

National-Level Planning in Democratic Countries

*An International Comparison of City
and Regional Policy-Making*

Edited by
Rachelle Altman



GERMANY / DENMARK / FRANCE / JAPAN / ISRAEL / THE NETHERLANDS / UNITED KINGDOM / SWEDEN / REPUBLIC OF IRELAND / SWEDEN / UNITED KINGDOM / GERMANY / DENMARK / FRANCE / JAPAN / ISRAEL / THE NETHERLANDS / UNITED STATES / REPUBLIC OF IRELAND / SWEDEN / UNITED KINGDOM / GERMANY / DENMARK / FRANCE / JAPAN / ISRAEL / THE NETHERLANDS / UNITED KINGDOM / SWEDEN / REPUBLIC OF IRELAND / SWEDEN / UNITED KINGDOM / GERMANY / DENMARK / FRANCE / JAPAN / ISRAEL / THE NETHERLANDS / UNITED STATES / REPUBLIC OF IRELAND / SWEDEN / UNITED KINGDOM / GERMANY / DENMARK / FRANCE / JAPAN / ISRAEL

ELEVEN

NATIONAL-LEVEL PLANNING IN ISRAEL: WALKING THE TIGHTROPE BETWEEN GOVERNMENT CONTROL AND PRIVATISATION

Rachelle Alterman

Compared with most other Western countries, Israel has maintained a very high dosage of national-level planning institutions and powers. This is not surprising. Given Israel's unique constraints and national goals, it should be a 'natural' for national-level planning. Yet, as our story will show, these institutions have not always functioned to the same degree or held the same status.

The exposition of national-level planning in Israel begins with an introduction to Israel's 'vital statistics' and built-up form. Next comes a section that introduces the key national urban and regional policies in order to give the reader a feel for the context. We then move to the general constitutional and institutional setting for policy-making by national and local government. Then, we focus on the major national-level agencies charged with a comprehensive view and with setting overall policy. This leads to an analysis of the relatively large degree of state involvement in sectoral planning and implementation, and is followed by a detailed presentation of the statutory land-use planning system and of national statutory plans. A separate section recounts how leading planners cleverly utilised the national crisis brought about by mass immigration from the former USSR in the early 1990s, to raise national-level planning to a new plateau through initiatives like the 'Israel 2020' project. To conclude, I sketch my view of the future role for national-level planning in Israel, shaped as it is by the conflicting forces of centralisation on the one hand, and decentralisation and privatisation on the other.

Some background geographic and demographic statistics

Israel has a population of six million people, 80 per cent of whom are Jewish and 20 per cent Arab. (Here and throughout this chapter, unless stated otherwise, I am referring to Israel in its international borders, without the still occupied parts of the West Bank and the Gaza strip.¹) Israel's population is 92 per cent urban—among the



Figure 1 Map of Israel showing neighbouring countries and occupied areas

highest urban populations in the world (74 per cent of the population in the USA is urban, 77 per cent in Canada, 89 per cent in Britain, 84 per cent in Sweden and 89 per cent in the Netherlands) (United Nations, 1996). Israel's land area is approximately 21 000 square kilometres (see Fig. 1). The population density is 300 persons per square kilometre. Furthermore, since over 50 per cent of Israel's land area is in the inhospitable southern desert, the effect density is much higher. Although this density level is not the highest among this book's sample of advanced-economy countries—the Netherlands and Japan are still higher—Israel is unique among Western countries in having a high positive natural growth rate (births over deaths). Before long this will make it the most densely inhabited country among the advanced economies.

Israel is also the only country in the West that is ideologically committed to taking in mass immigration (of Jews and family members). Since 1990 it has taken in about a million former Soviet bloc citizens. It thus holds the Western world's record for immigration absorption, proportionate to population size.² Furthermore, since its establishment in 1948, Israel's economy has grown steadily from a level of per capita GDP characteristic of developing countries, to a level typical of many advanced-economy countries, albeit on the lower rungs of that ladder with a per capita GDP of \$18 000 in 2000. This remarkable economic growth has been expressed through a steep rise in demand for land and built-up space.

To this cocktail of needs and constraints, one should add that Israel is the only country among our sample which, for most of its history, has been in a state of war with all its neighbours. After the peace treaty with Egypt in 1978, with Jordan in 1994, the Oslo peace accords with the Palestinians in 1993 and its continuation with the Wye and Camp David accords in 1998 and 2000, Israel is still in a state of war with the remaining neighbouring countries and under military threat from several directions. This combination of factors—the country's small geographic size, its demographically growing population, its policy favouring mass immigration, its accelerated economic growth, and its geopolitical and security needs—has made it a natural candidate for strong national planning powers and actions. It was reasonable for Israeli policy-makers to wish to harness urban, regional, land and infrastructure policies for the achievement of national goals.

At the same time, Israel's economic and socio-political development—the march to an open society and an open economy—has rendered Israeli public administration and policy more and more akin to other advanced-economy democracies. As most of the other countries have shifted to greater decentralisation, increased deregulation and more privatisation, so has Israel; but its starting point has been different (Shefer, 1996).

An introduction to national urban and regional policies

Israeli cities and towns are quite compact, and resemble cities and towns in Europe. Most Israelis live in medium- and occasionally high-density apartment buildings

(mostly condominiums). Until the 1980s, there was almost no construction in urban areas of land-consuming 'ground-attached' housing (Israeli professional jargon for single- or double-family low-rise houses). This mode of living was reserved for rural areas. However, since the mid-1980s, consumer demand on the upmarket side has shifted new construction of this type to towns and cities, so that today, it holds a hefty 40 per cent share of annual housing starts.³ The 1990s also saw the proliferation of shopping malls on the outskirts of urban areas.

Readers might find this puzzling. In a small country with a growing economy, a strong natural growth rate, and a policy of 'open gates' towards potential immigrants, one would expect a policy of careful stewardship of land reserves, rather than a policy of allowing new land-consuming uses. Yet until the 1990 mass immigration crisis, the concern with land as a depletable resource was not very strong (Mazor, 1993). The reasons for this lie with the planning goals into which Israeli planners and policy-makers were locked during most of Israel's history (Shachar, 1993).

Israel's national-planning goals were rooted in the agenda of nation-building and territorial stabilisation (Brutzkus, 1988). This is understandable in a country which, in the years following its 1948 War of Independence, was seeking to establish its legitimate standing within its international borders, some of which were (and still are) officially only 'armistice lines' in international law.⁴ This geopolitical agenda yielded a strong focus on 'population distribution', which led to a policy of constructing many new towns and new villages, distributed as widely as possible along Israel's borders and throughout, so as to create a 'Jewish presence' in most areas of the country (Yiftachel, 1992, 95–98). The population distribution goal was reinforced by the traditional ideological emphasis on rural development as a utopian form of living, to symbolise the return of the Jewish people to the Holy Land and to agriculture (Cohen, 1970). This double ideology led to the establishment of several hundred cooperative and communal rural settlements, distributed as widely as possible within Israel. These were the focus of considerable attention from planners and politicians, and they received generous land, water and budget allocations. The pro-rural policy was, however, at odds with the reality that the vast majority of residents at all times have preferred to live in urban areas (Alterman and Hill, 1986).

The imperative of housing masses of immigrant refugees in the 1950s and 1960s led planners to shift some of their attention to urban areas. The resultant policy was the establishment of some 30 new ('development') towns in various parts of the country, many in outlying areas. The neighbourhoods of the 1950s and 1960s were, for the most part, constructed by government or other public agencies on public, national land. As in many other countries (Alterman and Cars, 1991), the housing of that time was characterised by uniform blocks of apartments designed by central government architects, with little regard for consumer diversity, and with little attention to the differing landscapes. A new town in the green hills of Galilee might be planned at a density similar to a neighbourhood in Tel Aviv. But preservation of open spaces *per se* was not yet part of the politicians' agenda. The fact that the major national parks were—luckily—established in the 1960s and 1970s is a feat of the

leadership and conviction of a few senior planners, rather than a reflection of ideological priorities (Brutzkus, 1988).

Israel's population distribution policy has been implemented in many ways, not only through the location of rural and urban units, but also through subsidies to industries wishing to locate in peripheral areas. Households of young couples, new immigrants or needy families are offered preferred mortgage terms. Employees are offered reduced income tax.

Despite the deep-rooted changes in Israeli demographics and geopolitics, the population distribution doctrine was not challenged until the mass-immigration crisis of the early 1990s. Leading national-level planners used the crisis to challenge this 'sacred cow', and offered a doctrine more befitting Israel's current objective conditions. The new doctrine revolves around the scarcity of land and the need to preserve enough open spaces for future generations. The new awareness of the need to use land more wisely is now shared by many decision-makers across most of the political spectrum, and since the late 1990s, they have promoted multi-use, higher urban densities, and urban recycling.

But the consensus is only on those aspects that relate to land use in existing cities, while aspects pertaining to open space preservation (i.e. contrary to the population distribution policy) are in dispute. Some government agencies still promote contentious land-gobbling projects: the Cross-Israel Highway is being built despite considerable criticism (Alexander, 1998), and the Ministry of Housing still proposes new towns. But now that the population distribution policy has been untied from the ropes of consensus, these projects are subject to intensive debate. This debate is, to some extent, being conducted along partisan lines: hawks tend to promote population distribution for perceived security and land control reasons,⁵ while others debate the issue as a 'normal' domestic planning issue, raising universal dilemmas such as distributive and inter-generational justice, and freedom of consumer choice (there is much demand for 'ground-attached' homes, malls and ex-urban communities).

The constitutional context and central-local government relations

THE PARLIAMENT AND CENTRAL GOVERNMENT

Israel is a unitary state with a parliamentary political system. The parliament—the Knesset—is composed of 120 members, in a single chamber. Aside from its legislative role, the parliament has no direct involvement in approving plans or policies. During most of Israel's history, the Knesset has shown very little interest in urban and regional matters since much of Israel's political agenda has been preoccupied with issues of war, peace, the future of the occupied territories and religious controversies. Until the early 1990s, only a handful of Knesset members (MKs) would show up to meetings of the Knesset Committee for Interior and Environmental Affairs, where bills related to land use or environmental planning are

prepared for legislation.⁶ This has changed to some degree in the 1990s. As Knesset committees have become more open to interest groups, slightly more MKs have become active in planning affairs.

