Urban neoliberalism vs. ethno-national division: The case of West Jerusalem's shopping malls

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**Abstract**
Most research on ethnically and nationally contested cities posits that urban spatial segregation trends will remain decisive so long as the macro level national conflict persists, and assumes that the neoliberalization of urban space would only strengthen such trends. Over the last decade however, and despite the ever deepening national conflict, Jerusalem has seen the emergence of neoliberal spaces of consumption that serve as resilient spaces of intergroup encounter between Israeli-Jewish and Palestinian-Arab populations. In this article I will examine and compare two such neoliberal spaces in Jerusalem, and show how under certain conditions, privatized urban spaces can undermine processes of ethno-national segregation. I argue that interactions between members of the two rival groups are challenged and reshaped by neoliberal spaces and that the relocation of the ethno-national intergroup encounters to privatized spaces of consumption could represent a temporal shift to a class based encounters.

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**1. Introduction**
Jerusalem is commonly described in the literature as a deeply segregated city, with a clear geographical boundary separating Jewish-Israeli from Arab-Palestinian areas. Yet over the past decade it has seen a growing trend of daily encounters between Israelis and Palestinians taking place primarily in the city’s new neoliberal privatized spaces of consumption. Between 2005 and 2014, the number of Palestinians from Arab-Palestinian areas suffered to the same extent from the absence of Palestinian consumers. While the largest mall in Jerusalem – Malha Mall – suffered from a near total decline in the number of Palestinian shoppers (Pundaminsky, 2014), in Mamilla Mall any visitor would have been none the wiser. Even at the peak of the urban violence, Palestinian and Israeli Jerusalemites still came to shop side-by-side in this Israeli luxurious open strip mall. Despite the fact that prior to the events of the summer of 2014 both malls were highly popular among Jerusalemite Palestinian customers, only Mamilla Mall showed a high degree of resilience as a site of intergroup encounter throughout this extremely violent period.

This example illustrates the role of commercial centers as spaces of encounter in the context of a violent ethno-national conflict. It shows how neoliberalism through processes of privatization and consumerism can influence intergroup spatial dynamics in various and particular ways. This paper will analyze the role of neoliberalism in the daily life of a contested Jerusalem and the way it manifests in privatized spaces of encounter. I will also try to explain how different patterns of interactions and ethnic inclusivity have been created in each of the malls. To this end I offer an in-depth examination of the patterns of interaction in the two shopping centers, the Malha Mall and the Mamilla Mall, in the years 2008–2014.
Between 2007 and 2014, Palestinian Jerusalemites constituted on average 25% of the visitors to the Mamilla and Malha malls. Based on the research, I argue that market forces, consumerism and processes of globalization relocated the intergroup interactions from national spaces to the privatized commercial sphere. These new spaces of encounter challenge the spatial sectarian logic of the nationally contested city. In comparing the two malls, I will show how differences in location and security policies create different patterns of intergroup interactions.

In what follows, I will first review the political–geographical patterns of spatial segregation and the conditions under which interactions take place in contested Jerusalem. I will then provide an analytical framework to demonstrate how the literature on divided cities and the study of the neoliberal urbanism can be used to understand the nature of intergroup encounters in colonial contexts. My contribution to the research on divided cities will be to demonstrate how a pattern of desegregation can emerge in a nationally contested city even under conditions of deepening conflict, national resistance and with no political resolution in sight. My second conceptual contribution will be achieved through juxtaposing the post-colonial discourse on mixed cities in Israel/Palestine with ideas related to neoliberalism and the city. I will show how even the most persistent ethno-national divisions can be temporarily undermined by privatization and the growth of commercialism which give rise to a new mode of daily encounters. Based on combined quantitative and qualitative detailed field research, two case studies will follow in which I will discuss how the particular characteristics of the two sites shape the nature of the encounter. I will conclude with theoretical understandings about the economic and geopolitical dynamics that are involved in creating spaces of encounter in the malls of western Jerusalem, and how these transform the ethno-national logic of space into the capital logic of class-based divisions.

2. The terms of engagement: occupation, inequality and violence in Jerusalem

Power relations between Palestinians and Jews in Jerusalem are uneven on many levels. On a basic level, the inequality between the two populations stems from their different civic status. Soon after the 1967 war, the Israeli government granted every Palestinian Arab that lived in Jerusalem permanent residency. This quasi-citizenship status created a two-tiered citizenship system within Jerusalem. While Israelis are full citizens whose status and residency cannot be revoked, Palestinians are only eligible for social benefits and their permanent resident status is contingent upon proving continuous physical presence in the city. In practice, Palestinian permanent residencies are frequently revoked (Lapidoth, 2011).

The official Israeli national and municipal planning and development policies for East Jerusalem and its Palestinian residents further reflect and drive this inequality. Two principles underlie these policies: maintaining a Jewish majority and preempting any likelihood that the city could be divided (Amirav, 2007). Bollens (1998, 2000) termed these policies “partisan planning”, while Yiftachel and Yacobi (2003) describe them as those of an urban ethnocracy.

