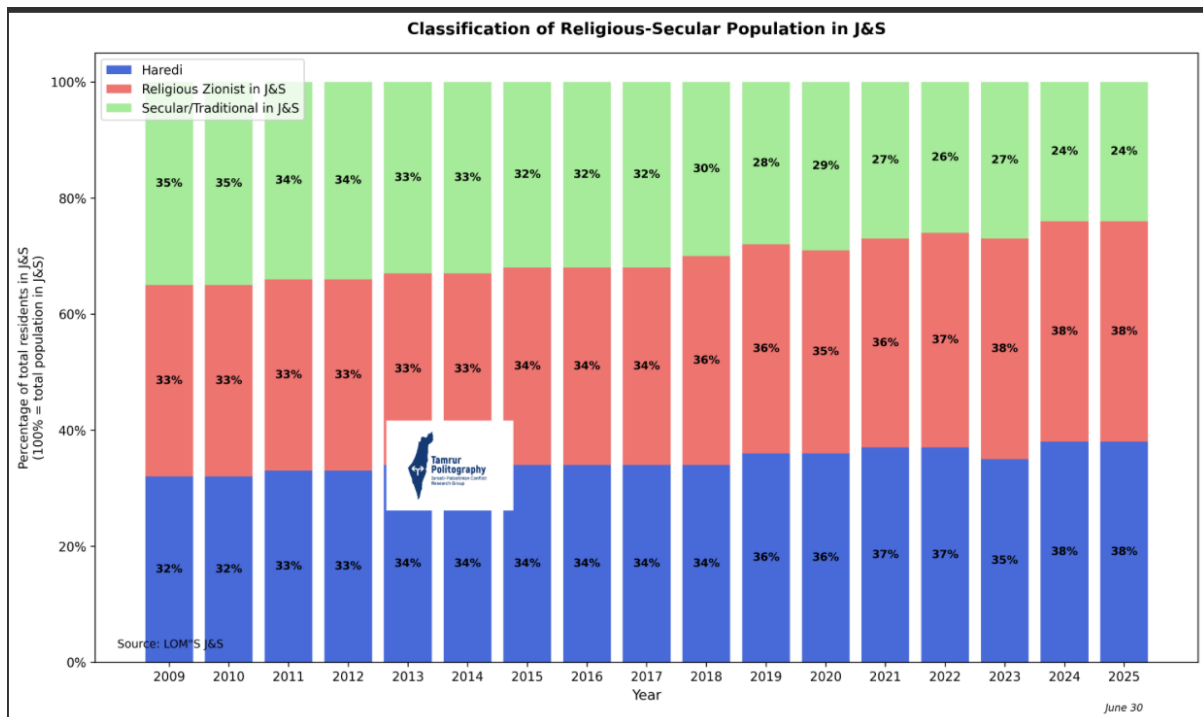


Chart 8



These two cities constitute 31.4% of the entire Jewish population in Area C and they create the largest demographic effect. The proportion of children in both cities is over 60%—an exceptional figure nationally and characteristic of a society with one of the highest birth rates in the Western world.

The meaning of this is not only demographic. According to Cahaner's studies on ultra-Orthodox society, a population with such a young structure creates ongoing burden on the education system, welfare systems, and urban infrastructure. In cities like Modi'in Illit, where there is almost no local private industry and employment, and Beitar Illit, where independent income is very limited, such growth creates increasing dependence on state budgets.

Jewish settlement in the West Bank is thus changing not only in size but in character: from settlement based in the past on national ideology and a concept of "space conquest," it is gradually becoming a residential space for a social group with completely different dynamics. This is a change that may deeply affect the settlement structure and its character in the coming decades.

Palestinian Population: High Natural Growth in Blocked Space

The Palestinian population in the West Bank stands at 2,933,000 residents (PCBS 2024)—a very young society with high birth rates. However, unlike the Israeli population, Palestinians grow in a space that does not allow physical expansion: there is no access to Area C, development areas in Area B are limited, and in Area A population density is already high.

Spatial literature describes such a situation as "stable demographic burden": a young population imprisoned within built-up space, creating burden on city services, employment, and quality of life. UN-Habitat report (2023) indicates that in the coming decade a further increase in Palestinian density is expected, without any change in the physical space available for expansion.

Lack of development areas for industry and commerce creates a pattern where tens of thousands of young Palestinians enter each year into a labor market that already cannot absorb them. This situation increases dependence on employment in Israel

and the tendency for internal migration to large cities, where the burden is already heavy.

Two Young Populations in One Space—But Under Different Conditions

In the long view, both populations in Judea and Samaria are expected to grow, but at different rates and with different impacts:

Israelis—high natural growth mainly among ultra-Orthodox, planning expansion, access to services and employment in Israel.

Palestinians—high natural growth but without space to grow into and without planning.

This is a system of dual demography: two young populations, but only one enjoys growth space.

Demography as a Spatial Political Player

Political literature emphasizes that demography is not just "numbers on paper"; it is a policy driver. When a group grows rapidly, this has spatial, economic, and political implications. In the Israeli case, ultra-Orthodox growth changes settlement patterns, budgetary needs, work structure, and local politics. In the Palestinian case, growth without space creates burden, social pressures, and growing dependence on the Israeli economy.

These two trends—Israeli demographic rise in ultra-Orthodox settlements and Palestinian demographic rise in blocked space—intersect to create a structure of demographic duality where two forces grow, but not from the same space and not on the same resource system.

Demographic Conclusion

The demographic dimension in 2025 requires a clear conclusion: growth in both populations will exacerbate spatial and economic gaps. The ultra-Orthodox weight in Israeli settlement will grow, and Palestinian burden will deepen. If space does not change—demography will define the coming decade more than any other factor.

The Economic Dimension



The Integrated System and Forecast for the Coming Decade

The economy in the Judea and Samaria area does not exist in a vacuum. It is affected by space, demography, planning, and the relations between the two populations. To understand the existing power structure, the economy must be examined not only through local authority budgets or independent income but through the complete system: who enjoys access to employment areas? Who can develop new industrial zones? Who moves freely in the labor market? Who relies on government budgets, and who depends on the other's economy?

The Judea and Samaria area of 2025 presents a deep dual economy: an Israeli economy based on government budgets, employment in Israel, and a high level of services; versus a Palestinian economy imprisoned both in the customs envelope of the "Paris Protocol" and in dense space, without the possibility of significant industrial development, and dependent on the Israeli labor market. This is not just asymmetry; it is an economic structure that explains the external stability and internal fragility of the system.

In analyzing the economic system of the Jewish population compared to the Palestinian one in Judea and Samaria, significant gaps emerge based on existing financial and employment data. Jewish settlement in the area is largely supported by state budgets, while the Palestinian system copes with much more limited resources.

Employment and Labor Force: The number of employed Israelis residing in Judea and Samaria has grown steadily over the past decade. However, only some of them work within Judea and Samaria boundaries. Indeed, about 60% of employed Israelis residing in settlements go to work within the Green Line, and only about 40% find employment within the area itself—most within local authority frameworks. Among workplaces within settlements, the share of Palestinian workers is prominent: in 2014, over 22 thousand Palestinian workers from the West Bank area were employed in settlement production forces. This number grew steadily from the beginning of the previous decade (about 9,600 Palestinian workers in 2010) and reached about 22,000 in mid-decade. In 2020, following Corona restrictions, there was a certain decrease to about 18 thousand workers, but the long-term trend indicates consistent dependence

on Palestinian labor force, and indeed on the eve of October 7, 2023, the number of Palestinian workers in settlements reached 46,783. This figure illustrates economic interrelations: the local economy in settlements creates livelihoods for thousands of Palestinians, while enjoying cheap and accessible labor force. For the Palestinian public, employment in settlements—in addition to work within Israel itself—constitutes a vital income source given the limited supply and lower salaries in the local Palestinian market.