Although the country is divided into six statutory districts, these do not hold any intrinsic powers, and Israel does not have a federal structure. Powers held by the district officers—oversight of local government and land-use planning—have been assigned to them by legislation. There are also administrative districts that some ministries have set up for administrative convenience, but these have no statutory powers and often their boundaries do not coincide with each other. Israel's constitutional structure vests within central government all residual executive powers not specifically assigned by law to local government or to a specific agency within central government or outside it.

Given the highly centralised structure of decisions, it is not surprising that central government is closely involved in many aspects of spatial planning. Yet, despite the absence of formal decentralisation, the national-level policy-making process and the content of policies have changed significantly. These changes reflect the growing local government assertiveness noted below, the accelerating trends of privatisation of public services, and the reduced government involvement in housing supply.

Many national-level agencies make decisions which have a direct bearing on urban and regional development. These include the Cabinet itself, most government ministries, several statutory bodies directly entrusted with urban and regional issues, and non-governmental bodies that are unique to Israel's historic context.

LOCAL GOVERNMENT AND ITS RELATIONS WITH CENTRAL GOVERNMENT

In 2000 there were approximately 250 local government bodies, of which 71 were in the Arab sector (most of the latter are villages that have become urbanised). These bodies are of three types: city-status local authorities (usually with a population larger than 25 000—approximately 60), town-status local authorities (approximately 135), and regional authorities (56), which include not only agricultural land but also ex-urban housing, and commercial and industrial units. Central government regards this number of local authorities as too large and fiscally wasteful and has promoted a policy of merging local authorities. But despite the recommendations of the several public commissions that the government has set up over the past 20 years, few mergers have yet been successfully completed because of local government resistance (Razin, 1996; 1997; Razin and Hazan, 1995).

Looking at legal and administrative powers only, it is not immediately obvious why there should be such a fervent defence of local government independence. On paper, the legal powers of local authorities are weak and their financial powers are severely constrained by central government. Local government is burdened by a whole gamut of responsibilities. Israeli local government bodies are legally and financially weaker than their counterparts in most Western countries, with the possible exception of the United Kingdom. Most major budgetary decisions and spending require central government approval. All but the most prosperous local authorities have a weak tax base, and are dependent on hefty central government

transfers. At the same time, they have little leeway in adding or raising taxes. As we shall see, land-use and development control powers are more highly centralised than in most democratic countries.

Yet, much of the rapid rise in living standards and provision of public services is due to local authority initiatives which have probably been stimulated by the dynamics of electoral politics. Since the 1980s, mayors have been elected directly rather than as heads of a party slate. It seems there is nothing like political competition among candidates to bring out the best of initiatives and creative action. Such action has characterised not only the better-off local government bodies, but also those in the peripheral areas or with poorer neighbourhoods. Backed up by their electorates (who, the mayor will remind national politicians, also vote in the national elections), proactive mayors have taken two main routes to jack up their resources. They lobby central government and their own political party for more resources; and they use creative ways of getting developers to participate in the upgrading of public services to the dismay of central government (Margalit and Alterman, 1998).

Israel is one of the few advanced-economy countries where no major decentralisation and devolution of powers have (officially) taken place. Central government legally still retains most of the powers it possessed when Israel was in its formative stages. Yet, since the 1980s, various incremental trends towards decentralisation have been occurring, most without a legislative stamp. Despite this, the span of topics that are still dealt with at the national level in Israel is astounding. So what remains for local jurisdictions? This picture is, however, somewhat misleading. Despite the rather hefty central government presence in many sectors, much of the day-to-day development policy and initiatives—the things that affect consumers most—are dealt with at the local level. Local authorities have learned all too well how to negotiate with central government to stave off ‘locally unwanted land uses’ (LULUs) and to increase their *de facto* autonomy despite central government powers of oversight.

Agencies with a potentially comprehensive view

Four agencies have the authority to take a comprehensive, multi-sectoral, long-range view of spatial issues, define priorities, and coordinate the plethora of sectoral agencies—the Cabinet, the Ministry of the Interior, the Ministry of Finance and the Prime Minister’s Office. The defunct Ministry of Economics and Planning also had this authority. Yehezkiel Dror, a leading public policy expert, contends that this function is essential for Israel because of its special circumstances and needs (Dror, 1989; 1998). Although the institutional structure has not changed much since the state’s establishment in 1948, there have been many shifts in the roles played by these bodies, reflecting changing politics, policy emphases, and attitudes to planning.

The problem is that most of these agencies have never fulfilled their comprehensive planning role—as many planning and public policy theorists would have predicted. All but the Ministry of the Interior, which is in charge of statutory

planning, are usually involved in ad hoc issues that the politicians view as ‘burning’. Yet, the story of each agency shows clearly that its involvement in urban and regional issues has increased in recent years.

THE CABINET

According to the ‘Basic Law: the Government’, the Cabinet is comprised of 18 ministers.⁷ The Cabinet has only one statutory duty in land-use planning—it is the agency that gives final approval to national land-use plans. But according to Israel’s constitutional structure, the Cabinet holds residual powers for any issues not allocated by law to a particular minister, and it has general authority to coordinate the policies of all the ministries. To the best of my knowledge, never—certainly in recent decades—has the Cabinet devoted a meeting to a comprehensive discussion of urban and regional policies and priorities. The Cabinet has not even used its statutory duty in approving national-level plans as an opportunity to engender a discussion of overall spatial policy priorities. For example, when the most comprehensive statutory plan approved to date—National Plan number 31—was brought to the Cabinet for its approval in 1993, as part of the immigration crisis alignment, only the Minister of the Interior was present. Planners joke that the plan was approved *unanimously*. All attempts to present the conclusions of the most comprehensive multi-sectoral non-statutory plan—the ‘Israel 2020’ plan—to the full Cabinet have, to date, also failed.

But the involvement of the Cabinet in ad hoc urban and regional policies seems to be increasing.⁸ For example, since 1995, fearing a further hike in housing prices, the Cabinet has become concerned about the inadequate number of annual housing starts and the insufficient number of approved plans for housing that could serve as a reserve in case of another crisis. A concomitant concern has been the length of time it takes for statutory plans and building permits to be approved. So the Cabinet periodically instructs the Ministers of Housing and Interior, respectively, to take implementation actions, including changing the Planning and Building Law to streamline procedures.⁹

Another urban and regional planning issue that has entered the Cabinet’s agenda since 1996 is the scarcity of developable land and the need for planning policies that intensify land utilisation and recycle under-utilised urban fabric.¹⁰ Distinctive ‘green’ policies have not yet entered the Cabinet’s agenda, so that its decisions on the land intensification policy are not yet motivated by an open space conservation policy. As in the past, these issues are being furthered by the planners who have now been joined by green interest groups.

THE MINISTRY OF THE INTERIOR

The Minister of the Interior is responsible for implementing the Planning and Building Law of 1965. He stands at the top of the administrative hierarchy of the planning pyramid and is directly responsible for appointing many of the members of the national and district planning boards.¹¹ The Ministry of the Interior runs the professional support units for the national and district planning bodies—

the Planning Administration¹²—and is also in charge of all aspects of local government oversight—administrative, political and financial. Unfortunately it has not capitalised on the coincidence (in international comparative terms) that a single ministry is responsible for both land-use planning and local government. Had it done so, it might have made better use of its local government powers as an incentive for implementing national planning policies.

Until the late 1980s, the Ministry was regarded as a weak bureau, and was usually allocated to one of the religious orthodox parties. The Planning Administration was not regarded as the centrepiece within the Ministry. In fact, its budgets and staffing were so ludicrously low that statutory planning seemed doomed to sink into further inaction and disrepute. But during the 1990s, the Ministry's position in the political pecking order had risen significantly. This reflected the transformation in the image of land-use planning and the growing realisation among politicians and stakeholders that the person who controls land use holds the keys to public policy implementation.

Since all land use and development falls under the jurisdiction of the planning law, one can argue that the Ministry of the Interior should be responsible for ensuring a comprehensive view of spatial planning, even though this is only implementable through land-use and development controls. But until the early 1990s, no comprehensive national plan had been prepared, only sectoral ones. The immigration crisis brought about an impressive strengthening of comprehensive land-use planning, along with an increase in the budgets allocated to national and district plans.

THE MINISTRY OF FINANCE

The Ministry of Finance is responsible for budgetary oversight of all policy areas, including urban and regional, housing and land policies. In that capacity, it should advise the Cabinet on the economic impacts of policies. It is not expected to be a policy-making body in areas covered by particular government bureaux. In practice, however, the Ministry has been gradually increasing its direct involvement in making urban and regional policies. Since the early 1990s, representatives of the Ministry of Finance have been involved (to some extent) in all new legislation regarding planning and related matters. For example, in 1990, representatives of the Ministry worked side by side with the Ministry of the Interior to initiate crisis-time legislation to streamline the planning and building procedures. The Ministry of Finance was clearly overstepping its normal jurisdiction since the bodies responsible for planning legislation are clearly specified in law—the Ministry of the Interior in consultation with the National Planning and Building Board.

In the late 1990s, officers from the Ministry of Finance began to develop new urban policies that would normally be under the jurisdiction of the Ministries of Housing or the Interior. In 1995, a committee headed by the Director General of Finance determined central government allocations for local public facilities; and, in 1998, a committee under the head of the Budget Branch proposed policies for urban regeneration. The Cabinet has been increasingly allocating leadership roles in urban and regional matters to the Ministry of Finance. This situation all but usurps the

clear statutory duties and distorts a normal administrative division of labour. Officers of Finance—all economists¹³—have become regular and active members on the steering committees of all major national statutory plans and some regional plans.¹⁴

This emerging division of responsibilities is not just a case of 'he who pays calls the shots'. I surmise that Finance's interest in planning stems from two directions, one bearing 'good news' for planning, the other not. The good news reflects an impressive rise in the saliency of urban and regional planning as perceived by senior government officers. Since much larger budgets are now involved and there is more public exposure, the Ministry of Finance wants to 'get into the act' so as to steer policies in the direction it desires.¹⁵ The bad news is that this encroachment also reflects the still prevalent weakness of the Ministry of the Interior and of statutory planning, despite the positive strides taken in the 1990s.