The result is acute inequality between the two populations in almost all spheres of life, but particularly in physical infrastructure, housing and education (Rom, Tatarsky, & Maimon, 2014; UNCTAD, 2013). Basic infrastructure in Palestinian East Jerusalem neighborhoods such as roads, sewage systems, schools and water systems suffer from tremendous neglect. Discriminatory zoning policies have made it almost impossible for Palestinians to acquire building permits, thereby creating a severe housing crisis and leading to the widespread phenomenon of unregulated construction. This, in turn, has given rise to the widespread practice by the Israeli authorities of demolishing Palestinian homes (Chiola, 2012; Braier, 2013). As a result, the percentage of poor families in East Jerusalem grew from 64% in 2006 to 84% in 2011 (Alyan, Sela, & Pomerantz, 2012).

The Second Intifada from September 2000 to the end of 2004 left the city in a state of trauma and fear. In West Jerusalem, the 26 suicide attacks resulting in 173 deaths (ISA, 2009) led to a rise in Jewish emigration from the city and caused many Jewish residents to cease contact with East Jerusalem Arabs. In East Jerusalem, Israeli military action left 64 people dead (PCBS, 2006). The Israeli authorities systematically closed down all Palestinian political institutions, arresting or deporting most of its local leadership (Cohen, 2011).

Another dramatic step was the construction of the separation barrier, officially called the “Defense Barrier”. Completed in 2005, it was built to stop the infiltration of terrorists from the West Bank into Israel. One of the key results of the wall was a brutal physical severing of East Jerusalem from the rest of the West Bank. It had a crucial impact on the functional and economic viability of East Jerusalem as a regional metropolitan center. The wall left approximately 80,000 Palestinian residents of Jerusalem in neighborhoods which are trapped outside the wall but within the municipal border (Chiola, 2013; Shlay & Rosen, 2010; Kimchi, 2006). Overall, the aftermath of the Second Intifada left Palestinian society in Jerusalem “divided, weak and confused, with a hybrid political identity and a question mark hanging over its political future,” (Cohen, 2011, 129). This is the context for the current phenomenon whereby large numbers of Palestinians are crossing the invisible border into West Jerusalem on a daily basis and co-habiting spaces with local Jews. The unequal civic status and vast disparity in material conditions are two of the basic themes underlying intergroup spatial dynamics between Jews and Palestinians in Jerusalem. The presence of Palestinians in the parks or malls of West Jerusalem is not a sign of voluntary social mixing because it is primarily driven by the lack of decent recreation and consumption facilities in East Jerusalem (Nasrallah, R., personal interview, May 18, 2009).

3. Conceptual background

Research on nationally contested cities has shown how intergroup encounters are charged with symbolic meaning and are dictated by the sectarian logic of the macro level national conflict, thus deepening spatial segregation (Bairner & Shirold, 2003; Boal, 1996, 1999; Romann & Weingrod, 1991; Peach, 2000; Shirold, 2001; Shirlow & Murtagh, 2006). In many divided cities and societies, the political hegemony of the dominant group results in policies of forced spatial segregation, which are unfavorable towards the subordinate rival group. Driven by nationalistic or racist motives, these policies are manifested in structural discrimination at the local and national government levels (Lemon, 1991). The dominant group, seeking to minimize intergroup encounters in order to create “purified” spaces (Sibley, 1988), erects social, cultural and physical barriers to exclude “unwanted” elements. On a broader level, the lack of secure and diverse transnational topographies in contested cities (Pullan & Baillie, 2013) limits the possibilities of reaching conflict resolution by sustaining and emphasizing intergroup cultural differences, promoting separate social networks, elevating mutual prejudice, and reducing the likelihood of positive encounters (Peach, 2000). It also damages urban vitality and sustainability by maintaining dual urban community facilities and reducing the size of the local employment market (Boal, 1999).

In Israel, structural segregation is manifested in government housing policies that give rise to separate Jewish and Arab neighborhoods, cities and settlements and limit Arab urban development in mixed cities (Yiftachel, 1992, 1994; Yiftachel & Yacobi, 2003). As Yiftachel and Yacobi write, “the production of urban space in Israeli mixed cities stems from the exclusionary Israeli-Jewish national identity, which works to essentialize and segregate Arabs and Jews,” (Yiftachel & Yacobi, 2003, 673). In Jerusalem, this approach was reflected in the local outline plan by the City Planning Department, titled “Jerusalem
2000”. Using multicultural terminology, the plan gave de jure justification for ethno-national segregation within an Israeli controlled Jerusalem:

“Within the boundaries of the city of Jerusalem a process of spatial segregation between the various populations inhabiting the city has occurred, and continues to occur. In a multicultural city such as Jerusalem, spatial segregation of the various population groups in the city is a real advantage. Every group has its own cultural space and can live its lifestyle. The segregation limits the potential sources of conflict between and among the various populations. It is appropriate, therefore, to direct a planning policy that encourages the continuation of spatial segregation with a substantial amount of tolerance and consideration.”