Local Authority Budgets: The gaps become even sharper in analyzing Jewish local authority budgets compared to public resources available to the Palestinian sector. Total annual income in regular and non-regular budgets of all Jewish authorities in Judea and Samaria grew from about 1.95 billion NIS in 2009 to about 4.4 billion NIS in 2020—more than doubling within a decade and reached 5.658 billion in 2023. Growth stems from both Jewish population expansion and increased government investment. Indeed, most settlement authority budgets are financed by the government: over 60% on average of Israeli authorities' regular budgets come from direct participation of various government ministries. A significant part of government support is designated for state services that authorities provide—primarily education and welfare. In 2024, the Ministry of Education transferred over 1.49 billion NIS to Jewish local authorities in the West Bank for operating education systems (of which 522 million NIS transportation budget), and the Ministry of Welfare transferred about 419 million NIS to support welfare services in settlements. Additionally, the Ministry of Interior granted about 717 million NIS that year as general equalization grants to authorities, a high amount indicating a relatively low socio-economic cross-section of residents (the general grant is intended to assist authorities whose independent income base is limited). Indeed, the average socio-economic index of Jewish settlements in the West Bank stands at about 4 out of 10 (as of 2010-2023, with slight improvement from 3.8 to about 4.2)—a figure lower than the national average in Israel. This means that average income level and education level in this sector are lower, partly due to population composition: in large cities there is an absolute majority of ultra-Orthodox population (in Modi'in Illit and Beitar Illit cities ranked in socio-economic cluster 1-2, the lowest), as well as many settlements composed of young families with

many children. This situation explains why per capita education budgets in settlements are particularly high: in 2024, an average of about 24 children studied in kindergarten classes in settlement educational institutions—a reasonable size allowing good student-teacher ratio—thanks to generous budgeting that provided enough kindergartens and classrooms for students (average payments per kindergarten child jumped by over one hundred percent from 2014 to 2024). For comparison, in denser Palestinian authorities, the ratio of children per kindergarten is much higher (educational infrastructure there is known to be stretched to the limit due to rapid population growth and resource shortage).

Moreover, the Israeli government does not suffice with routine service budgets but also provides special support for development and security in Judea and Samaria. In recent years, one-time security grants were allocated to local authorities in settlements for fortification and security purposes: in 2021, about 35 million NIS were budgeted as security grants to authorities, and in 2023 the amount doubled to about 77 million NIS for unique security needs. This support is added to development budgets (non-regular budgets) flowing from government ministries to projects of infrastructure, roads, public institutions, etc. As a result of all these allocations, total per capita public expenditure in settlements rose steadily: from ≈5.3 thousand NIS per capita per year in regular budget in 2009 to about 6.6 thousand NIS per capita in 2014 and continued to climb to about 9.1 thousand NIS per capita in 2023. This increase reflects improvement in authorities' ability to provide services to their residents, although a significant part of the growth stems from government support and not from independent income (such as property tax) of settlements, which remain low due to that relatively weak economic-social cross-section.

On the other hand, in **the Palestinian sector** in the Judea and Samaria area, financial resources are much more limited. While Israeli authorities have a strong sovereign state investing generous budgets in them, the Palestinian Authority copes with a limited budget and high dependence on local public taxes and foreign aid. High demographic density and rapid natural growth among Palestinians (over 70 thousand net addition per year at the beginning of the previous decade) make it difficult for Palestinian authorities to meet population needs. This is reflected in worn

infrastructure, crowded classrooms, and poor welfare and health services, compared to the level of services received by settlement residents. Indeed, while a settlement resident enjoys on average a municipal budget of close to 10,000 NIS per year, municipal public expenditure available to a Palestinian resident is significantly lower than that. In practice, the Palestinian Authority uses international aid to finance point infrastructure projects but cannot match the broad financing mechanism the Israeli government has for settlements.

One additional figure illustrates the gap: while the average socio-economic index of Jewish settlements stands as mentioned at about 4 out of 10, if a similar scale were applied to the Palestinian population, it would likely rank them at an even lower level (considering the significantly lower gross domestic product per capita in the Palestinian sector and high unemployment rates there). In other words, the economic gap between the two populations in the West Bank is expressed both in available income and in the level of public services. Settlement residents enjoy access to employment in Israel and well-budgeted services, while Palestinian residents rely partly on that same Israeli economy (in work and in indirect tax revenues, for example VAT collected on Israeli products) but receive back more limited services through the financially weak Palestinian Authority.

Infrastructure and Services: In infrastructure aspects, there are noticeable differences in accessibility and quality. Settlements are connected to advanced Israeli infrastructure systems—national electricity grid of the Electric Company, regular water supply (although partly at the expense of cutting allocations to Palestinian areas in summer), fast roads, 4th and 5th generation cellular communication of Israeli companies, and garbage disposal to Israeli waste sites. In contrast, Palestinian settlements, especially in villages and Area C, cope with infrastructure shortage: many are not connected to standard water or electricity grid and are forced to rely on expensive water tankers and solar panels (usually established by aid organizations and often demolished by order of the Civil Administration claiming they were built without permit). The Palestinian Road system is relatively neglected, and residents are forced to bypass settlements and checkpoints on disrupted roads. Additionally,

movement restrictions (such as village gates, roads designated for Jews only in certain areas) slow and increase costs of goods transport and market access. Within Palestinian cities, the Authority operates reasonable education and health systems, but in Area C services are poor.

Households and Cost of Living: Average Palestinian household income in the West Bank is significantly lower than Israeli, but on the other hand cost of living is also lower (mainly due to low housing prices and lack of high direct taxes). An average Palestinian household spends a large part of its income on food, water, and transportation, while settler households are similar to the Jewish sector in Israel in spending habits (more on housing, private transportation, private education, etc.). 2022 data showed that the minimum wage practiced in the Authority (about 1,880 NIS per month) is much lower than Israel's minimum wage (5,300 NIS), leading a Palestinian worker entering to work in Israel to earn several times more than in his homeland. In 2024, the average daily wage of a Palestinian worker in the West Bank reached 139 NIS, while in Israel it reached 225 NIS after dropping from 290 NIS in 2023. These gaps encourage social phenomena such as reliance on work in Israel, internal migration to employment areas (for example Qalqilya and Tulkarm close to the Green Line), and economic basing of families on Israeli shekel currency (the official currency used by both sides).

Industrial Zones and Economic Cooperation: Several industrial zones in the West Bank are located at the interface seam between sectors: for example, the Barkan industrial zone (near Ariel) employs thousands of Palestinian workers under Israeli employers. In the past decade, these areas expanded somewhat, and in 2022 about 14,100 Palestinians were employed in industrial zones in settlements. This fact indicates a degree of practical economic cooperation—even if from a power gap—between the systems. Meanwhile, the Palestinian Authority tried to advance "independent" industrial zones (for example in Jenin and Bitunia) in cooperation with foreign investors, but these advance slowly due to regulatory and security restrictions.