THE PRIME MINISTER'S OFFICE

Some public policy experts have seen the Prime Minister's Office—a bureau with a rather small staff—as an appropriate locus for a national strategic policy and planning unit focused on security and other issues (Dror, 1989; 1998). This has never materialised. But the 1990s and the crisis-time alignment did intensify the hitherto low level of involvement of the Prime Minister's Office in urban and regional policies.¹⁶ As in the case of the Ministry of Finance, current involvement of the Prime Minister's Office in urban and regional policy testifies to the growing importance of land and of planning. In the early 1990s, a small professional planning unit was set up. Initial tasks included monitoring the outputs of the statutory planning bodies in approving plans for housing units (remember the Cabinet's concern about insufficient land reserves for housing), and it developed the first computerised system for that purpose. Since then, the unit has increased its span of involvement in promoting the implementation of the Cabinet's ad hoc decisions on urban and regional matters, on housing and on land policy.

THE (NOW PHASED OUT) MINISTRY OF ECONOMICS AND PLANNING

Without being overly blunt, one can say that the Ministry of Economics and Planning was established as a lip-service expression of the Cabinet's awareness of the need for a coordinating body to promote planning modes of policy-making among government agencies. The Economics and National Planning Authority was also established and was to be guided by a council of that name. But very little was ever heard from the Council,¹⁷ and the Authority had only a minor impact on a few policy areas. The Ministry was regarded as a minor portfolio and was not coveted by most Cabinet members. It therefore changed ministers frequently. The Authority's research unit produced some interesting analyses with an economics emphasis, but it was too weak to compete with the powerful Ministry of Finance, or with the highly professional Bank of Israel and its large macroeconomics research unit.

Potentially, the Ministry could have played a role in promoting planning modes in government. In 1994–95 (during Labour's term of office), the minister initiated a draft bill to require all agencies with state budgets to submit a middle-range

budgetary plan in addition to their annual budget. Had the law been enacted and implemented, it might have strengthened planning in government agencies in general, and urban and regional planning in particular. But the bill went nowhere.

For a brief while, the Ministry of Economics and Planning came close to playing a direct role in promoting urban and regional planning. In 1995, Dr Yossi Beilin—a political scientist and co-architect of the Oslo Peace Pact, who took over the Ministry—was approached by the Israel 2020 Master Plan team in its search for an appropriate agency with a macro perspective that could promote the implementation of this multi-sectoral, non-governmental planning initiative.¹⁸ Beilin was personally very supportive of the project, but was very sceptical of his bureau's future. In January 1996, he initiated its final closure.¹⁹

Sectoral national-level planning and the agencies involved

Israel has a plethora of agencies with responsibilities for national-level sectoral planning. By sectoral planning I mean initiatives taken by a government agency to prepare plans that further the interests of a particular sector. Usually, such plans are submitted for approval to the national statutory planning bodies. This section describes the major sectors that have distinctive spatial impacts and indicates which agencies play important roles in each sector. The obvious question and challenge is the degree of coordination among them. As we have seen, there is no agency which systematically takes a multi-sectoral, long-range view of public policy. Later in this paper I shall ask whether the statutory planning system can fulfil this role.

HOUSING: PLANNING AND CONSTRUCTION

Housing has always played a key role in national spatial planning. During Israel's formative decades, the Ministry of Housing used to be *the* land-use and development planning agency, shaping the form of the country almost at its whim (Law Yone and Wilkansky, 1984). Planners in the Ministry of Housing, not of the Interior, made the renowned national development plans of the 1950s (there were no statutory national plans then). Even a decade or more after the Planning and Building Law was enacted in 1965, the Ministry of Housing was reluctant to let go of its national planning role. It had its own 'national population distribution plan', and continued to prepare plans for new towns and regions even though these were poorly coordinated with national statutory planning.

Until the early 1970s, the Ministry of Housing was responsible for 60–70 per cent of housing starts, and had constructed over 30 new towns and many new neighbourhoods in existing cities. It was also responsible for the construction of much of the infrastructure and public facilities. Its rural development department was jointly responsible (with the Jewish Agency) for housing and infrastructure in the cooperative and communal villages. But by the late 1980s, privatisation trends had reduced the share of public sector housing to 18 per cent, and most of this housing, called 'public programme housing', was given incentives by the state but

financed and constructed by the private sector. The developer had to conform to a particular mix of size and types of housing, and in exchange could tender for public land. Most indirect subsidies have also been phased out, except in peripheral regions. Today, infrastructure duties in all cities are the responsibility of local government, which sometimes passes them on to developers. For a short while in the early 1990s, during the mass immigration crisis, the Ministry of Housing returned to its earlier mode, but when the crisis ebbed away, it resumed its former down-sized role. In the 1980s, the Ministry of Housing was the co-partner with the Jewish Agency—an arm of the Jewish people worldwide which has quasi-government functions within Israel—in initiating Israel's ambitious and successful project renewal in 90 urban neighbourhoods (Alterman, 1991). This project still exists, but on a modest level.

Today, the Ministry of Housing's role in national planning is more akin to that of other sectoral agencies. It remains a powerful and sought-after portfolio because of its large budgets and political importance. This holds even though, since the mid-1990s, about half of the responsibilities for public sector housing have been passed to the Lands Administration, as part of an ad hoc political calibration of Cabinet portfolios. The Ministry of Housing or the Lands Administration are responsible for the land-use planning of public programme housing areas throughout the country, and submit these plans for approval to the statutory bodies. In addition, the architects in the Ministry of Housing or the Lands Administration oversee the actual design of the housing sites. Both agencies are active in pushing for a new national statutory plan that would ensure enough land reserves for a large housing stock for the future.

What I have described is, indeed, a very high degree of centralisation which might surprise readers from most Western countries, where social housing initiatives—if they still exist—are usually undertaken by local government. In Israel, however, local government has never been significantly involved in social housing supply, because of its legal and financial structure. Thus, in Israel, as the third millennium sets in, despite the significant privatisation trends, central government is still highly involved in the planning and even the design of social housing.

LAND POLICY AND MANAGEMENT

With 93 per cent of the land area owned or managed by the State,²⁰ the Israel Lands Administration Law of 1960 assigns to the Israel Lands Council and the Israel Lands Administration the roles of making policies regarding public land (the Council) and implementing them (the Administration). The degree of government intervention in the land market is, however, much less onerous than it may seem, because of the strong quasi-privatisation trends that have gradually rendered public land, once released, almost tantamount to private land.²¹

The responsibilities of the Administration and the Council might suggest a national planning system independent of the regulatory system. That was indeed true until 1965. Until that time, the Ministry of Housing and the predecessors of the Lands Administration both planned and implemented whatever they wished. But the 1965 law expanded the decision-making fora and regulated all development—including private development on public land, and state-initiated development on

any land. Until the 1990s, the Lands Administration played a relatively minor role in initiating land-use plans, leaving most planning to the various sectoral agencies or to the private sector. Although it always did have special standing in its capacity as the surrogate of the landowner (the state), the Administration confined itself mostly to its major statutory role—to manage public land by determining the contractual conditions under which land would be released for development or agricultural use. The Administration played a direct planning role only in areas allocated to single-family homes in urban areas.

Ironically, despite the overwhelming trends towards the *de facto* privatisation of public land, the Administration has not reduced its participation in national-level spatial planning, but rather, has significantly expanded its direct involvement in initiating plans and even in implementing them. As we have seen, about half the public sector housing has been assigned (for Cabinet turf-division reasons) to the Lands Administration. The Administration prepares and oversees the implementation (through outsourcing) of a new type of programme—urban regeneration and recycling. And, most importantly, it plans and releases for development the country's major land reserves and future development initiatives—the transformation of agricultural land in cooperative or communal villages to urban development. Thus, although the Administration does not initiate national sectoral plans on its own, in recent years it has become an active participant in major national planning initiatives. These changes once again demonstrate the pivotal role played by real-estate development, and, therefore, the growing recognition of the importance of land-use planning. Everyone wants to 'get in on the act'.

THE RURAL SECTOR

National-level agricultural planning and management has been extremely strong in the Jewish rural sector—even stronger than in the urban areas. All cooperative and communal villages—some 600, and these constitute most of the Jewish rural sector—were sited, planned and built by a national-level agency. Until the 1970s, agricultural production itself was nationally planned and regulated. Today it is mostly left to economic competition.

Three major agencies have played a role in rural sectoral planning: The Rural Planning Authority—a joint unit of the Ministry of Agriculture and the Jewish Agency—allocated the agricultural 'land square' for each village (on public land), based on land-allocation norms per household that were deemed egalitarian. The Jewish Agency was responsible for planning and co-financing the construction of housing and infrastructure in most of the cooperative and communal villages. In some villages, the Agency was the lessee of the land from the Lands Administration, which it sub-leased to the residents. The Agency was also responsible for Israel's exemplary agricultural training and economic development. As the co-partner of the Rural Planning Authority, the Jewish Agency has always played a major planning role in initiating new rural villages (into the 1980s), and has been extremely influential in regional planning and economic-development planning. Until the late 1980s, the Agency's planning department was probably the largest in the country. In

the 1990s, the Agency's planning role declined because of financial constraints. The third major body involved in rural planning is the Rural Department of the Ministry of Housing. It has worked jointly with the two other bodies in the design of rural villages in Israel, but has shifted much of its focus to West Bank Jewish settlements.²²

Today, the rural economy has declined and the rural sector has become the fastest-changing sector. Due to Israel's small size, most agricultural land is potentially a real-estate bonanza for urban or ex-urban development. The questions surrounding the future of agricultural land and of the rural 'villages' are among the most controversial planning issues. They are vehemently contested between development-oriented agencies or interest groups on the one hand, and 'green' and long-range planning interests on the other. Since the 1990s, conversions of agricultural land into urban or ex-urban land uses have been authorised by the Lands Council for the first time. Such conversions are being energetically implemented. The Rural Planning Authority and its policies have become a pivotal clearing-house for this conversion process. In 1998, recognising that agricultural land *per se* is no longer the exclusive focus, the Ministry changed its name to Agriculture and the Rural Milieu, and, for the first time, articulated its goals to include an active role in the preservation of open space *per se*.²³

Another important body concerned with agriculture—the Commission for the Protection of Agricultural Land—is not dealt with here because it is part of the regulative statutory land-use planning system discussed below. In the past, this Commission was dominated by agricultural interests. These are much weaker today.