(Jerusalem Municipality, 2004, chapter 7.2.2).

The outline plan represents the Israeli municipal policy towards ethnic spatial mixing following the violent clashes of the Second Intifada (2000–2005). This type of strategy, which aims to diminish potential security risks, has in fact encouraged the reduction of intergroup interactions in Jerusalem. Boal (2002) suggests that these types of segregative patterns, once in place, tend to self-reproduce: “the force that is mainly responsible for sustaining the residential pattern is simply inertia. What are meant by inertia are those processes, often self-generated, which tend to keep people within a restricted life space” (ibid, 595).

In this paper, I use the term “space of encounter” to describe intergroup space-sharing. This term is predominantly used to describe everyday interactions between majority and minority groups in multicultural cities (Valentine, 2008, 2010; Wilson, 2011), which tend to be socially or culturally divided but not nationally contested (Gaffikin & Morrissey, 2011). Public spaces in contested cities can function as spaces of encounter and of risk, because unlike residential areas, “active and performative qualities of conflicts are located mostly in the public sphere,” (Pullan & Baillie, 2013, 6). Therefore, in order to adapt the idea of “encounter” to the violent reality of a city such as Jerusalem, I will limit this concept to urban spaces in which personal intergroup interactions may be absent, yet still create conditions for mutual sight and co-habitation.

To conclude this section, spaces of encounter between rival groups would appear to challenge – from the point of view of research on divided cities – the prevailing ideology and collective tendencies that reinforce sectarian separation through the purification of spaces (Sibley, 1988; Falah, 1996). Furthermore, a proliferation of spaces of encounter in divided cities could undermine the assumption that urban spatial segregation cannot be challenged until the macro-level national conflict is resolved (Doherty & Poole, 1997; Boal, 2002).

4. Neoliberalism in the Holy City

Since the late 1980s, many scholars have examined the ways by which globalization and the spread of the free market economy have been changing the social and economic structure of urban centers. The shorthand for these social and economic changes is the term “neoliberalism.” Scholars consider urban neoliberalism to be a key catalyst of new class-based restrictions on access to public, residential and commercial spaces (Sassen, 1999, 2006; Smith, 2002).

The urban center is a strategically important arena for neoliberal reforms (Peck, Theodore, & Brenner, 2009). Neoliberal policies have been directly ‘interiorized’ into urban policy regimes as newly formed territorial alliances attempt to rejuvenate local economies through a ‘shock treatment’ of deregulation, privatization, liberalization and enhanced fiscal austerity,” (ibid, 58). Throughout the developing world, urban neoliberalism is reshaping social and political spaces by privatizing municipal services, leading to social polarization, inequality, and a growing exclusion of lower classes and minority groups from the ‘right to the city’ as more and more public spaces, especially in city centers, are reconstructed by public–private partnerships (Harvey, 2005, 2012). The erosion, undermining and even the elimination of social policies of welfare societies are creating old-new class divisions which are manifested in the transformation of urban public domains. This process has led some scholars to eulogize city life and even to mourn the “erosion of public space” (Zukin, 1996) characterized by the rise of private urban shopping centers at the expense of civic public spaces: “shopping centers have replaced political meetings and civic gatherings as arenas of public life. In that respect, shopping has become not only a practical economical behavior but also a cultural activity,” (Zukin, 2004, 7).

As in most of the urban centers in the developed world, some attributes of urban neoliberalism have taken hold in West Jerusalem. The city has seen an unprecedented growth in private and public–private urban projects over the last fifteen years: in transportation (Nolte & Yacobi, 2015), education (Leshem & Paz-Fuchs, 2012) and sanitation (Osherov & Meniv, 2011). In some cases, the manifestations of neoliberalism are shaped by Jerusalem’s particular geo-political context. The establishment of a series of malls during the 1990s was influenced by global trends but fostered by the terror attacks in western Jerusalem’s city business district (CBD). Many of West Jerusalem’s retail shops and restaurants relocated from the central CBD to new industrial areas and 12 newly built malls around the city. This process has led to a sharp decline in business activities in the old CBD. Despite the immense renovation projects carried out in the old CBD, most Jerusalemites refrain from shopping or seeking recreation there, preferring one of the local malls (Yalink, 2011).

Neoliberalism in Jerusalem is not only influenced by the city’s conflictual nature but also by consistent governmental intervention in the city’s management. Alfasi and Fenster (2005) have pointed out that Jerusalem is branded by the Israeli government as a city that belongs to the Jewish nation, as opposed to Tel Aviv which Israel markets as a global city belonging to the world. They argue that Jerusalem “acts as the capital of Israel, a city with religious, historical and national significance, in which the State, via its different governmental ministries, interferes in local matters.” (ibid). While Jerusalem’s real-estate economy relies on Jewish investment (Yacobi, 2012), the municipal budget relies on strong government support and subsidies which constituted around 25% of its annual budget in 2011 (Choshen et al., 2014).