Social Indicators: Alongside narrow economic indicators, there are also gaps in social indicators. For example, in the Human Development Index (HDI) of the UN

Development Programme, if the West Bank were ranked separately, it would be positioned far below Israel. High school and higher education completion rates among Palestinians are actually relatively high (West Bank universities graduated tens of thousands of graduates in this decade), but the limited labor market cannot absorb them all, and as a result there is a certain "brain drain." In the Jewish system in settlements, the rate of academic degree holders is actually lower than the Israeli average, mainly due to population composition (a large ultra-Orthodox part studying in religious frameworks and not academic ones). The CBS socio-economic index placed some ultra-Orthodox cities in settlements in a low cluster (Modi'in Illit and Beitar in cluster 1-2 out of 10), but this is from official income considerations—in practice, quality of life there is supported by high subsidy, as mentioned.

Despite the gaps, it is important to remember that the two economies are not disconnected: they use the same currency (Israeli shekel), a significant part of Authority goods are imported through or from Israel, and the customs system is unified. Therefore, it is difficult to make a hermetic separation between "the Israeli economy in the West Bank" and "the Palestinian economy": it is more about two subsystems within one unequal economic-political space. In other words, in the West Bank there exists an integrated but two-layered economic system: the upper layer—the settlers and the State of Israel—concentrates investment power, governance, and supervision; the lower layer—the Palestinians—is dependent and even exploited but also integrated as a secondary production and consumption player. This situation is in some ways similar to historical colonial models of "dependency economy," and international organizations have warned that without structural change (removing restrictions and independent Palestinian development) sustainable growth is impossible.

It is important to emphasize that all the above data rely on hard quantitative information; **therefore, findings present a clear picture: the settlement economy prospers relatively under the umbrella of Israeli budget and security, while the Palestinian economy copes with structural challenges of shortage and reliance on external factors.**

Dependence on State Grants and Lack of Local Employment

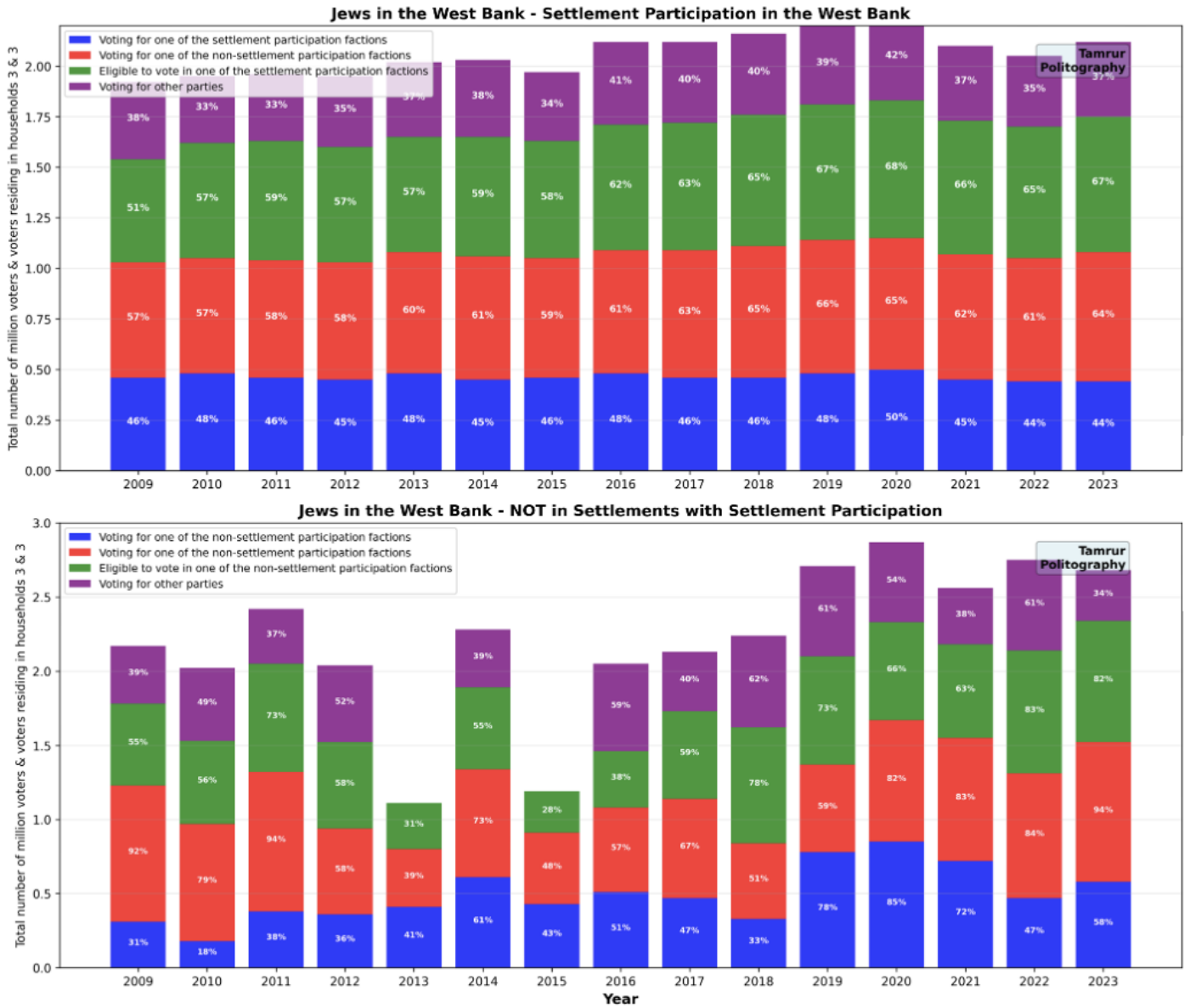
CBS, Ministry of Education, and Ministry of Finance data present a consistent picture: most authorities in the Judea and Samaria area do not generate high independent income. Local employment engines are very limited, and most residents work in Israel itself, not in their settlements. Modi'in Illit and Beitar Illit are prominent examples: cities of tens of thousands, without employment areas of scale matching their size.

This structure creates two implications:

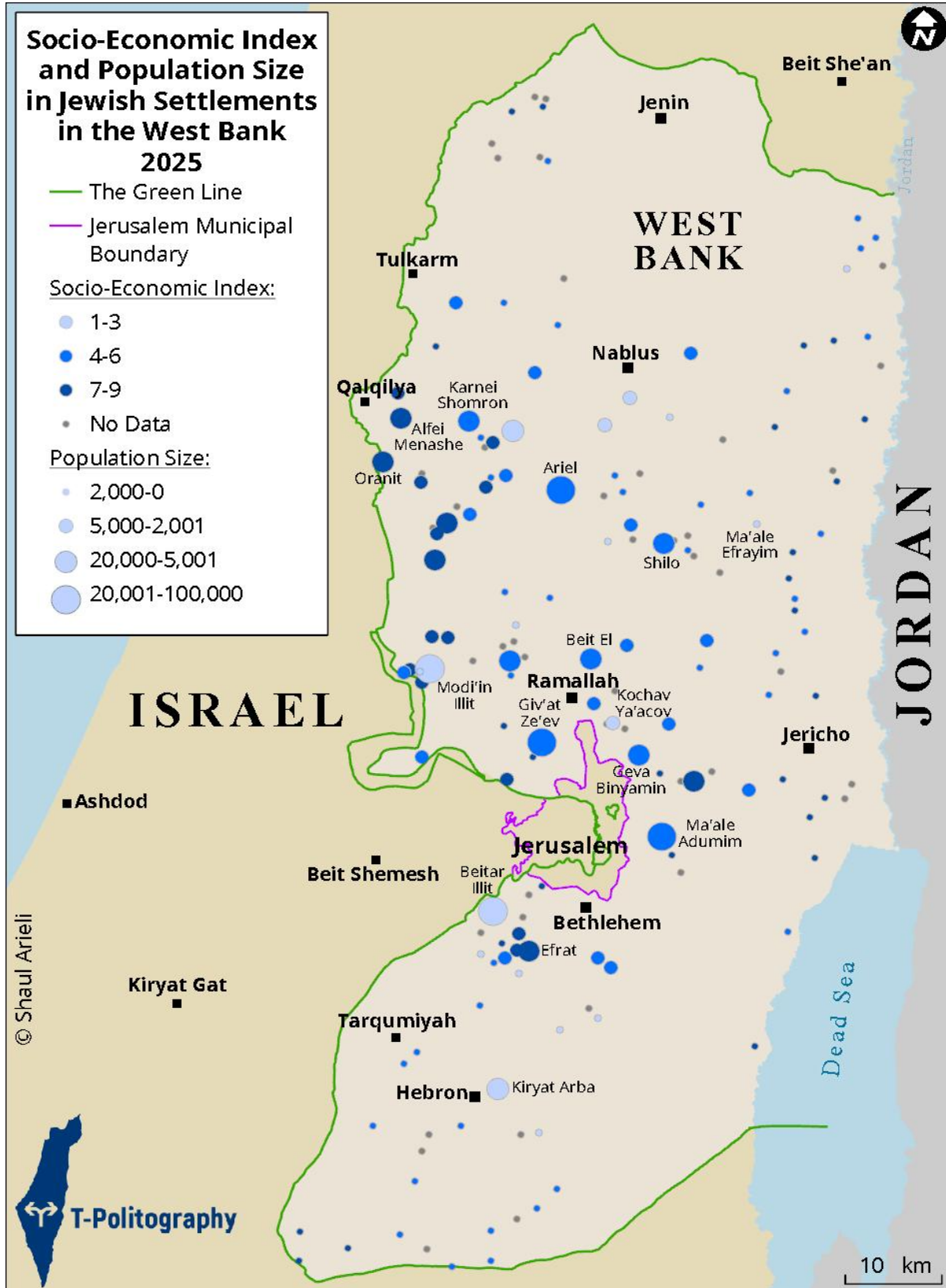
- 1. Deep dependence on state budgets:** Local authorities exist mainly through education budgets, welfare, equalization grants, and other government funding. In some places, the rate of independent income is particularly low due to lack of industry and businesses.
- 2. Gap between young population and limited labor market:** In young ultra-Orthodox society, where the proportion of children is particularly high, the local income structure does not allow full support for population needs. The result: economic burden flows to the national budget.

This is a stable economy—if the state continues to finance it. The moment budget sources shrink; the system becomes unstable.

Chart 9



Map 11



Palestinian Economy: Structural Dependence and Lack of Industrial Space

The World Bank consistently states over the past decade that the Palestinian economy cannot grow beyond 3%-4% without access to Area C. The reason is simple: industrial areas, agriculture, and modern development are almost all in areas where Palestinians lack planning access.

The situation in Area A and Area B is of a "imprisoned" economy: built-up spaces unable to expand, old infrastructure, traffic congestion, shortage of industrial areas, and limited accessibility between major cities.

All this is expressed in 3 main characteristics:

1. Dependence on Israel Labor Market: Tens of thousands of Palestinians work daily in Israel or settlements, and their income constitutes a significant part of the Palestinian economy. This is dependence that does not allow creating an independent local labor market.

2. High transportation costs: World Bank studies indicate that restrictions on land ownership, movement, and access raise production and transportation costs by 25%-35%.

3. Lack of foreign investments: Regulatory and spatial restrictions deter investors—a phenomenon already documented in OECD reports on the Palestinian economy.

This is an economic structure that does not provide long-term stability. It exists thanks to young population growth and price gaps, but an employment crisis or movement restriction can destabilize it within months.