TRANSPORTATION AND OTHER INFRASTRUCTURE

The responsibility for sectoral planning in this area has historically been rather fragmented, and it is growing more so, probably as a reflection of the traditionally politically unattractive status of most infrastructure Cabinet portfolios. The Public Works Department is an exception because it is a large spending agency, and has thus tended to be moved from one coveting ministry to another. In the distant past, the Public Works Department was in the Ministry of Labour. Later it passed to the Ministry of Housing, which then gained the Construction part of its name. In 1996, when a Likud-led coalition came to power, the Department was moved to the Ministry of National Infrastructure. The latter was created from bureaux carved out of other ministries in order to produce a suitable portfolio for Mr Ariel Sharon. The Public Works Department is responsible for initiating and implementing one of the most important national sectoral statutory plans—highways and roads. The Ministry of Transportation, a politically weak bureau, is responsible for policies concerning metropolitan-area roads, the regulation of public transport, the Airports Authority, and general transportation policy. It has initiated a national statutory plan for airports.

The rationale for the National Infrastructure Ministry was that it would coordinate infrastructure policy—not only transportation, but also rail, ports, electricity, gas and oil pipelines, water, telecommunications, etc. These have been chronically uncoordinated in their locations and strategies, despite the powers of

national statutory planning. Lately, Infrastructure has indeed taken initial steps to coordinate several national sectoral plans in these areas. But the continued existence of the Ministry of National Infrastructure intact depends on the convenience of portfolio redistribution after every national election. The shuffling and reshuffling process may have exacerbated coordination among some infrastructure sectors rather than improving it. Some areas of infrastructure have remained outside the new office—like the Ministry of Energy, which has been left only with responsibility for power plant siting (also a national sectoral plan). Another relevant ministry is Telecommunications. In conjunction with the Bezek Israel Telecommunications Company and the cellular corporations, it is in the process of initiating a statutory plan to regulate telecommunications facilities. In Israel, due to extreme land shortage, if poor coordination among infrastructure services continues, a major crisis or partial collapse can be anticipated.

WATER

Because of water scarcity in the Middle East, water resources have been subject to exemplary national-level planning and regulation since Israel's early days—a story beyond the scope of this paper. All water resources—streams, the only sweet-water lake, and all aquifers—are nationally owned, planned and rationed, and there is a battery of laws and regulations to protect them. The Water Commissioner's office—a pivotal position for national land-use and development policy—was transferred from the Ministry of Agriculture and the Rural Milieu, where it has been for decades, to the new Infrastructure bureau (perhaps symbolising the decline in power of the agricultural sector). It will be interesting—and telling—to see which Cabinet portfolio receives this key responsibility after the next election.

ENVIRONMENT AND OPEN SPACE

Compared with most advanced-economy countries, environmental policy and planning in Israel has occupied a rather low position in national politics, on the Cabinet's agenda, and in budget allocations, but it is definitely on the ascent. In the mid-1970s, the Environmental Protection Agency was established within the Ministry of the Interior and later became the Ministry for Environmental Quality. With a highly motivated and professional staff, this bureau has consistently increased its presence and importance in all environmental planning areas and in legislation for regulating pollution and other environmental hazards.

Together with other agencies, the Ministry of the Environment plays an important role in initiating statutory plans for areas such as streams, coastlines, solid and toxic waste sites, and sewage purification facilities. In all these areas, the national level has an important policy-making and planning role. Under the Law for National Parks and Nature Reserves, the Ministry of the Environment has ministerial responsibility for two of the three major national open space authorities: the National Parks Authority and the Nature Reserves Authority (recently amalgamated). They initiated the important national statutory plan for parks and nature reserves. The third body active in this area is the Jewish National Fund

(JNF)—the second non-state body of the Jewish people which, like the Jewish Agency, carries out quasi-state functions. The JNF plans and manages the country's major forests and has initiated a national statutory plan for that purpose.

INDUSTRY AND TOURISM

The ministries associated with economic planning also have a sectoral national-level planning function. Israel's long-term population distribution policy has been implemented not only through housing and other construction, but also through a battery of economic incentives. These are offered through the Law for the Encouragement of Capital Investments, and implemented by the Ministry of Commerce and Industry which gives hefty loans, write-offs and tax perks to industrialists willing to locate plants in peripheral areas. But unlike some other countries represented in this book, central government in Israel is not directly involved in planning the location of industrial plants. A similar subsidy policy is implemented by the Ministry of Tourism, which has also been active in initiating a statutory national plan for tourism. This plan has important land-use implications for coastline, open space, and other issues of preservation and development.

The land-use planning system

At some point in the process, most sectoral agencies described in the previous section require the approval of the statutory planning bodies for their policies regarding land use or their initiatives regarding development or conservation. Much of the give-and-take among the national-level sectors—as well as between central and local government and private interests—occurs through the mediation of the statutory land-use planning system.

Israel has a rather centralised land-use planning system that combines top-down planning with bottom-up initiative. Central government is involved, first, through its extensive powers to oversee local-level planning decisions, and second, through its power to make binding national land-use plans. National involvement is channelled, at least on paper, through the hierarchy of plans, from national plans, through district plans, down to local plans.

NATIONAL-LEVEL OVERSIGHT OF LOCAL AND DISTRICT DECISIONS

The Israel Planning and Building Law of 1965 controls all planning and development. This law replaced the legislation introduced by the British in 1922 and 1936 during their Mandate over Palestine, and that remained in force after the establishment of Israel in 1948 (see Alexander et al., 1983).²⁴ British Mandate legislation did not have a national planning body or national statutory plans. The 1965 legislation added both.

Until 1965, planning controls did not apply to central government bodies. The 1965 law required all government jurisdictions—central, district or local (defence-related uses have special procedures in the law)—to submit a plan for approval and

obtain a building permit just like any private developer. The institutional hierarchy under the Planning and Building Law has remained more or less the same since 1965, with some incremental amendments, the major one in 1995 (see Fig. 2). Although the figure shows the Cabinet at the top, it actually has only one direct role in the statutory system—to approve national plans.

The National Planning and Building Board has 31 members. In 1965 the Knesset took a rather progressive view and included not only representatives of all relevant government ministries (11), but also representatives of the various levels of

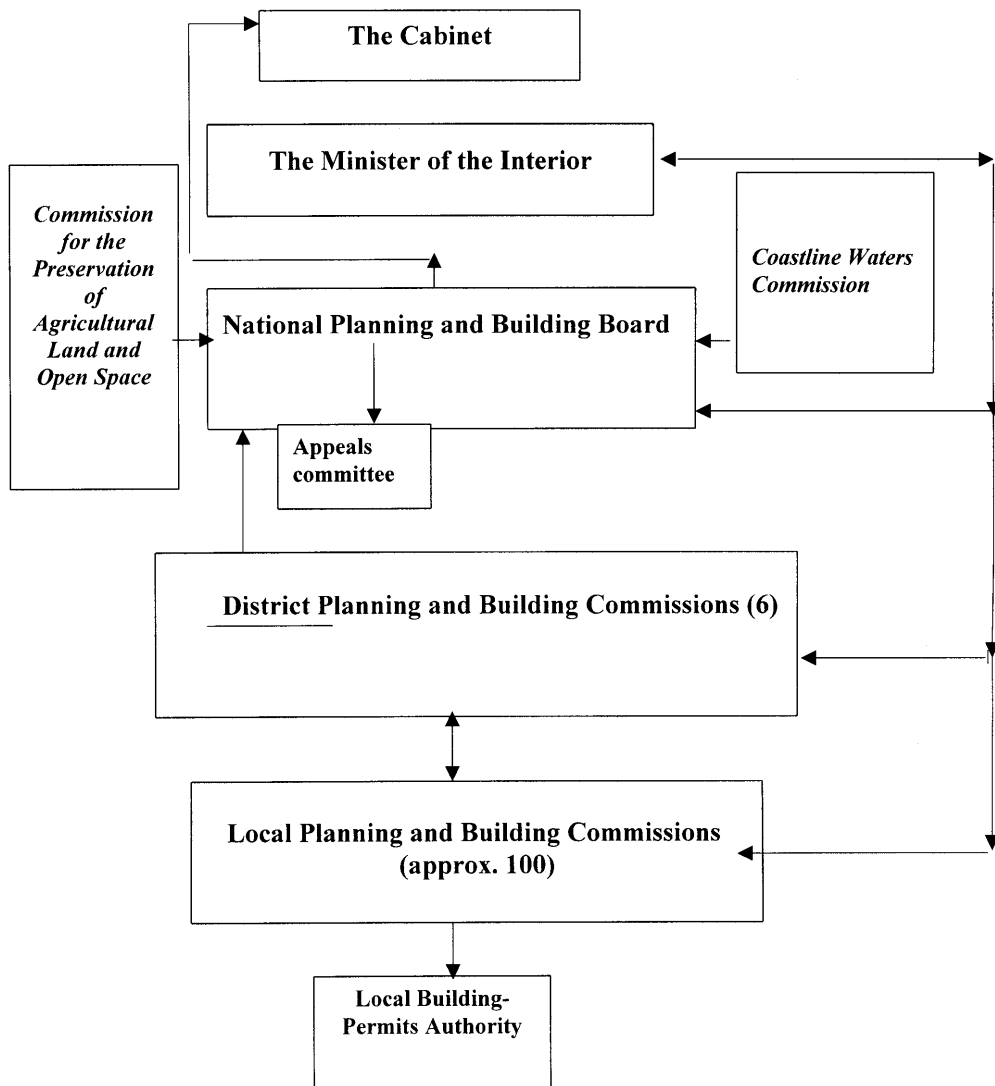


Figure 2 Institutional structure under the Israel Planning and Building Law of 1965 (as amended 1995)

local government, non-governmental environmental bodies, rural interests, the planning and building professions, women's organisations, a sociologist, a representative of academe (the Technion), and even a representative of 'the younger generation'. Hard to believe, but in 1998, the then Minister of the Interior convinced the Cabinet of the need to reduce the number of members to 21 by ousting the representatives of the 'green' and other interest groups. A bill to that effect was prepared but, happily, not floored.²⁵ The Minister's rationale was that a large forum makes deliberations cumbersome and that government bureaux represent the 'greens' and other interests well enough!