Tzfadia and Yacobi, post-colonial researchers, have argued that in Israel neoliberalism has gone hand in hand with segregationist policies. They consider neoliberalism to be an institutional force, not undermining state and government power but rather reinforcing the ethno-national discourse of spatial control and purification: “…ethno-nationalism is capable of adapting to myriad threats — including globalization, multiculturalism and neoliberalism, and to manipulate these threats for realizing territorial control,” (Tzfadia & Yacobi, 2011, 121). From this point-of-view, the privatized urban developments in Jerusalem represent “local ethno-security discourses and global neoliberal urban policies which do not contradict each other, but are, rather, complementary.” (Yacobi, 2012, 1). In light of the research findings, which I will present in the following section, I argue that the consequences of neoliberalism are not necessarily in line with governmental segregationist policies. They can, rather, transform the nature of the division from one which is ethno-national to another which is based on class.

4.1. Methodology

In the following section, I will present the results of the urban-geographical field research which I conducted in two shopping malls in Jerusalem between March 2008–April 2009. The field research included a field survey which was validated by 19 in-depth interviews, news reports and ethnographic field observations. The two chosen study areas for the survey were the Malha shopping mall in West Jerusalem and the Mamila Quarter Mall on the seam-line between East and West Jerusalem. Both commercial centers are characterized by a substantial number of Palestinian customers. Both consist of conflicting
and competing layers of identity: Jewish/Arab, Israeli/Palestinian, yet they differ in their degree of resilience to the polarization brought about by inter-ethnic violence.

For the field survey, 125 adults (62 men and 63 women) aged 18 and above were surveyed in the two study areas. The respondents were chosen from the crowd of visitors to both sites, while maintaining an equal composition of nationality and gender (Table 1). The questionnaires were delivered by an Israeli/Palestinian team of research assistants; all questionnaires were included in the study.

On the issue of space-sharing in commercial sites, the survey used open and closed questions aimed at assessing the sense of security for both populations and their position towards space-sharing with the rival community. Given the fact that both study areas are located in West Jerusalem, the respondents were also asked about the way they identify the ethno-national territorial identity of the site.

The in-depth interviews were conducted with 19 Israeli and Palestinian professionals and costumers, among them: 2 Palestinian and 1 Israeli urban planners, 2 Palestinian community leaders, 2 Israeli mall managers, 1 Israeli sales personnel. Twenty-six hours of ethnographic field observations were undertaken at both sites, using the thick description method (Geertz, 1973).

5. Palestinians at West Jerusalem's Shopping Malls: Two Case Studies

The Malha Mall (officially called the Jerusalem Mall), was built in March 1993 in the Jewish neighborhood of Malha in southwest Jerusalem on the grounds of the pre-1948 Palestinian village al-Malha. In 1949 the Palestinian village was re-settled by poor Jewish immigrants and until 1967 it remained in a state of neglect, like many of the rundown frontier neighborhoods in Israeli Jerusalem. During the 1970s, the neighborhood (which was officially re-named “Malhat”) was gentrified and merged into a continuum of modern Israeli neighborhoods (Gonen, 1995). The mall was built in that area, as part of a new urban district developed during the 1980s and 90s, with a high-tech small business district, national soccer stadium, basketball and tennis courts and the Biblical Zoo. Today, even though as the crow flies the mall is situated just 400 m away from the southern Green Line, it is in the midst of a main Western Jerusalem sub-CBD (Image 2). As I will show in the survey results, it is also conceived by Palestinians and Israelis as Jewish-Israeli territory.

The mall was built and is currently managed by the Azrieli group, which as of 2015 owns 13 other major malls in Israel (Jerusalem. azrieli.com). It was planned by Avraham Yaski, a well-known mainstream Israeli architect. Its architectural style has been defined as local postmodernism (Kroyanker, 2008). The 3-story mall features glass domes, reminiscent of a basilica, and arches that imbue the consumption experience with religious motifs. The mall is surrounded by a free parking lot and major inner-city roads which isolate it from adjacent neighborhoods and other sites. The inner space resembles many other malls in Israel and around the world, with a cluster of 200 shops over 40,000 sqm, 2 escalators, and transparent elevators (Image 3).

Malha Mall is the most popular shopping center in West Jerusalem, and is also the most profitable mall in Israel. Each day, the mall draws an estimated 30,000 visitors, making it one of the most populated public spaces in Jerusalem. Since its inauguration, the Malha Mall has been very popular among middle and upper-class Palestinians from Jerusalem and even from neighboring Arab states, such as Jordan and Egypt. In 2014, the management of the mall estimated that around 10% of the customers on weekdays to 25% during Muslim or Christian holidays (approx. 3000 people a day) were Palestinians from East Jerusalem (Avrahami, G., personal interviews, December 16, 2008, December 28, 2014).

Typically, the intergroup encounter at Malha Mall is peaceful. The management has a strict policy regarding racist statements by workers and security personnel, and sees its role as providing security to all visitors (Avrahami, G. personal interview, December 28, 2014). However, in March 2012, this relatively peaceful co-habitation was breached when 300 soccer fans of the team “Beitar” surged into the mall after a match, verbally and physically attacking some of the Arab workers. The police arrived and dispersed them only after 40 min of violent rampaging (Rosenberg, 2012). This event, though it did not represent the daily interactions at the mall, drew a lot of attention in the local and national media, and marked a new stage in the deterioration of physical safety for Palestinians in West Jerusalem (Tatarsky, 2013).