Chart 10

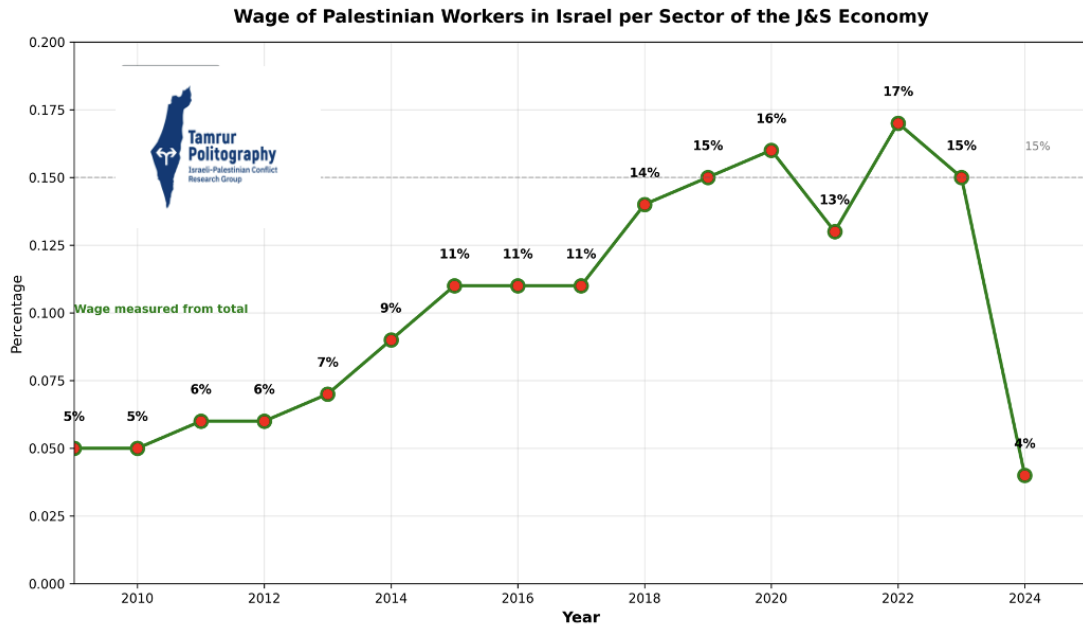


Chart 11

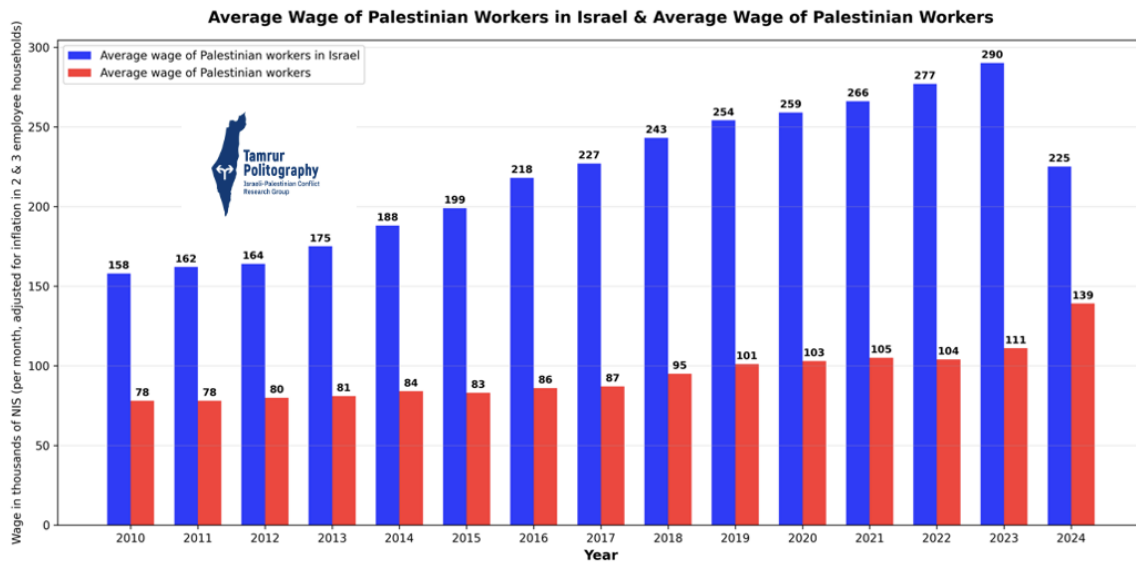


Chart 12

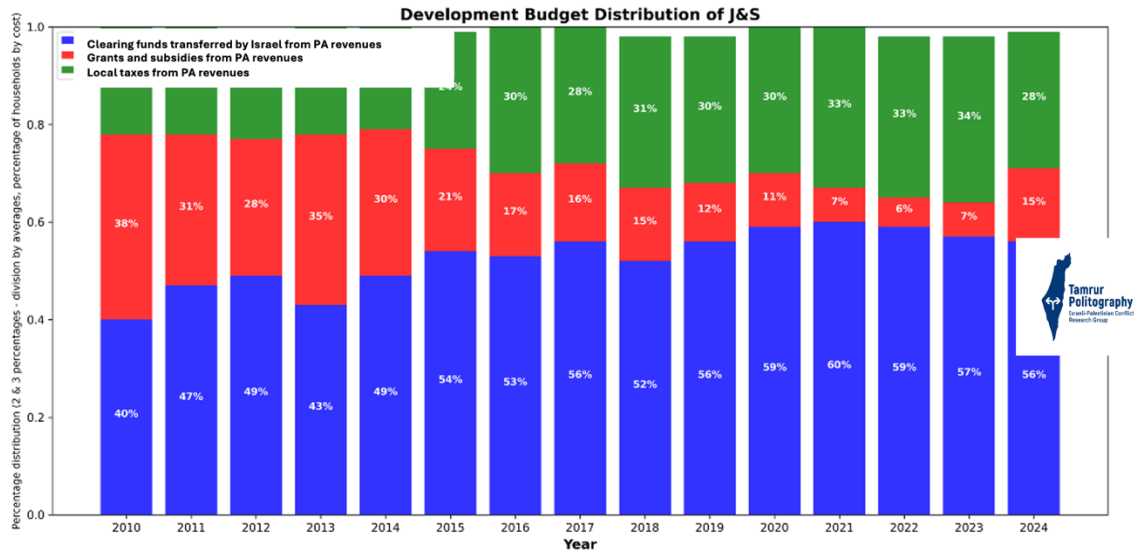


Chart 13

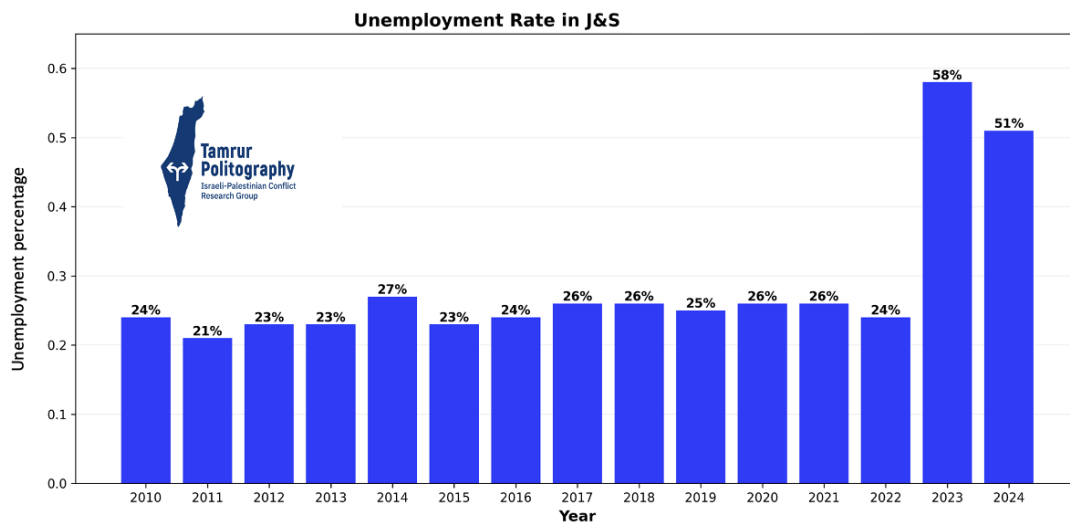


Chart 14

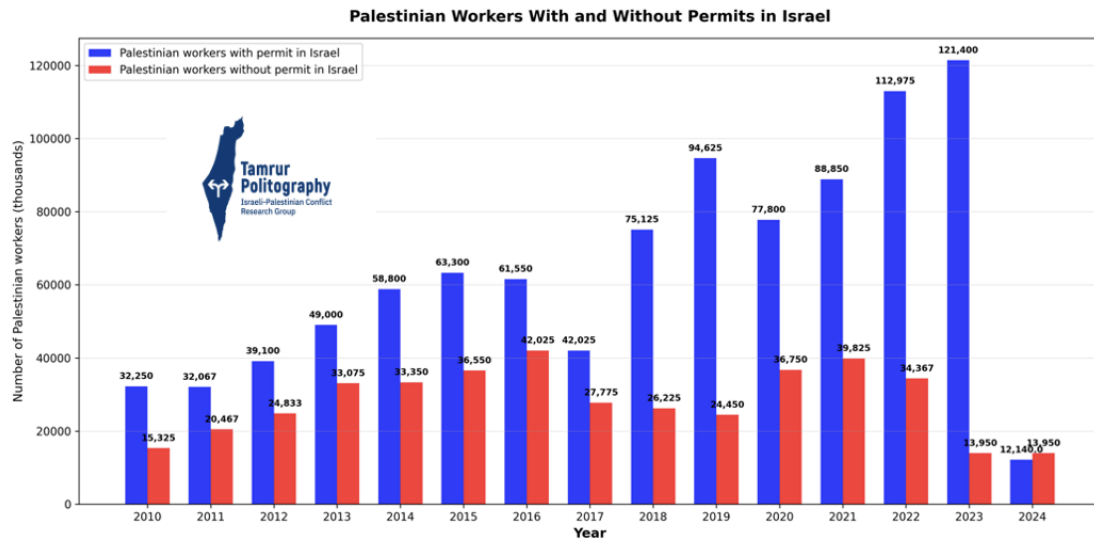
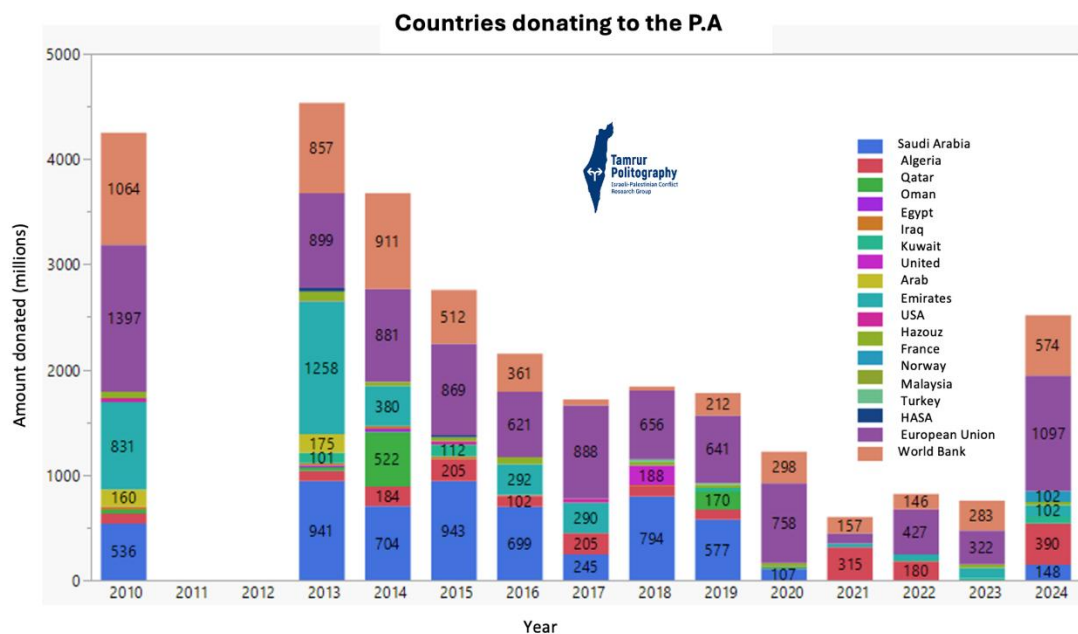