Another statutory planning body 'alongside the National Board' is the Commission for the Preservation of Agricultural Land (CPAL). The CPAL was in the past extremely powerful. It has no counterpart in any country (Alterman, 1997a). Legally, it stands above the National Board and even above the Cabinet because every plan that encroaches on declared agricultural land—a local, district or national plan—cannot be approved until the CPAL has reviewed it and decided whether to change the classification temporarily or permanently. If one considers that in 1968 almost all vacant land—whether suitable for actual agricultural use or not—was declared to be agricultural land through the Agricultural Land Declaration, one realises the power and importance of the CPAL. Another way of looking at it is to say that the Agricultural Land Declaration is like a super, overriding national plan (although its legal status is quite different). The CPAL, which used to be the bane of local authorities and developers, began to lose power in 1990, when it was perceived as a barrier to rapid development during the mass immigration crisis. Its legal powers, however, have remained intact. In October 1998, the Minister of the Interior aired the idea of transferring the CPAL's powers to the districts. If carried out, this will effectively mean the demise of the CPAL—but such action is unlikely.

The district planning commissions are composed mainly of representatives of central government bureaux—almost all the ministries relevant to planning. This body was probably conceived as a forum to encourage coordination between national and local planning policies, and among sectoral policies. Local planning and building commissions are, in the majority of cases,²⁶ composed solely of the local government-elected council. Central government representatives have onlooker status only. The local planning commissions are the first and usually crucial clearing-house for local policies and most development initiatives.

Central government oversight is carried out in several ways. Most of the local planning commissions' decisions require the approval of the district commission, so central government in effect controls the heart of the planning system. The Minister of the Interior, who is authorised to call in any local plan for his additional approval, provides added oversight. A third, indirect means of oversight is through appeals—though rare—to the National Planning Board.

A small degree of decentralisation did occur in the planning system in 1995. This was expressed in two modest ways. First, whereas in the past the Minister of the Interior's signature was required for all local and district plans, now he is authorised to exempt any plan from his signature and he does so in most cases. Furthermore,

after a period of time, approval is by default. Second, the 1995 amendment allowed certain types of local plans to receive final approval at the local level—those that do not alter basic land use but only make certain minor changes to a pre-existing plan. That same amendment, however, also introduced a modicum of greater centralisation in allowing developers who are unhappy with the local commission to go directly to the district level. Central government thus has almost all conceivable instruments to oversee local planning initiatives. In theory at least, these institutions could serve to ensure coordinated action to implement national planning policy—provided such a policy existed.

On the eve of the mass immigration crisis in 1989–90, the Planning and Building Law and the planning system came under severe criticism. Despite its grossly understaffed planning administration, the statutory planning system held back-burner priority in public interest and in budgets. The multi-layered approval process was regarded as chronically lethargic, and the planning system began to be seen as a bureaucratic, unnecessary impediment to economic development. Consumers often took their grievances to the High Court. When the crisis broke, the Planning and Building Law became the target for legislative change.

As a response to the crisis, the Planning and Building Procedures (Interim Law) was enacted in June 1990 (see Alterman, 2000). Although intended to self-terminate in two years, it was extended three times, until 1995. The crisis-time law greatly shortened procedures by creating even greater centralisation. With a ‘one-stop shopping’ philosophy, plan approval would bypass the local elected councils altogether. A new type of planning body—the Commission for the Construction of Housing and Industry (*valal* in its Hebrew acronym)—was set up in parallel to each of the district commissions. These small, compact bodies were composed of a few key central government bureaux, while the local authority was represented on a ‘warm chair’ basis only—it would join the commission for the discussion of a plan pertaining to its own city. The *valals* were authorised to decide on any local plan pertaining to 200 housing units or more, or to the expansion of industrial sites. The CPAL’s authority was also decentralised, and was vested in the new commissions, with the CPAL’s representative as a member of the committee with call-in powers (that were rarely exercised).

The streamlined procedures came not only at the expense of local political debate, but also at the cost of insufficient time for professional review, for public perusal, and for participation. The *valal* law did, however, succeed in speeding up the approval process of hundreds of plans for hundreds of thousands of housing units (Alterman, 2000). When the crisis law finally ended in 1995, the Knesset enacted what was supposed to be a partial substitute—an amendment to the regular Planning and Building Law which introduced some streamlining measures, but turned out to create even more litigiousness than the earlier law. The *valals* still have avid followers in central government and among developers, who recall crisis-time speed with nostalgia. Periodically, Cabinet decisions concerned with speeding up plan approval ask the Minister of the Interior to propose amendments or new legislation similar to the *valal* law. So far that has been only a threat.

THE FOUR TYPES OF STATUTORY PLAN

The 1965 law added national planning over the two tiers that had existed previously—the local level and the district level. The result is a three-tier edifice of plans. Lower-level plans must be strictly consistent with all higher-level plans. Since every action of construction or demolition, whether big or small, requires a building permit, national land-use and development rules should ‘seep down’ all the way to the building permits issued by local government planners (Fig. 3).

The top tier consists of national plans prepared by the National Planning Board, discussed in detail below. Occupying the second tier are the district plans prepared for each of Israel’s six statutory administrative districts and approved by the National Board. The function of these plans is to translate national plans to the district level, to coordinate among local plans, and to propose regional plans. But district plans, tightly sandwiched between national and local plans, have always been of less importance than either of the other two. In most cases, district plans were prepared much later than the law’s 1971 mandated date and have had little visibility

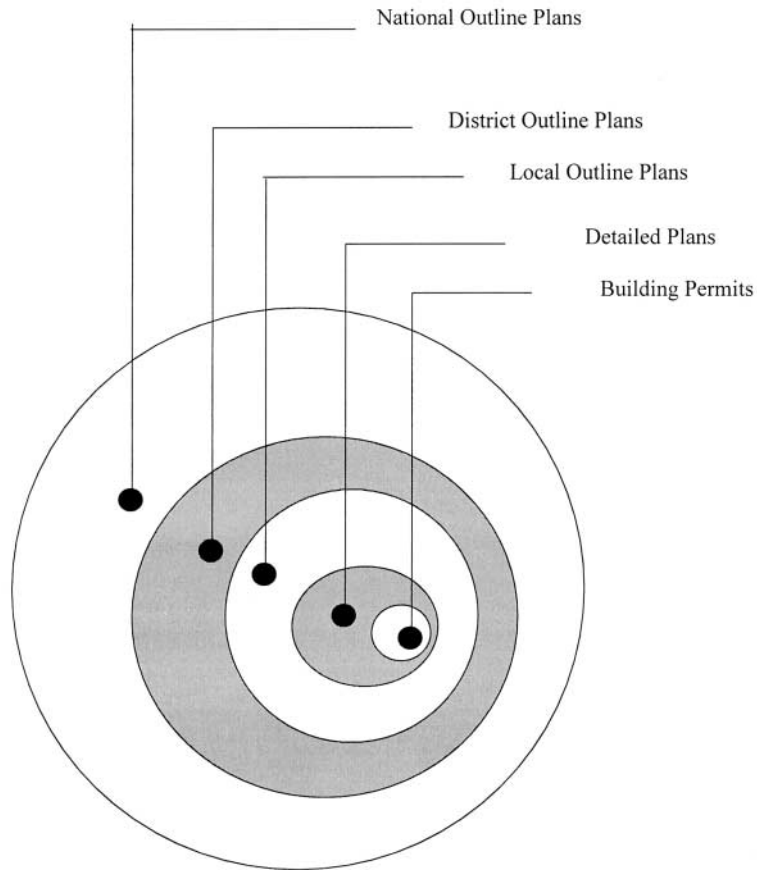


Figure 3 *The hierarchy of statutory plans to which a building permit must conform*

or impact. However, in the 1990s, when development encroached on green areas, regional structures changed, and national plans created new concepts, district plans came under the planning spotlight, and a new wave of preparation and updating is currently under way.

At the lowest level are mandatory local outline plans and optional detailed plans. These are the main instruments for regulating development, and any new construction must usually be anchored in one or both. American readers can view outline plans as a cross between zoning and subdivision regulations, and detailed plans can be viewed as parallel to site plans or planned unit development plans. Readers from most Continental European countries will recognise outline and detailed plans as similar to local plans prevalent in their respective countries. British readers can consider them as similar to their planning schemes before 1947.

The wording of the law leads one to assume that a local outline plan would cover the entire municipal area, but, in fact, very few local authorities have up-to-date comprehensive plans. Instead, most local authorities have a quilt of countless amendments to some older outline plan, and it can be said that 'the dog wags the tail'.²⁷ The hierarchy in Figure 3 has thus partly collapsed. Otherwise, the notoriously slow plan-approval procedures would have been even worse.

National statutory plans

The law authorises the National Board to prepare national outline plans which are approved by the Cabinet. Preparation of these plans is not mandatory, but, once prepared, they have to be adhered to by all lower plans, down to building permits. The importance attributed to these plans by the 1965 legislators is indicated by the fact that, unlike the lower types of plans, the public has no right to preview or submit objections to national plans and there is no requirement for direct public consultation or a public hearing. In recent years, the Board has developed its own discretionary modes of public input. The rationale for the absence of participation rights is that in the case of national plans (many of which deal with LULUs²⁸), the public interest should override local or private opposition. Another part of the rationale is that national-level projects sometimes require speedy approval. Neither of these rationales have proved watertight.