The Mamilla Mall opened almost 15 years later, in 2007. Local newspapers praised the mall as a “step up in the level of commercial networks and visual standards in Jerusalem,” (Berger, 2008). The strip mall is the heart of the Mamilla Quarter: a straight 270 m narrow shopping alley with 200 shops that links the busy Agran/King Solomon streets of western Jerusalem's CBD to the plaza in front of Jaffa gate (the main entrance to the Old City which is in East Jerusalem). Mamilla's history has always been shaped by the fact that it is located on a border, just outside the Old City. In its 150 years history, the quarter has served as a space for commercial exchange and social engagement, violent contestation, occupation, colonization and most recently, privatization. Since its construction in the mid-19th century and until the war of 1948, the Mamilla neighborhood developed organically as a nationally mixed CBD outside the western entrance to the historic Old City of Jerusalem (1920–1947). During the 1948 war, the Mamilla Quarter was at the heart of a war zone between Israeli, Jordanian and Palestinian forces. Following the partition of the city between Israel and Jordan, it became partly a no-man's land and partly a rundown Israeli border neighborhood. After 1967, the Israeli government expropriated the former man's land territories in the Mamilla area. Soon afterwards, the authorities relocated the Jewish residents of Mamilla, and after four decades of bureaucratic and financial delays, it was rebuilt by a joint public-private partnership – the ‘Karta’ company – which eventually sold it to a real estate entrepreneur, Alfred Akiorov, and his company Alrov. In place of the old neighborhood, a luxurious quarter arose in Mamilla, including two luxury hotels, an exclusive luxury residential neighborhood and an open commercial boulevard — The Mamilla Quarter Avenue.

The new Mamilla compound was designed by an Israeli star architect, Moshe Safdie, who also designed prominent national institutions, such as the Holocaust Museum (Yad Vashem) and Ben Gurion Airport. Like Malha Mall, the compound was designed in a neo-oriental style (Kroyanker, 2008) with stone domes and arches. Its narrow layout and design resembles the restored Jewish quarter, but also integrates features characteristic of modern Middle Eastern Arabic architecture. The avenue is a hybridization of a street and a mall. It is organically built into the urban realm of the western CBD, but apart from the amphitheater there are no benches or resting spots along the avenue of shops and restaurants (Image 5).

Within a few months after opening, Mamilla was drawing more than 10,000 visitors per day. Its prime location between the Old City and the West Jerusalem CBD, its proximity to 15 hotels located in the city center and its huge underground parking lot made the avenue a popular pedestrian route and a commercial success. Although Mamilla is clearly an Israeli compound built on expropriated land, on the boundary between the two parts of the city, its territorial identity is continuously negotiated and contested by the stream of Palestinian customers and visitors. In 2008, the management of the mall estimated that the number of Palestinian visitors in Mamilla was anywhere between 20% and 25% of the total number of visitors. Like the Malha Mall, Mamilla

Table 1

<table>
<thead>
<tr>
<th>Number of respondents by nationality and site.</th>
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<tbody>
<tr>
<td>Israeli respondents</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>Mamilla</td>
</tr>
<tr>
<td>Malha</td>
</tr>
</tbody>
</table>
draws Palestinians from all socio-economical levels, but the presence of the upper-middle classes is particularly marked (Bar Zvi, O., personal interview, July 20, 2008). The avenue is also a central employment center for young East Jerusalem Palestinians, which constitute 66% (approx. 1500) of the quarter’s total sales personnel (Ben Moshe, S., personal interview, November 14, 2014).

6. The particularities of the two spaces of encounter

Upon analyzing the findings of the field research, I discovered that the malls are different regarding their level of inclusivity towards Palestinian customers. In Malha Mall, Palestinians’ sense of security was lower than in Mamilla, and Israeli shoppers’ hostility towards Palestinians was higher. In what follows, I use interview and survey evidence to illustrate this difference and point to possible reasons for its occurrence.

Broadly speaking, research findings show that during periods of calm in the Israeli–Palestinian conflict both compounds offer the necessary conditions for relatively peaceful intergroup encounters. In 2008–2009, visitors to both sites indicated a high sense of security (Table 2).

However, the research shows that the respondents’ attitude towards space-sharing underlies substantial differences in the level of mutual tolerance at each site. At the Malha Mall, the presence of Palestinians was received much less favorably by Israeli shoppers, when compared to the latter’s attitudes towards Palestinians at Mamilla Mall (Table 3). Palestinian shoppers’ attitudes, on the other hand, were overwhelmingly positive towards the presence of Israeli shoppers at both sites (Table 4).

