

Terra Incognita: Rawabi and Israel's failed socialist legacy

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Poor lean Right because Right has promised economic liberalization, but even Right has not touched sacred cow of land ownership.



A stop sign is seen outside a West Bank Jewish settlement Photo: Reuters

The Israelis nod incredulously. Some are flabbergasted at what they are seeing.

Having just gotten a tour of a major housing development in the West Bank they relax in a spotless showroom, complete with a 3-D mini-theater and a giant scale model of the development.

Italian- made faucets and porcelain bathroom fixtures from Spain decorate model apartments.

A man with an American accent explains profit points and units in English.

How can this be 40 minutes from Tel Aviv in the heart of Palestinian Area A? Rawabi is a major development, the “first planned town in Palestine” according to Nisreen Shahin, who gave journalists a site visit as part of a tour organized by the group One Voice earlier this week. According to the plans some 40,000 people will one day be housed in the development, which sits about nine kilometers north of Ramallah.

Some 3,000 workers are employed around the clock, building such community comforts as a 20,000-person amphitheater, 13.5 hectares (about 34 acres) of public parks and a giant commercial center that is supposed to employ thousands. More than 700 families have agreed to buy places in the project, whose costs will approach \$1 billion.

The whole story, including the plans and what has already been accomplished, is impressive to say the least. Many people think it is impressive for being a planned community for Palestinians, who are often viewed as clannish villagers in a conservative society, or as permanently living in “refugee camps.” But this misses the point.

Rawabi isn’t just fascinating because of its contrasts with neighboring Palestinian areas, it is particularly interesting for what it teaches us about Israel.

Let’s start with what it says about Palestinian development. This is how those desiring a state of Palestine could have sought to develop it, and a model that can be emulated. Outside

of the pressures and constraints that Shahin says they face in dealing with Israeli bureaucracy, such as waiting years for a permit to use a little strip of road and have a roundabout, there are other internal Palestinian issues.

Palestinians receive billions in foreign aid – the full figure from governmental and NGO aid is perhaps \$4b. a year or more. A great deal of this money disappears without noticeable impact. When Nablus born, American educated, Bashar Masri set out to build Rawabi he partnered his Massar development company with Qatar Diar, a property investment firm controlled by the government of Qatar's sovereign wealth fund, he carved out a major private sector investment in the West Bank.

By contrast public sector investment hasn't brought much to Palestinians, but it has probably lined the pockets of numerous officials and especially foreigners who come to live off of "helping Palestine." It is well known many NGOs in the West Bank provide high-paying jobs to just a small group of well connected people, some of whom are Europeans, while the Palestinians don't receive anything in the end. By plowing private resources into Rawabi, built on land acquired through private purchases, there is not only an incentive to build quality infrastructure, but a real, tangible result, since the idea is to at least break even on the investment.

Masri argues claims to be the number one private sector employer in the West Bank, leveraging an economy of scale. He is pioneering a new concept in the area. This is a Palestinian model in other ways, as well.

By building public parks in the community he is adding an asset that almost does not exist in any Arab community in the area. Moreover, many Palestinians yearn for work permits to go to Israel, thus making the entire economy reliant on others, major

projects like Rawabi change the employment outlook for people.

THERE IS a lesson for Israel also. There has never been a Rawabi in Israel. Yes, there are Rawabi-like places. Bashar Masri often mentions Modi'in and Mamilla. But he emphasizes that he has learned from the issues Modi'in faced and is modeling his shopping center not on upscale Mamilla which no one can afford, but on more middle class stores. And he is pricing his project for the middle class: 200 square meters for around \$100,000, about a third of the cost in Israel. By comparison the average price of similar apartments in Modi'in has risen above \$300,000.

Yes, Israelis make more than Palestinians, but they pay disproportionately more. The irony is that the workers building Rawabi are drawn from the same villages as those building apartments in Israel; the same workers, but just across an invisible line the prices are far higher. Israelis need 191 average salaries to buy a home versus only 71 salaries in the UK, 60 in the US and 30 in Sweden.

Masri is jovial in discussing how Israel's blend of oppressive socialist legacies and current policies is harming the consumer's desire to live a dignified life with decent housing.

"You could do this [Rawabi] in Israel only by government intervention; in Israel you need government to provide land for instance."

We see the problem in Israel every time we step out the door and pay attention.

Most of the rural communities in Israel, the moshavim and kibbutzim, have existed since the 1950s without much population growth. Meanwhile the "development towns" that

Israel's government constructed to house new immigrants from Arab countries, Russia and Ethiopia, are not only visual eyesores, but nightmares to live in, with cracked walls and dilapidated, soulless interiors and exteriors. Architectural blunders on a massive scale, in some places these giant concrete housing behemoths were constructed next to the beach without even having windows to look at the sea; such was the planners' contempt for the people to be housed in them. They were influenced from similar projects in the Soviet Union and disastrous urban housing like Pruitt-Igoe in the US (a project built in 1954 in St. Louis that was subsequently demolished in 1972).

After the tour of Rawabi one Israeli remarked, "I don't like that it isn't run by the government." She argued that private property puts profits before people. Government was needed, she said, to create social justice. This of course was the model of planning in Israel where "social justice" did an injustice to the dignity of people who desired decent housing at affordable prices. Because Israel's master plans and housing were developed by people who didn't put the residents first, the result were concrete sardine cans "for the masses."

Now Israel has escaped the shackles of socialism but the legacy remains in long bureaucratic processes that stifle new development.

People still scoff at "developers."

Perhaps with good reason. Even private developments are middling. One of the nicest towers in Tel Aviv has fixtures that fall out of the sockets after six months and glass panels that careen off the building, threatening the lives of those below. The developer cut corners and walked away.

Consumers don't demand quality.

Rawabi's builders have a sense of patriotism in building with quality materials for middle class people that Israeli private business could certainly learn from.

The legacy of the socialistic planning regime continues to play out in politics. For instance articles in Haaretz and The Marker illustrated that the left-wing parties and Yesh Atid received 80 percent of their votes from those earning NIS 10,000 a month or more. Yesh Atid did particularly well in the wealthiest communities, winning 32% of the votes in Kfar Shmaryahu and 35% and 32% in Savyon and Omer.

In many wealthy places the Left does very well, because it is precisely these places that benefited from the old planning regime. In the places punished by the planners, like Hadera, an economic disaster for its people who are stuck in cycles of poverty, Likud/Yisrael Beytenu got 34% of the vote.

The poor lean to the Right because the Right has promised economic liberalization, but even the Right has not touched the sacred cow of government land ownership and planning committees.

Israelis want a Rawabi of their own – one could see it on the faces of many of the visitors on the One Voice tour. But without reforming the land regime, and finding patriotic developers who design housing with people's dignity and affordability in mind, it will not happen.

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