Media coverage of national plans—including sectoral plans—has grown greatly in recent years. Until the early 1990s, most developers and planners knew little about these plans, with the possible exception of the plans for roads and for population distribution. This is not surprising if one considers that, in the absence of any requirements for citizen review, these plans were literally inaccessible even to local government planners. Most national plans could only be perused at the Ministry of the Interior's central office! Recent years have seen a revolution in this unsavoury situation. Today, copies of these plans are much more easily available. Some are well known and their importance is widely recognised. The Hebrew

acronym for a national plan—*tama*—which only a few years ago was still planners' exclusive jargon, is today almost a household word.

SECTORAL PLANS

The language of the law speaks about '*the* national plan', indicating that the legislators probably expected that the entire country would be covered by a single, comprehensive national plan. In practice, no such comprehensive plan was prepared until 1990, and it is my assessment that no such plan would have been prepared for many years—or generations—were it not for the mass immigration crisis (the well-known exception—the Population Distribution Plan—was comprehensive only in the geographic sense). Instead, the National Board concentrated on sectoral plans—those initiated by agencies such as those surveyed above. Most of these plans have proved to be extremely important instruments for shaping development according to national policy. I shall turn to comprehensive national plans shortly, but first, let us take a closer look at sectoral plans.

Each of the 30 or so sectoral plans prepared to date (some in the consecutive list of 38 have been aborted) deals with a subject area which is authorised in the law and which members of the Board regard as having national importance. These plans tend to be quite detailed—sometimes too detailed—traditional land-use plans. The range of sectoral national land-use plans is probably unique to Israel. In the other countries covered in this volume, some of these topics are dealt with by separate national legislation, while others are not handled at the national level at all, but at the regional or local levels.

The list of sectoral plans includes roads, airports, railways, parks and nature reserves, surface and underground water reservoirs, tourism, coastlines, mining and forests. It also includes a whole range of LULUs which, in a small country, are viewed as a national-level interest: power plants, cemeteries, rubbish disposal sites, prisons, sewage purification plants, oil and gas pipelines, telecommunication sites, and even petrol stations (happily, the anachronistic latter has been phased out). These plans, though 'only' sectoral, have played a major and essential role in shaping Israeli land use, in supplying services, and in protecting its environment. For example, were it not for the plan for parks and nature reserves prepared in the 1970s, open space protection would have had to rely solely on the Commission for the Preservation of Agricultural Land, which has proved only partially effective. The few contiguous high-quality open landscapes still available—such as the Carmel mountain—would have probably become real-estate sites. Were it not for the plan for roads, the rights of way would probably have been gnawed up, and in land-tight Israel, adequate alternatives would not have been forthcoming. Similarly, water reservoirs and coastline areas would have become built up. The recent plan for afforestation has managed to preserve, at the last moment, some of the extant open spaces not declared as parks and not used for agricultural purposes. A plan currently in the spotlight of professional and public debate is the coastline preservation plan which has tried to protect the last patches of open coast (a gold-mine in real estate), but it is criticised for not being stringent enough.

THE NATIONAL PLAN FOR POPULATION DISTRIBUTION (NUMBER 6)

This plan used to be mistakenly regarded by some analysts as *the* national plan.²⁹ The population distribution policy has been the country's most long-standing and consistent urban and regional policy, a legacy from Israel's formative years. While the first versions of this plan were issued in the 1950s (Dash and Ephrat, 1964), the first statutory version was approved in 1975 and (unofficially) updated in 1985; it is still in effect, though overtaken by Plan 31 and, soon, Plan 35.

The National Plan for Population Distribution sets quantitative population caps or goals for each town and village. The rationale for the caps is not American-style 'growth management', but rather the desire to direct inhabitants and investment to peripheral areas, against market forces. A cap lower than estimated demand is placed on towns and cities in the central area, while an overly optimistic growth goal is placed on towns on the peripheries (Reichman, 1973). In practice, however, one does not see major cities in the central districts halting their population intake because of the plan. The plan has probably had a more significant effect on policies for new towns in the peripheral areas. That is not to say that the population distribution policy itself has not been effective, but that it has been implemented more through economic incentive tools than through the statutory plan.

THE NEW GENERATION OF COMPREHENSIVE PLANS

The mass immigration crisis of the early 1990s should be credited with what can only be called a revolution in national land-use planning in Israel. It is my assessment (reasoned in detail in Alterman, 1995) that were it not for the crisis, this revolution would not have happened at this time, if at all, and certainly not on the same scale. The story of two of the new-wave national plans completed to date deserves to be told in some detail. The latest such plan currently under preparation (national plan 35) awaits a future analysis.

The Combined National Plan for Construction, Development, and Immigrant Absorption (Number 31)

During the mass immigration crisis, senior planners from the Ministry of the Interior were dismayed to see how the physical and social landscape of the country was being permanently altered through short-range planning and action. They recognised the opportunity that the crisis offered for initiating long- and middle-range national planning. By then, the budgets and person-power allocated to the Ministry of the Interior for planning had withered to a ludicrously low level. Not since the 1950s had there been a serious attempt at countrywide integrated planning—until that date, all national plans had been sectoral. A senior planner in the Ministry of the Interior who headed the national and district plans office seized the moment, and wrote to the Minister:

For the first time since the establishment of the State, the Ministry of the Interior is facing an exceptional challenge and the opportunity to take the lead in comprehensive national planning and land-use alignment for the

absorption of mass immigration. (Internal memo from Ms Dina Rachevsky, director of national and district plans, to the Minister of the Interior, Arie Deri, dated 20 May 1990; translated from the Hebrew by the author)

The planner's first step was to convince the heads of the Ministry of the Interior of the importance of preparing a special statutory national plan for the immigrant absorption challenge. It would be middle-range and would be prepared speedily so as to respond to the new needs created by the crisis. The idea was so well received that the bill of the crisis-time Interim Law mentions a 'national plan for immigrant absorption', and gives it special standing over and above other national plans, even though, at that time, the new plan had not yet been commissioned!

The architect-planners' team³⁰ that won the tender to prepare the plan quickly assembled a 30-person planning team—the largest since the 1950s—that included not only land-use and infrastructure planners, but also economists, demographers and social planners, but no public participation. The plan's steering committee was also unprecedented in scope, including every relevant government agency, but there was no access to public interest groups (except through media coverage) and no direct public participation. Their task was to prepare a national plan for the coming five to seven years so as to guide the accelerated planning and development decisions country-wide. The plan's terms of reference called for integrating land-use, environmental, transportation, economic development and social policies. Such terms of reference greatly expanded the hitherto accepted conception of the issues addressed by the National Planning Board, but the non-land-use aspects were not viewed as implementable through a national statutory plan under the Planning and Building Law.³¹ The team produced the first draft document in record time (six months), at the end of 1991. The plan quickly received clearance from the National Planning Board in 1992, and Cabinet approval in 1993 (recall the *unanimous* story...).

One of the central issues that the plan brought to the forefront of heated professional debate was the desirability of continuing the long-entrenched national population distribution policy. The Plan 31 team and steering committee accepted the thesis which the economists from the Ministry of Finance had recommended—that during the plan's first period, economic considerations be maximised, and the development effort be directed to the country's central areas. Not turning its back entirely on the population distribution policy, the plan recommended that in the 'second phase', the outlying areas be targeted for enhanced development. However, since the plan's life was for only five to seven years, the 'second phase' was to be *après le déluge*.

Plan 31 became the most important planning document to guide land-use planning and development in Israel for the next five years. Its most important effect was that it successfully placed some restraint on the development appetite of the Ministry of Housing and private band-wagon riders. During this crisis, such an appetite might have endangered most of Israel's open space reserves—modest enough even before the crisis in this small and densely populated country.³²

The planning process of Plan 31 brought to national planning a degree of public-professional exposure they had never received before. At the time, however, that was not a very high level to reach, given the almost unknown and inaccessible status of most of the sectoral plans. Plan 31 established a new norm for public exposure of land-use planning in Israel, which was to be amplified even more in the two subsequent comprehensive plans, described below.

An integrated long-range, non-statutory plan: 'Israel 2020'

The most ambitious planning initiative in Israel's history was actually launched a year before the crisis. The idea was conceived by one of the country's best-known planner-architects (Adam Mazor), and was modestly launched as the initiative of the Israel Association of Architects and Planners and the Technion—Israel Institute of Technology, where the planner served as a part-time professor. But the project—called 'Israel 2020: A Master Plan for Israel in the 21st Century'—found no financial support. Were it not for the crisis, the project would probably have remained a modest voluntary, rather 'academic' effort by a small group of professionals and academics outside government, willing to volunteer their time.

But as thousands of immigrants poured into the country month after month, Mazor sensed the opportunity to convince all relevant government and quasi-government bureaux of the utility of long-range national-level planning. He managed to raise funding from almost every conceivable government and quasi-government agency interested in some aspect of spatial planning, all of which served on the plan's steering committee. Mazor stressed the fact that the land resources of Israel were limited, and that the country was already one of the more densely inhabited countries in the world. This combination of factors, along with the mass immigration wave, he argued, would lead to unbearable environmental, economic and social conditions if land resources were not planned within a long-range, comprehensive view.

The National Planning Board acceded to the request of senior planners at the Ministry of the Interior to give its blessing to this long-term planning enterprise. It commenced in parallel with the statutory middle-range Plan 31, but it would be much broader in scope, would have Israel's long-range future as its horizon, and would take much longer to prepare. The involvement of the National Board—though symbolic—was unprecedented. This was not to be a statutory plan, not even a government plan, so this decision reflected an unusual recognition of the 'net' importance of long-range integrative planning.