Chart 15



Integration and Labor Market: Economic gaps between systems are also reflected in employment patterns. The settlement economy is closely connected to Israel's economy. Indeed, most settlers do not work within their settlements but in Israeli cities.

About 60% of workers residing in settlements go to work within the Green Line, and only about 40% work within the Judea and Samaria area. Thus, many Jewish settlements serve as "bedroom communities" whose residents are employed in the metropolises of Jerusalem, Tel Aviv, and Beer Sheva. On the other hand, the Palestinian economy has high dependence on the Israeli economy: due to shortage of jobs and decent wages within Authority territories, tens of thousands of Palestinians go out daily to work in Israel and settlements. In 2010, about 9,625 Palestinian workers residing in the West Bank were employed within Israeli settlements; the number grew steadily and in 2023 reached about 46,783 Palestinian workers in settlement workplaces. It should be noted that this figure does not include tens of thousands of Palestinian workers working within the State of Israel itself (with or without permit), but it does indicate the degree of reliance of many Palestinian families on employment in the Israeli economy and opportunity gaps between the two economies. Wages in Israel are higher than average wages in Authority territories, and therefore work in settlements—mainly in construction, agriculture, and services sectors—constitutes a vital livelihood source for many on the Palestinian side.

Standard of Living and Social Security: Settlers of Judea and Samaria, being Israeli citizens, enjoy all state social security networks—National Insurance, state health insurance, unemployment benefits, etc.—and the poverty rate among them is relatively low (considering significant social transfers to the ultra-Orthodox sector). In contrast, Palestinian residents live under a separate economy where security networks are much weaker. For example, during the Corona crisis in 2020, about 21 thousand settlers received unemployment benefits from Israel's National Insurance Institute (compared to only about 3,081 in 2019 before the crisis), which helped them cope with temporary income loss. In contrast, Palestinian workers affected during closure periods remained mostly without any orderly compensation mechanism, except occasional humanitarian aid. Gaps are also expressed in access to advanced health services, infrastructure quality (water, electricity, and roads in settlements meet Israeli standards, while in many Palestinian areas infrastructure is outdated and limited), and the general economy's ability to absorb and support the growing labor force. Indeed, the Palestinian economy is deeply dependent on the Israeli economy, whether

directly—through employment in the Israeli market—or indirectly—through importing most products and using Israeli currency and customs system.

Economic Conclusion

Analysis based on quantitative data for recent years indicates the existence of an integrated but structurally distinct economic system in the Judea and Samaria area. Although both populations operate within the same macro-economic space and hold unified currency, a clear duality forms: an Israeli economy with wide spatial, infrastructural, and financial accessibility, and a Palestinian economy operating under spatial, movement, and sovereignty restrictions making independent development difficult.

The Israeli system in the area is characterized by significant reliance on state budgets, high level of public services, and full connectivity to the labor market in Israel. Settlement residents enjoy extensive government investments in infrastructure, education, welfare, and security, alongside access to a wide employment market outside the area. On the other hand, the Palestinian economy is characterized by high dependence on the Israeli labor market, persistent shortage of industrial areas, and regulatory and movement restrictions raising production costs and decreasing investment viability.

These gaps are reflected in central indicators: scope of per capita budgets, infrastructure quality, income level, industrial development capacity, scope of authorities' independent income, and access to essential services. Accordingly, the Palestinian economy presents clear characteristics of a dependency economy, relying both on direct employment in the Israeli economy and on a shared customs structure not allowing building independent economic mechanisms.

From this analysis emerges that in the absence of deep structural change—including Palestinian access to development areas, easing movement restrictions, and independent investment patterns—economic duality is expected to intensify in the coming decade. Population growth in both sectors, particularly ultra-Orthodox growth

in the settlement system and high natural growth on the Palestinian side, are expected to deepen pressures on both systems and increase inequality between them.

Therefore, research findings indicate a relatively stable economic structure on the Israeli side but fragile on the Palestinian side, and the establishment of two economic subsystems operating side by side, with partial mutual dependence but without equality in development capacities and economic mobility.

The Legal Dimension



Governance Systems, Law, and Rights

One of the most prominent characteristics of the reality in the West Bank is the existence of two separate legal systems operating in parallel, applying to two different populations in the same geographical space. Since 1967, the West Bank has been defined as a territory under belligerent occupation (occupied territory according to international law), subject to Israeli military rule. The Palestinian population in the territories has been subject to Israeli military law since then: orders of the military commander (Commander of Central Command) and Civil Administration directives serve as the legal source for managing their lives. Palestinians are subject to military courts for security offenses and to Civil Administration authority in planning, infrastructure, people movement, etc. In contrast, the Israeli population (settlers) in the West Bank enjoys unique status: indeed, Israel has ensured over the years to personally apply its civilian laws to its citizens residing in settlements. From the beginning of settlement, regulations and orders were enacted allowing extension of Israeli law application to settlers, despite them being formally outside Israel's sovereign territory. Since its establishment, Israel governs all its Jewish citizens—including West Bank settlers—through its civilian laws, which more recognize and respect individual rights. This means a Hebron or Beit El settler resident enjoys the same rights and obligations (except municipal voting rights) as a Jerusalem or Tel Aviv citizen: he pays taxes to the State of Israel and receives services from government ministries, is within the jurisdiction of Israeli civilian courts, is entitled to Israeli social rights, and so on. In 2023, with the establishment of the Settlement Administration and transfer of all powers from the Civil Administration to it, the Civil Administration mediation was effectively abolished. Thus, a legal duality situation was created on the ground: two populations living in physical proximity but subject to fundamentally different legal frameworks—Israelis under modern democratic law, and Palestinians under military occupation regime.

The Oslo Interim Arrangements (1995) established the Palestinian Authority as a partially independent governing body with limited powers in Areas A and B. In practice, within Palestinian city territories (Area A), the Authority functions as executive and

judicial authority for internal affairs, and in Area B it shares security powers with Israel. However, Israel retained security powers and civilian territorial powers in Area C—where, as mentioned, settlements are located and most land reserves. This means the Israeli military-legal system controls areas where many Palestinians also live in Area C. Moreover, even in Areas A and B, Israel has intervention capability: the IDF enters from time to time into Area A cities for security purposes, and airspace, overall spatial control, and international crossings are all under Israeli control. All these mean the Palestinian Authority is not truly sovereign over any land area—not even in large cities—but exists within the framework of limitations subject to interim agreements. In overall analysis, a single governing factor—the Government of Israel—primarily controls all territory west of the Jordan River (from the sea to the river), while granting a separate rights regime to different population groups. This situation, where the Jewish national group has systematic advantage in rights, freedom of movement, land access, and political representation, while the Palestinian group is subject to suppression and denial of rights, is described by leading human rights organizations as a serious violation of rights and even compared to an apartheid regime. Thus, for example, in a comprehensive 2021 report, Human Rights Watch determined that Israeli policy constitutes "maintaining Jewish-Israeli control while systematically suppressing Palestinians" in all territory between the sea and the river. This sharp claim is politically controversial, but the factual data on which it is based is almost undisputed: the two people have a completely different legal reality.