The difference between the reactions of the Israeli costumers to the presence of Palestinians can be explained by three particular factors: geo-political location, security policy and class affiliation. In most people’s minds, Malha Mall has an indisputable ‘West Jerusalem’ identity. Although it is located not far from the former southern border (‘green line’), today it is an integral part of West Jerusalem, far from the large East Jerusalem Palestinian centers. When the respondents were asked what in their opinion is the national territorial identity of the Malha Mall, the vast majority of both populations identified it as a Jewish territory (Tables 5 and 6). This can explain the objection by many of the Jewish costumers to the presence of Palestinians at the mall. As one of the interviewees in Malha said: “I’d prefer it if they stayed in Ramallah. We can go there, so why should they come here?” (interview, 2008).

Even Israeli visitors who expressed a positive attitude towards the presence of Palestinians at Malha Mall did not base it on a desire for co-existence, but rather on a respect for the “the constraints of democracy”. For example, an Israeli university lecturer said that “as long as they all observe the law, its fine. Everybody needs to shop...” (interview, 2008). Another Israeli teacher said “the Palestinians that come here don’t bother anyone. They’re human beings just like us. The ‘Arsim’2 bother us more,” (interview, 2008). Both quotes demonstrate the terms under which Palestinians can be granted legitimacy by some of the Jews at the Israeli mall: as shoppers or as members of the “decent” middle class that “play by the rules”.

To further illustrate Malha Mall’s conflicting terms of inclusiveness towards Palestinians, the findings show that a substantial number of Palestinians attributed their feelings of exclusion to the security checks at the entrances to the mall which are operated by a private Israeli security company. Many Palestinian interviewees mentioned that they felt as though they were treated with a greater degree of harshness at these checkpoints compared to Israeli-Jewish visitors, and that they were singled out as a potential threat to public safety:

“When there’s a Palestinian attack, let’s say, [Palestinian] women tend to boycott the mall out of fear that they will search them, like they do at the airport. Once I took my wife to the mall. As soon as the guard started asking me all kinds of strange things, I said to him: ‘excuse me. Stop. Give my ID back. I’m going home. I don’t want to spend my money here and be humiliated ...’” (Ayub, A., personal interview, April 7, 2009).

Apart from the understandable appeal for respect and equal treatment, in between the lines you can also hear Ayub’s plea for anonymity. Ayub wishes to be treated as just another costumer in the mall without the burden of the ethno-national label. He feels that the disrespectful and at times aggressive attitude towards him (and his wife) at Malha transforms his shopping experience from a neutral consumerist experience into a controversial political act.

By contrast, Mamilla Mall has no security checks at the entrance to the compound which has a positive effect on Palestinians’ sense of inclusion at the site. Instead, security guards freely patrol the open-air mall. The absence of a security check is also a clear cause of the much higher degree of security felt by Palestinians there when compared with Malha. However, Palestinians did not object to the presence of security guards in principle, and explained that security measures that do not include checkpoints increase their sense of security in the same way that they do for Israelis. A Palestinian design student said “the security guards don’t bother me, they are just there,” (interview, 2009). A textile merchant in the Old City said that the absence of checkpoints is what makes the Mamilla Mall into “…the best mall for Palestinians in Jerusalem,” (interview, 2009). Palestinian respondents’ focus on security policy issues in both Malha and Mamilla attest to the centrality of this issue in Israeli–Palestinian intergroup encounter patterns.

Another key reason for the greater sense of inclusiveness felt by Palestinians in Mamilla is the overwhelming presence of both Palestinian visitors as well as Palestinian sales personnel. Many Palestinian respondents stated that they “came to visit a friend who works here.” The large numbers of Palestinian visitors and salespeople creates a ‘critical mass’ which itself becomes an attraction for Palestinian visitors. The most popular argument in favor of Mamilla among Palestinian respondents, however, was the compound’s proximity to East Jerusalem, the

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Table 2
Respondents’ sense of security by location.

<table>
<thead>
<tr>
<th></th>
<th>Israelis (m)</th>
<th>n1</th>
<th>Palestinians (m)</th>
<th>n2</th>
<th>p</th>
<th>r</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mamilla</td>
<td>4.48</td>
<td>32</td>
<td>4.46</td>
<td>33</td>
<td>.92</td>
<td>.09</td>
</tr>
<tr>
<td>Malha</td>
<td>4.33</td>
<td>30</td>
<td>4.03</td>
<td>30</td>
<td>.12</td>
<td>1.57</td>
</tr>
</tbody>
</table>

Note: scale: 1–5.

* All the T-tests in the paper are based on two-tailed solution.

Table 3
Position of Israeli respondents towards space-sharing by location.

<table>
<thead>
<tr>
<th></th>
<th>Negative</th>
<th>Neutral</th>
<th>Positive</th>
<th>m</th>
<th>p</th>
<th>r</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mamilla</td>
<td>22%</td>
<td>22%</td>
<td>56%</td>
<td>32</td>
<td>3.63</td>
<td>.02</td>
</tr>
<tr>
<td>Malha</td>
<td>35%</td>
<td>35%</td>
<td>30%</td>
<td>30</td>
<td>2.93</td>
<td>.01</td>
</tr>
</tbody>
</table>

Note: scale: 1–5.