The subject span of this ambitious strategic plan included almost every sphere of public policy that directly or indirectly impinges on spatial development: land use, environmental issues, the economy, social and demographic issues, water, agriculture, transportation, infrastructure, education, institutional and legal structures, relations with the world's Jewish communities, and even security issues. The team of professionals from many areas of professional and academic specialisation numbered 250 at the height of the project. The plan, which had begun as a conventional master plan, took on a wide strategic, multi-sectoral view and

developed innovative planning methods, but it, too, remained an expert-led plan and did not make an effort to involve interest groups or the broader public directly.

Perhaps the greatest 'political' achievement of the Israel 2020 planning enterprise was the fact that, during its seven years of preparation, it managed to survive three changes of government and receive the continuing financial and steering support of each consecutive regime. In Israel, in the volatile Middle East, a planning enterprise such as 'Israel 2020' deals with issues that are, potentially, very sensitive politically. Demographic projections of Jews and Arabs within Israel, the spread of development within the country's various regions, and even social relations among various national and ethnic groups are issues that might have easily activated the raw nerves on both sides of the party-political rift, between doves and hawks in turbulent Israel. This remarkable immunity to the stormy political situation is due not only to the professional prestige of the project's leader and team, but also to the commitment and professional-political skills of the senior planners in the various government bureaux who served on the steering committee, each of whom had to continuously 'sell' the plan to their (changing) ministers, and to changing governments.

The set of over 30 volumes produced by this project during its six years of operation—the final reports were published in 1997 in printed form and on a widely distributed CD-ROM—functions in some ways like a national think-tank covering, in a systematic manner, public policy issues never before placed back-to-back. Although the plan was not intended to become statutorily-binding, the plan was presented before the National Planning Board and was symbolically presented to the President of Israel in a special ceremony held at the Technion in January 1998 (Alterman, 1997b).

Even before its official completion, the Israel 2020 plan had already had considerable influence as a policy document, and this without its being a statutory plan and without its having any official status. The project has raised the planning and public policy discourse in Israel to a new plateau, providing a set of concepts and a new language spoken today as a matter of course not only by professional planners, but also by other policy-makers and politicians. The Israel 2020 plan has also granted potential users a sophisticated database and new planning methodologies on which to base future national or regional plans.

A long-range, comprehensive statutory plan (Plan 35)

As Plan 31 approached the end of its term in the late 1990s, the Ministry of Housing, the Lands Administration and the Ministry of Finance argued against extending it. They contended that Plan 31 was overly detailed and restrictive in its population caps, that it preserved too much open space, and therefore did not allow enough land reserves for development for Israel's medium- and long-range future.

By this time too, the norms of what should be expected of national planning had thoroughly changed as a result of Plan 31 and of the Israel 2020 project. So, in 1997, the National Planning Board decided to commission Israel's first comprehensive, long-range statutory national plan—Plan Number 35, targeted for the year 2020. The new plan covers the entire country and deals with all major land uses, infra-

structure and environmental issues and is to be more flexible, partially taking on the character of a policies plan rather than a traditional land-use plan (that remains to be seen). It also has chapters on economic development, social issues, etc., but these are not adoptable through the statutory planning channels and are therefore virtually ignored. The plan is intended to provide a long-term continuation for National Plan 31 and its terms of reference stipulate that, where appropriate, it should also incorporate the ideas of the 'Israel 2020' plan. It is the first national plan where some degree of public consultation was included—though in the absence of a public hearing or compulsory consultation process, this did not become much more than a lip service or a 'planningly correct' act.

Whereas, ten years earlier, architects used to condition taking on planning tasks on a promise of getting architectural design jobs, this time there was hot competition among the country's leading private architect-planners' offices. Each one put forward an impressively large and multi-disciplinary team of specialists in various planning and related fields. By 1998, the public profile of land-use planning had risen so much that even the competition over the tender made the daily press, and each interim presentation was visibly covered—an exposure that Plan 31 had not achieved.

National Plan 35 was completed in 1999, but it is my assessment that the plan will be hotly debated and will not receive the National Board's and the Cabinet's approval for a long time. Its degree of usefulness may therefore not be too different from the non-governmental Project 2020 plan. Will the new plan be able to bridge Israel's growing socio-political schisms? Will it be effective, and for how long? Given the growing rifts in Israeli society and politics, I may be permitted some scepticism.

The future of national-level planning in Israel: Will the momentum continue?

Let us turn the movie back, and attempt to recreate Israel's recent planning history in a scenario without the mass immigration crisis of the early 1990s. What would national-level planning have looked like? Would it have been strengthened, or would it have withered away? Israel had been undergoing general trends of decentralisation, deregulation and privatisation, similar to most other Western countries. Planning institutions, laws and professional norms were caught between these conflicting trends of privatisation and national regulation and control.

I would conjecture that, were it not for the mass immigration crisis of the early 1990s which tended to recentralise decision-making powers, integrated national-level planning in Israel would likely have continued its slow decline for some years more, in favour of more market-led development approved 'bottom-up'. At the same time, however, the instruments of national planning would probably not have been officially dismantled, and would have remained in a reduced format—mostly on the sectoral level—to reflect Israel's special needs. These stem from Israel's high population density, high natural growth rate (relative to other advanced-economy countries), commitment to immigrant intake, and economic growth. Mass im-

migration provided a great service: it advanced the clock of the next crisis that would have come seven to ten years later—a crisis caused by sprawling development, collapsing infrastructure, disappearing green spaces and threatened environment and water. At that time, without effective, integrated national-level planning, everyone would have paid the price.

The mass immigration crisis contributed to changing this trend, bringing national-level planning to a prominence it had never had before, not even during the country's formative years, the heydays of centralised, consensus-generated national planning. The crisis, which brought about highly accelerated development and pressured land and other resources, brought home to decision-makers the usefulness of planning. The crisis provided astute planners with the opportunity to argue their case to willing ears, and to get decent budgets for planning enterprises after decades of decline.

At first glance, the new planning defies the major tenets of planning theory in recent decades: it is centralised, it is comprehensive, and it is long-range. But a closer look shows that the new planning is of a new mode: it is more participatory and more transparent than was customary in Israel before (though it is less participatory than in most other Western countries). It can no longer rely on a socio-political consensus but rather reflects the outcome of a conflict-mediation process, often a litigious one. The new national planning is not a playback of the planning of the 1950s. It is much reformed and reflects the changes that have occurred in planning thought internationally as well as the enormous changes that have occurred in Israeli society and polity.

As land-use planning issues have grown in saliency and prominence, so have the conflicts surrounding them. Will the new plans be implementable as Israel's social and political fabric becomes more and more strained, and as land-use and development issues are becoming increasingly enmeshed with the country's deep-seated social and political controversies? Will the new plans be effective despite the fact that the country is consistently extending its trends of privatisation and decentralisation? Plan 35—Israel's first statutory national plan that is both comprehensive and long-range—could also turn out to be the last of the large-scale planning enterprises. One thing is certain: land-use planning is unlikely to return to the dusty corner of neglect that it occupied not very long ago. In the future, land-use planning at all levels will continue to be prominent in the public eye, will draw upon high-level professionals, and will have to deal with more and more controversial questions, engendering hot public debates.

REFERENCES

- ALEXANDER, ERNEST R. (1998), 'Planning Theory in Practice: The Case of Planning Highway 6 in Israel', *Environment and Planning B: Planning and Design*, 25, 435–45.
 ALEXANDER, ERNEST R., RACHELLE ALTERMAN and HUBERT LAW YONE

(1983), *Evaluating Plan Implementation: The National Statutory Planning System in Israel* (Progress in Planning monograph series, Vol. 20, Part 2), Oxford, Pergamon.

ALTERMAN, RACHELLE (1981), 'The Planning and Building Law and Local Plans: Rigid Regulations or a Flexible Framework', *Mishpatim (Laws)* (Law Journal of the Faculty of Law, Hebrew University, Jerusalem), **11**, 179–220 (Hebrew).

ALTERMAN, RACHELLE (1991), 'Planning and Implementation of Israel's "Project Renewal": A Retrospective View', in Alterman and Cars (eds), 147–69.

ALTERMAN, RACHELLE (1995), 'Can Planning Help in Time of Crisis? Public Policy Responses to Israel's Recent Wave of Immigration', *Journal of the American Planning Association*, Spring, 156–77.

ALTERMAN, RACHELLE (1997a), 'The Challenge of Farmland Preservation: Lessons from a Six-Country Comparison', *Journal of the American Planning Association*, **63**, 220–43.

ALTERMAN, RACHELLE (1997b), *From Long-Range Planning to Implementation: Institutional Changes and Decision-Making* (policy report in the set of final reports of *Israel 2020: A National Plan for Israel in the 21st Century*) Haifa, Technion Research and Development Foundation (Hebrew).

ALTERMAN, RACHELLE (1999), *Israel's Future Land Policy*, Floresheimer Research Institute, Jerusalem (Hebrew).

ALTERMAN, RACHELLE (2000), 'Land-use Law in the Face of a Rapid Growth Crisis: The Case of the Mass Immigration to Israel in the 1990s', *Washington University Journal of Law and Policy*, **3**, 773–840.

ALTERMAN, RACHELLE (2001), 'The Land of Leaseholds: Israel's Extensive Public Land Ownership in the Era of Privatization', in Yu Hung Hong (ed.), *International Experience in Leasing Public Land*, Cambridge, MA, Lincoln Institute of Land Planning.

ALTERMAN, RACHELLE (forthcoming), *Planning in the Face of Crisis: Land and Housing Policy in Israel*.

ALTERMAN, RACHELLE and GORAN CARS (eds) (1991), *Neighborhood Regeneration: An International Evaluation*, London, Mansell.

ALTERMAN, RACHELLE and MORRIS HILL (1986), 'Land Use Planning in Israel', in Nicholas N. Patricios (ed.), *International Handbook on Land Use Planning*, Greenwood, 119–50.

ALTERMAN, RACHELLE and MICHELLE SOFER (1994), *Streamlining Procedures? The Degree of Success of Recent Legislative Attempts to Shorten the Time for Approval of Statutory Plans*, Haifa, Center for Urban and Regional Studies, Technion—Israel Institute of Technology (Hebrew).