From the perspective of international law, all Israeli settlements in the West Bank (including Jewish neighborhoods in East Jerusalem) are defined as illegal. The Fourth Geneva Convention (1949) prohibits an occupying power from transferring or allowing transfer of its civilian population into occupied territory, while Israel has argued over the years in counter-interpretation that the territory's status is "perpetual" or "disputed" due to lack of recognized previous sovereign. Nevertheless, the international consensus is clear. UN Security Council Resolution 2334 (December 2016) determined unanimously that "settlements have no legal validity whatsoever... and constitute a flagrant violation of international law." The resolution demanded Israel immediately cease all settlement activity in occupied Palestinian territories, including

East Jerusalem. This resolution, adopted with 14 countries' support and US abstention, reflected the UN's long-standing policy (since resolutions 446 and 465 in 1979) regarding settlement illegitimacy. From Israel's perspective, Resolution 2334 and other condemnations did not prevent continued settlement expansion but created infrastructure for international calls to distinguish between Israel's sovereign territory and occupied territories (for example, the resolution calls on countries to distinguish between products and services originating in settlements versus those originating in pre-1967 Israel).

Freedom of Movement and Rule of Law: An important legal-physical aspect is the checkpoint regime, permits, and movement restrictions. Palestinians in the West Bank are subject to a series of movement restrictions: permanent and mobile checkpoints between different areas, entry bans to closed military zones and state lands, permit regime for entry to Israel, etc. On the other hand, Jewish settlers enjoy almost complete freedom to move throughout the West Bank (except entering Area A cities) and crossing to Israel. A "bypass roads" system was built for them to enable direct and safe travel to settlements, sometimes while prohibiting Palestinians from using certain road sections. These mobility differences are anchored in official policy: for example, the well-known road in northern Jerusalem (Road 4370) established in the past decade includes separation with a fence in its middle—one side for Israeli use (with free access to Jerusalem), and the other side for Palestinians (without direct access to the city). This example illustrates the legal principle on the ground: separate and often unequal rights. In law enforcement too there is deep separation. A Palestinian Hebron resident accused of a criminal offense will be tried in military court (with conviction rates over 95% and rigid procedures), while his settler neighbor shooting in the air, for example, will be investigated—if at all—by Israeli police and brought before Israeli civilian courts, enjoying different evidentiary and sentencing norms. Human rights organization reports indicate selective enforcement where violence or building violations by settlers receive minimal treatment, while similar (or even lighter) offenses by Palestinians result in heavy punitive measures, house demolitions, and administrative detentions. A prominent example is the field of unlicensed construction: as described above, unlicensed Palestinian construction is routinely demolished, while

hundreds of illegal structures in outposts and settlements sometimes receive legalization rather than demolition. According to the State Comptroller's report, between 2019-2022, indictments were filed in only 3 cases of illegal Israeli construction in settlement industrial zones, compared to about 14,100 Palestinians who worked in those industrial zones in 2022. A figure indicating minimal enforcement against Israeli building violations.

It is worth mentioning that in the past decade several important legal developments occurred: in 2017 the Knesset enacted the "Law for Regularization of Settlement in Judea and Samaria" aimed at retroactively legalizing thousands of settler structures on private Palestinian land, but in 2020 the law was struck down by Israel's High Court due to its disproportionate harm to Palestinians' property rights. Another example is partial cancellation (in 2023) of the Disengagement Law so that settlers can return to evacuated northern Samaria sites (Homesh and Sa-Nur)—a move signaling retreat from past commitments and conveying de facto annexation intention. Meanwhile, the International Criminal Court (ICC) began in 2021 examining suspicion of war crimes in the territories, including the settlement issue (transferring population to occupied territory); this investigation has not yet matured but hovers as a potential legal sword over Israeli decision-makers.

In summary of this chapter, the legal reality in the decade 2015-2025 maintained and even deepened duality: strengthening settlers' status as full citizens (including political representation in the Knesset—currently 12 right-wing Knesset members reside in settlements, and for the first time also ministers in government from beyond the Green Line) and on the other hand maintaining Palestinians' non-citizenship status. Palestinians in the West Bank live under a hybrid-regime: a combination of limited-authority Palestinian Authority and above it supreme Israeli rule actually determining their fate. This gap feeds ongoing political and social tension and constitutes the core argument regarding unsustainability of the status quo.

Summary



The Integrated System: When Space, Population, Law, and Economy Intersect

Integrated analysis of the four dimensions reveals a system in which:

- Israeli space expands and strengthens through planning and infrastructure control.
- Israeli demography shapes around ultra-Orthodox centers.
- Israeli economy is based on state budgets.
- Palestinian space contracts.
- Palestinian demography grows rapidly.
- Palestinian economy depends on Israeli space—but without access to it.
- The existence of two different legal systems for the two populations living in the same territorial space.

This is a model where there exists a minority holding space versus a majority holding population. The former enjoys planning and development capacity; the latter faces permanent restrictions. Space becomes a mechanism defining who can grow and who is blocked.

This combination creates structural stability but functional fragility: the system does not collapse, but any change—security, economic, or political—may destabilize the entire mechanism.

Final Conclusions

The system in Judea and Samaria in 2025 is not a system of stable "status quo" but of dual depth: open space versus blocked space, young population with planning access versus young population without access, economy based on the state versus economy based on working for the other.

1. Structural gaps between systems do not stem only from income differences but from sovereignty differences. If Palestinian space is fragmented and limited in planning, sustainable growth cannot be achieved.

2. The Israeli system in the West Bank experiences gradual demographic erosion—decrease in positive migration and increase in service burdens in ultra-Orthodox cities.
3. The economic gap is maintained due to differential regulation—open Israeli versus closed Palestinian.
4. Continuation of status quo policy maintains dependency relations but does not prevent partial Palestinian economic collapse.
5. Only structural change—whether political or economic—can narrow the gaps; all other options maintain an unstable dual system.

This combination creates a balance of dependence, not a balance of stability. This is the most important characteristic for understanding the reality for the coming decade.

Scenarios for the Coming Decade (2025-2035)

Scenario 1: Continuation of Existing Situation—Intensifying Duality

- Ultra-Orthodox growth in Israel in the West Bank will continue.
- Palestinian burden will intensify in dense space.
- Palestinian economy will remain dependent.
- Gaps will deepen and stability will remain superficial.

Scenario 2: Deterioration—Burden, Restrictions, Point Crises

- Pressure on crowded Palestinian services will rise.
- Employment restriction in Israel will create shock.
- Tensions will increase around spatial friction points.
- This is a scenario where fragility moves from potential to actual.

Scenario 3: De-escalation Through Spatial Policy Change

- Opening parts of Area C to Palestinian development.
- Creating regulated Palestinian industrial zones.
- Improving transportation continuity.
- Developing joint projects.
- This scenario does not solve the conflict—but it softens spatial duality.