Table 4
Position of Palestinian respondents towards space-sharing by location.

<table>
<thead>
<tr>
<th></th>
<th>Negative</th>
<th>Neutral</th>
<th>Positive</th>
<th>m</th>
<th>p</th>
<th>r</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mamilla</td>
<td>0%</td>
<td>18%</td>
<td>82%</td>
<td>33</td>
<td>3.93</td>
<td>.002</td>
</tr>
<tr>
<td>Malha</td>
<td>353%</td>
<td>7%</td>
<td>90%</td>
<td>30</td>
<td>4.47</td>
<td>.17</td>
</tr>
</tbody>
</table>

Note: scale: 1–5.

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2 “Ars” is derogatory Hebrew slang for the Israeli stereotype of a lower class young man, usually dark-skinned and speaking in Arabic-inflected Hebrew.
Old City and the Arab central business district. Many Palestinians responded that they perceive Mamilla as being on the edge of Palestinian home territory.

The Mamilla Mall’s higher level of inclusiveness in comparison with Malha is also reflected in the higher degree of tolerance displayed by Israeli shoppers towards Palestinian shoppers. Unlike Malha, which Israelis perceived as Jewish-Israeli, Mamilla was perceived as a frontier site with an international character and a diversity of visitors (Tables 4 and 5). Its location on the main tourist circuit in and out of the Old City serves to identify it as a tourist destination rather than Israeli home territory, even for local Israeli Jerusalemites. Any tourist coming to Jerusalem will almost inevitably walk through the Mamilla Quarter Mall on their way to the Old City through Jaffa Gate, which means that the number of foreign tourists sometimes exceeds the number of local Israeli and Palestinian customers at the compound. In these conditions, being Israeli or Palestinian becomes just another option in this temple of global consumption.

This notion was articulated by both Israeli and Palestinian respondents. Ido, one of the managers of an Israeli coffee shop in Mamilla, said “the place is like a floating balloon, it’s not connected to anything, there are many tourists, and it feels like abroad...” (Haley, I., personal interview, June 3, 2009). Two Palestinian high school students talked about the more inclusive feeling that Mamilla offers as a space of encounter: “the differences between people coming here are not that substantial. It brings us together, and almost eliminates the sense of otherness... You don’t feel the difference and nobody harms us,” (interview, 2009). The heterogeneous character of Mamilla and the gradual rise in the number of Palestinian customers has become part of the mall management’s sales strategy. In a surprising admission, Shmuel Ben Moshe, CEO of the Alrov Israel company which owns the Mamilla Quarter Mall, disclosed his role in creating its current social composition:

“I have many Arab workers in the shops. It’s intentional. It’s because I want the Arabs that come to the shops to feel at ease when one of their own is serving them. It was tremendously successful, which was reflected not only in sales, but also in the fact that there is no vandalism or destruction of any kind, or anything like that. Because when rough (Arab) children see that in the store there’s an Arab manager or a salesperson, they won’t damage it, they feel like it belongs to them as well. They respect us and we respect them, and it’s beautiful.”

(Ben Moshe, S., personal interview, November 14, 2014).

Ben Moshe’s statement demonstrates that processes of privatization of public spaces in Jerusalem have given rise to marketing strategies and policies that are to some degree independent of segregative sectarian motives, and in fact have the potential to actually foster intergroup encounters. While both the Malha and Mamilla malls appeal to shoppers on the basis of a global consumerist culture, Mamilla’s different security policy and its proximity to the Old City means that it has been marked by both Israelis and Palestinians as a more “global” space. The fact that Mamilla is not perceived to belong to any one national group makes more tolerant, profit-oriented policies more likely. Malha, on the other hand, has been identified as a space that prioritizes one ethnicity, Jewish-Israeli, over the Palestinian rival group.

These findings help explain why the latest wave of violence in the summer of 2014 affected the two malls so differently. As intergroup violence escalated dramatically culminating in “the Jerusalem Intifada”, the number of Palestinian visitors to Malha declined to almost zero. This was primarily due to a Palestinian political boycott of West Jerusalem commercial areas in response to Israeli policies as well as to Palestinians’ fear of racially motivated attacks (Nasrallah, 2014). The decline in the number of Palestinian visitors resulted in a sharp 15% decrease in general retail income (Pundaminsky, 2014). In the months following the Gaza ceasefire, the number of Palestinian visitors gradually rose again, but only up to a third of the previous figure (Avrahami, G., personal interview, December 28, 2014).

The events of the summer of 2014 also had an impact on the revenue of businesses in Mamilla Mall. During the summer, some of the commercial avenue’s shops suffered a 30% decrease in daily income (Dovrat-Mezritz, 2014). However, in contrast with Malha Mall, the decline in numbers of visitors was equal among both Israelis and Palestinians (Bitton, K., personal interview, November 14, 2014). In addition, Palestinians did not call for a boycott of Mamilla as they did with Malha. The fact that Mamilla fared differently to Malha in the wake of the events of 2014 is a dramatic illustration of the link between commercial resilience and an inclusive geopolitical identity. Mamilla’s particular characteristics, in this regard, have created a more sustainable and resilient space of intergroup encounter.