BRUTZKUS, ELIEZER (1988), 'The Development of Planning Thought in Israel', *City and Region – Ir Ve'ezor*, **18**, 188–98 (Hebrew).

COHEN, ERIC (1970), *The City in Zionist History* (Urban Studies Series), Jerusalem, Hebrew University.

DASH, J. and E. EPHRAT (1964), *The Israel Physical Master Plan*, Jerusalem, Israel Ministry of the Interior.

DROR, YEHEZKEL (1989), *A Grand Strategy for Israel*, Jerusalem, Academ—The Hebrew University Students' Printing and Publishing House (Hebrew).

DROR, YEHEZKEL (1998), *Grand-Strategic Thinking for Israel* (Policy Papers No. 23), Ariel, Ariel Center for Policy Research, The College of Judea and Samaria.

LAW YONE, HUBERT and RACHEL WILKANSKY (1984), 'From Consensus to Fragmentation: The Dynamics of Paradigm Change in Israel', *Socio-Economic Planning Sciences*, **18**, 367–73.

MARGALIT, LEERIT and RACHELLE ALTERMAN (1998), *From Fees to Contracts: Methods for Involving Developers in the Supply of Public Services*, Haifa, Center for Urban and Regional Studies, Technion—Israel Institute of Technology (Hebrew).

MAZOR, ADAM (1993), 'The Land Resource in Spatial Planning', in *Israel 2020: A Master Plan for Israel in the 21st Century, Stage 1, Vol. 2*, Haifa, Israel Engineers' and Architects' Association/Faculty of Architecture and Town Planning, Technion—Israel Institute of Technology (Hebrew).

RAZIN, ERAN (1996), 'Municipal Reform in the Tel Aviv Metropolis: Metropolitan Government or Metropolitan Cooperation?', *Environment and Planning C: Government and Policy*, 14, 39–54.

RAZIN, ERAN (1997), 'The Local Government Map in Israel for the Year 2020', in *Spatial Economic and Municipal Aspects* (policy report in the set of final reports of *Israel 2020: A National Plan for the Israel in the 21st Century*), Haifa, The Technion Research and Development Foundation (Hebrew).

RAZIN, E. and A. HAZAN (1995), 'Industrial Development and Municipal Organization: Conflict, Cooperation and Regional Effects', *Environment and Planning C: Government and Policy*, 13, 297–314.

REICHMAN, SHALOM (1973), 'On the Relevance of Israel's Geographic Population Distribution Plans', *Ir Ve'ezor*, 1, 26–43 (Hebrew).

SHACHAR, ARIE (1993), 'The National Planning Doctrine in Israel', in *Israel 2020: A Master Plan for Israel in the 21st Century, Stage 1, Vol. 2*, Haifa, Israel Engineers' and Architects' Association/Faculty of Architecture and Town Planning, Technion—Israel Institute of Technology (Hebrew).

SHEFER, GABRIEL (1996), 'Society, Politics, Government and National-Level Planning in Israel', in Rachele Alterman (ed.), *Towards the Implementation of the 'Israel 2020' Plan: National-level Planning Institutions and Decisions in Ten Countries*, in *Israel 2020: A Master Plan for Israel in the 21st Century, Phase 3, Report no. 9*, Haifa, Israel Engineers' and Architects' Association/Faculty of Architecture and Town Planning, Technion—Israel Institute of Technology.

UNITED NATIONS (1996), *Demographic Yearbook*, New York, United Nations.

YIFTACHEL, OREN (1992), *Planning a Mixed Region in Israel: The Political Geography of Arab–Jewish Relations in the Galilee*, Aldershot, Avebury.

NOTES

1 The West Bank and the Gaza Strip have never been annexed to Israel *de jure*. Most of the Gaza Strip and some areas of the West Bank (the most densely inhabited by Palestinians) have become part of the Palestinian Authority created through the Oslo Peace Accords. The future of the areas still occupied by Israel is a highly charged political issue within Israel, and according to the Oslo Accords, it is to be negotiated with the Palestinians. The Golan Heights, a small area in the north-east, has undergone quasi-annexation by Israel from Syria through Israeli domestic legislation. Its international status is, however, in contention, and the future of this area, too, is often brought up as a topic for peace negotiations.

2 For a detailed analysis of Israel's immigration policy and its impact on urban and regional policy, see Alterman (forthcoming). Israel's immigrant intake relative to population size is considerably higher than Germany's—another country within our sample, which has had a commitment towards taking in a particular group of people (ethnic Germans).

3 To present the full picture one should remember, though, that cumulatively, the vast majority of Israelis were (and still are) living in apartment buildings. Furthermore, the new ground-attached housing, though regarded as very low-density for Israeli urban areas, is typically planned at 12 units to the net acre, which in the USA and Canada would be regarded as rather high density.

4 A reminder: I am referring to the international law status of the borders of Israel proper, without the areas occupied in the 1967 war.

5 In the past, both Labour and Likud supported the population distribution policy. Today, it is partly a partisan issue. The Likud government, back in power in 1996–99 after four years of a Labour-led government, reinstated some of the elements of the population distribution doctrine and its underlying geopolitical goals. Likud is likely to resume that policy in its new term after the 2001 elections.

6 As a *pro bono* adviser to the Knesset Committee for Interior and Environmental Affairs on major amendments to planning legislation, I can testify to this first-hand.

7 Before that law was revised in 1995, there was no numeric cap and Cabinets at times comprised more than 20 ministers.

8 For example, when Israel's exemplary Project Renewal was instituted in 1980, no specific legislation was necessary. The Cabinet allocated budgets and ministerial responsibility for that project, and the minister responsible set up goals and the institutional structure for decision-making (Alterman, 1988).

9 For example, Government Decision 4162, 12 August 1998.

10 Following one of the Cabinet's decisions on this matter, a colleague and I were commissioned to develop guidelines for higher-density housing.

11 The Minister of the Interior may have indirect influence at the local level as well. Although in most local jurisdictions the Minister of the Interior does not appoint any of the members of local statutory planning commissions (these are composed in most cases of the elected councillors), he potentially does have some influence over local planning, above the statutory responsibilities for overseeing local planning decisions that the law assigns to national government bodies.

12 But at the same time, the Minister and his staff are members of the statutory bodies, alongside other members who are appointed by other ministers or agencies, and are legally expected to use their independent discretion in their decisions while taking their respective agency's interests into account.

13 I cannot resist noting that, to the best of my knowledge, all this hefty involvement in urban and regional matters has been carried out without a single urban and regional planner being hired; only economists have been involved. My belief is that the trend of involvement of the Ministry of Finance in urban and regional planning will continue, and even intensify. It is therefore high time to consider an appropriate professional mix of 'referees'—as they are called—assigned by the Ministry of Finance to initiate and oversee planning matters.

14 The Ministry of Finance's aims are to enhance market-led policies; to watch over the national budget; to be concerned with tax implications, etc.

15 The Ministry of Finance has even encroached into the territory of the Ministry of Housing—a stronger ministry than the Interior. This may have to do with the failure of the Ministry of Housing to assuage the Cabinet's concerns regarding housing supply.

16 History fans will remind us that, during the state's formative years, the planning function was, for a short time, under the auspices of the Prime Minister's Office, before the national statutory planning institutions were set up. But the current modest activity is in no way a citation of that long-forgotten role.

17 In the early 1990s I was appointed as a member of one of the sub-committees of that Council. I was never invited to any meeting, nor saw any output of the sub-committee or the Council as a whole.

18 As a member of the Israel 2020 management team who was charged with investigating alternative institutional structures, I twice joined the project's head, Professor Adam Mazor, in meeting Dr Beilin for that purpose.

19 Dr Beilin remained supportive of the Israel 2020 project and helped promote it among key Cabinet members; but in June 1996, Labour lost the elections.

20 For a more detailed description of the Israel state-lands system, see Alterman (2001).

21 For an explanation of this seemingly paradoxical comment, see Alterman (2001).

22 I was not aware of the shift in focus to West Bank planning of that particular agency until the former director general of the Prime Minister's Office, Mr Avigdor Lieberman, explained on a radio broadcast (Network 2, on 18 October 1998) that this is the reason why he has lobbied for the appointment of a non-professional person to head that department—a person linked to Mr Lieberman's ultra-right-wing views.

23 The importance of this shift nationally and internationally is analysed in Alterman (1997).

24 Laws of the State of Israel, 1965 (available in English). Not much has recently been written on the Israeli planning system in the English language. For some more detail on the system and its operation, see Alterman and Hill (1986), Alexander et al. (1983) and Alterman (2000).

25 My guess is that, if such a bill were proposed, the Knesset Committee for Internal and Environmental Affairs would encourage a compromise.

26 In rural areas or regions with a number of small towns, the local commissions are composed of one representative only from each town as well as central government representatives.

27 In older cities, the original plan is usually one prepared under the British before 1948, while in new towns it is one prepared by the Ministry of Housing in the 1950s or 1960s when the town was established.

28 'Locally unwanted land uses'.

29 See, for example, Yiftachel (1992), 95–98.

30 Led by architect Raphael Lehrman of Tel Aviv, who hired a large team of planners and consultants in the areas covered.

31 A conception accepted by many, but not by myself. I had written a law review article in the 1980s showing that, even without amending the Planning and Building Law, plans prepared under it do not have to be restricted to narrow, physical, land-use planning and can deal with broader policies as well as being flexible (Alterman, 1981).

32 The plan's major instruments for achieving the goal of open space preservation were the population caps it placed on ex-urban development and the priority it gave to the development of the major cities and to urban landfill. Although these caps were a somewhat 'old hat' repeat of the instruments of the long-standing National Plan for Population Distribution, they were more flexible and went together with an innovative policy of open space preservation in the 'rural spaces'. This was a new term coined by Plan 31 to indicate a more realistic and up-to-date policy for open space preservation than the rigid instrument of 'agricultural land preservation' which had partly become a misnomer. The plan had some immediate influence in helping to stop several environmentally and socially controversial new towns proposed by the Ministry of Housing.