Political and Spatial Implications

Analysis of geographical, legal, demographic, and economic aspects of Israeli and Palestinian systems in the Judea and Samaria area over the past decade reveals a reality of deep gap, but also dependence and mutual reflection. Spatially, settlement establishment mainly in limited areas near Israel leaves—at least theoretically—possibility for Israeli convergence to agreed borders with minimal land swaps. The fact that close to 80% of settlers live on less than 5% of West Bank area strengthens arguments of two-state solution proponents that annexing major settlement blocs to Israel and evacuating/transferring residents of other settlers is feasible. Additionally, most Palestinian population is concentrated in A/B areas that are continuous among themselves, a fact that can assist in establishing a Palestinian state on all the West Bank. However, political developments in the past decade have distanced both sides from an agreed solution. Settlement expansion and legalization of additional outposts, together with legislation and policy deepening West Bank integration within state mechanisms, such as transferring powers to Israeli government ministries in Area C in 2023, bring closer the reality of de facto annexation without arrangement. Israel's current government (2023-2025) is even composed of elements who spoke explicitly against establishing a Palestinian state and support continued full Israeli control over all territory. On the other side, the Palestinian Authority has weakened economically and politically; its control is limited to urban Bantustans without sequence, and it loses public trust. This situation raises concern that in the foreseeable future a one-state reality will be established—where millions of Palestinians live under Israeli rule without equal rights—a scenario many leaders in the country and world warn means turning

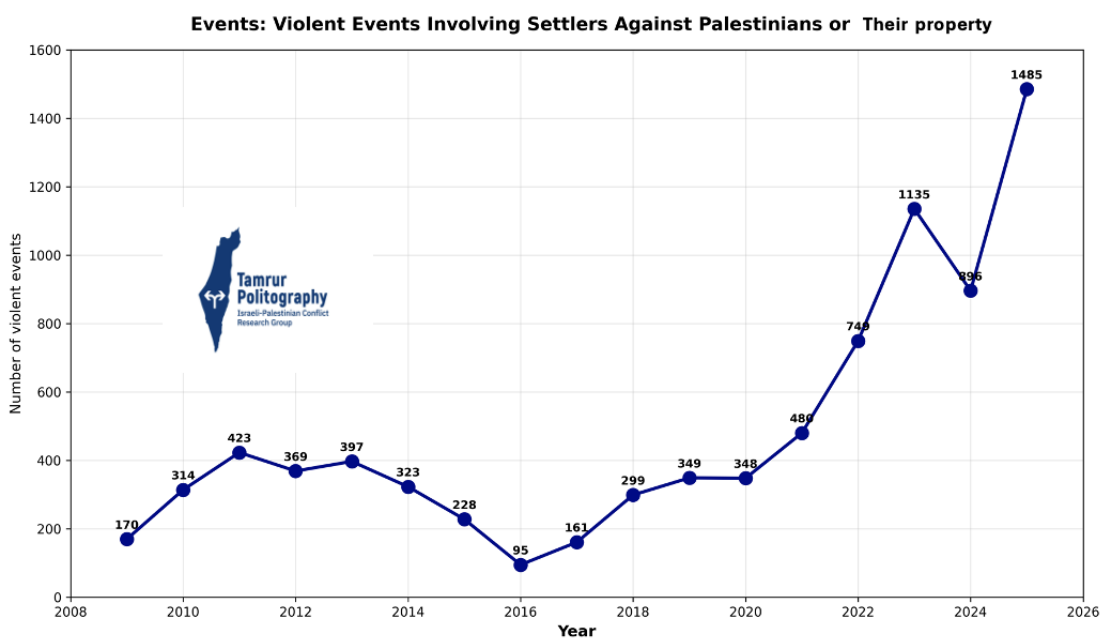
Israel into an undemocratic "apartheid state" (warning expressed in UN resolutions and reports by organizations like Human Rights Watch in recent years).

However, data also indicate opportunities for solution if political will is created: since most settlers are concentrated near the Green Line, within framework of arrangement they can be left in place under Israeli sovereignty in exchange for land swaps—a solution proposed in various peace plans. The fact that some isolated settlements are ranked low socio-economically and their population is relatively small may facilitate their evacuation in the future if offered adequate compensation. The trend of negative migration from the West Bank into Israel in difficult years also shows not all settlers are determined to remain at all costs—a factor that can assist any voluntary evacuation solution. On the Palestinian side, maintaining their demographic presence in Area C (and not mass flight despite pressure) constitutes a political statement of "steadfastness on the ground," but also says this population will be among the main beneficiaries of any arrangement removing the IDF and permit regime from their daily routine.

Spatial implications of the current status quo are continued erosion of Palestinian territorial sequence and expansion of Israeli land holdings, in a way that greatly complicates future border drawing. Every additional hill on which an outpost is established creates another Israeli "bulge" in West Bank depth, sometimes designed to disconnect sequence between Palestinian cities (such as new agricultural outposts around Nablus and Jordan Valley designed to block Palestinian expansion). Continued construction without regional spatial planning also imposes on Israel growing transportation and infrastructure costs—for example, the need for bypass roads and securing winding routes to every remote settlement. Environmentally, spatial fragmentation makes it difficult to manage shared resources (groundwater, stream drainage, nature reserves) and causes inefficient land use. The ongoing territorial division also has socio-cultural impact: the two peoples in the West Bank live side by side but almost completely isolated—separate education systems, separate

roads and neighborhoods, and limited daily contact mainly between soldiers and settlers and Palestinians at checkpoints. This situation deepens stereotypes and local conflicts, as evident in the rise of settler violence incidents against Palestinian villages and vice versa in 2021-2025 (condemned even by Israel's allies).

Chart 16



Summary: The past decade deepened separation and inequality between the Jewish system and Palestinian system in the West Bank. Israelis in the West Bank enjoy privileges of space, law, and economy of their state—but simultaneously growing parts of them (particularly ultra-Orthodox population) live at low living standard and depend on subsidy, in a way casting shadow also on Israeli society's future. Palestinians in the West Bank maintain solid demographic majority and cohesion in city centers but imprisoned in foreign rule restrictions suppressing their economic and national development. Gaps between the two systems create built-in and ongoing tensions, and in non-resolution of the conflict they may only intensify. The main political implication is that collision between Palestinian sovereignty aspiration and continued Israeli expansion is inevitable without historic compromise. Data indicate the current situation is unsustainable long-term: either separated into two independent states—something still implementable spatially although requiring difficult decisions—or slipping into one state where millions of residents are deprived of rights, with all moral and security dangers entailed. As stated in the 2025 UN report warning, achieving sustainable development goals and regional stability require stopping settlement construction and removing restrictions over Palestinian economy and society. In other words, without policy direction change, presented data—geographical, legal, demographic, and economic—will only go and exacerbate the conflict and distance its solution. Responsibility falls on decision-makers on both sides to utilize the solution space that numbers teach still exists, before it closes completely.

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Dr. Shaul Arieli served as a senior officer in the IDF combat system, among other roles in the regular Paratroopers Brigade and as commander of the Northern Brigade in the Gaza Strip and also filled key roles in the political process with the Palestinians. He was head of the Interim Agreement project during the tenures of Yitzhak Rabin, Shimon Peres, and Benjamin Netanyahu, deputy military secretary to the defense minister and Prime Minister, and head of the negotiation administration during Ehud Barak's tenure. Arieli taught at Tel Aviv-Jaffa Academic College, Hebrew University, and Reichman University. Today Arieli serves as head of the Tamrur Politography Research Group dealing with the Israeli Palestinian conflict.