7. Conclusion

The existence of privatized spaces of encounter is a challenge to the ethno-national logic that has shaped segregationist policies and the geo-political reality in Jerusalem since the Second Intifada. In both malls, but in Mamilla in particular, the profit interest partially supersedes the logic of ethno-national segregation. The malls’ owners cater to Palestinians as customers in a bid to increase their profits, but they do so in a context where Palestinians and Israelis are contesting space and sovereignty.

In West Jerusalem, where the management of public space is dominated by the Israeli Jewish collective, it is to be expected that the relocation of daily intergroup encounters to newly privatized commercial spaces would, under certain conditions, make those spaces less exclusively Israeli-Jewish. Thus, while the privatization of civic spaces dictated by neoliberal policies has been identified globally with increasing restrictions on lower classes and minority groups’ rights to the city, it is precisely this process which has created relatively inclusive enclaves for ethnic mixing in western Jerusalem. But this type of temporary inclusion is possible only for middle class Palestinians and Israelis who share global consumerist cultural preferences. In this respect, the transnational nature of neoliberalism temporarily transforms the ethno-national division into a class-based encounter.

In neoliberal spaces, such as Malha or Mamilla, Palestinians are desired by retailers as customers. As a result, Palestinians wield power as consumers in these spaces, a power that they made full use of during the summer of 2014. The Palestinian boycott of the Malha Mall in the summer of 2014, and the refusal of Palestinian newspapers to publish Malha Mall ads at this time, is one way in which Jerusalemite Palestinians have been making use of their status as legitimate participants in new neoliberal spaces of consumption and asserting their role as urban actors. These developments suggest that although Palestinian participation in West Jerusalem’s new commercial centers was initially motivated by economic dependency and political oppression, the destabilization of spatial segregation brought about by neoliberalism is,
nonetheless, creating growing economic interdependence between Israelis and Palestinians in Jerusalem.

This comparative study of Malha and Mamilla malls illustrates the way in which the particular location of Mamilla within Jerusalem's urban geography, combined with its neoliberal consumerist character, produces a hybrid frontier territory that has a somewhat global rather than a national identity, and thus facilitates temporary spaces of nonviolent intergroup encounters. It also demonstrates the significant impact of a 'sense of security' and geographical context on minority inclusion. Soft borders and hybrid political locations can have a positive, albeit its ethno-national af

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through the initial doi.org/10.1016/j.cities.2015.11.019.

hate, fear and mistrust. mine a status-quo of unequal power relations, political oppression, kind of encounter set a socio-economical barrier for participation. Yet, nonetheless, creating growing economic interdependence between the populations, it is equally true that neoliberal commercial activities to foster space-sharing in contested settings.

In conclusion, while the postcolonial claim regarding the mutually reinforcing relationship of ethnocentrism and neoliberalism is often true, this research shows that the logic of neoliberalism does not always go hand-in-hand with the logic of ethno-national spatial segregation. Though we should not lose sight of the fact that Palestinian consumption at Israeli commercial centers is in many ways reinforcing the Israeli occupation in terms of partial normalization of the economic relations between the populations, it is equally true that neoliberal commercial spaces, especially ones like Mamilla Mall, undermine ethnocentric goals in relation to the identity and composition of urban space. Neoliberal and ethnocentric spatial logics, therefore, need not always be in alignment, especially in situations where neoliberal economic efficiency demands intergroup mixing and transnational brand consumption. The intertwining of ethnocentric with neoliberal logic, two contradicting systems of logic, as a feature of Jerusalem's 'national capitalism' creates an ongoing process of negotiation between national and individual identities, between political loyalties and material needs. The intergroup encounters in these neoliberal spaces are shaped by particular historical and geopolitical conditions, and they are fragile. However, they also comprise a growing tendency towards resilient economic interactions.

Regardless of the long-term prognosis for these spaces of encounter, examining those helps us to further understand trends of integration and patterns of interaction under conditions of violent urban conflict in nationally divided cities. Urban neoliberalism in nationally contested settings poses a paradoxical challenge: it creates new opportunities for intergroup encounters, but demands a radical reconstruction of the cities’ economy, democracy and social life. The neoliberal terms for this kind of encounter set a socio-economic barrier for participation. Yet, at the same time they enable non-violent space sharing and temporary same-status encounters between costumers, experiences that underpin a status-quo of unequal power relations, political oppression, hate, fear and mistrust.

Supplementary data to this article can be found online at http://dx.doi.org/10.1016/j.cities.2015.11.019.

Acknowledgments

Funding for the initial fieldwork came from the Sapir scholarship for municipal studies. I would like to thank Prof. Shlomo Hasson from the Department of Geography at the Hebrew University for guiding me through the initial fieldwork for this study, and my mentor Prof. Haim Yacoobi, of the Department of Politics and Government at Ben Gurion University, for providing the theoretical framework.

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