

*Natl Reports*



STATE OF ISRAEL

**PRELIMINARY  
NATIONAL REPORT  
HABITAT**

***FIRST DRAFT***

**United Nations Conference on Human Settlements  
First Meeting of the Preparatory Committee for Istanbul +5  
Nairobi, Kenya, May 2000**

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# PREFACE

## THE PROCESS OF ASSESSMENT AND REPORTING

In January of this year, the National Committee was re-established maintaining primary responsibility for coordinating activities and reports with the Government. As before, the Committee is designed to promote dialogue and consensus between stakeholders and consists of the following organizations:

### Representatives of Central Government

The Foreign Ministry  
The Ministry of Construction and Housing  
The Ministry of Environment  
The Ministry of Interior  
The Israel Lands Administration  
The Ministry of Labor and Social Affairs  
The National Insurance Institute  
The Central Bureau of Statistics  
The Inter-Ministerial Committee for Crime and Violence

### Representatives of local government

*(This list is as yet incomplete, and will in the future include: elected Mayors, representatives of municipal development companies and various economic bodies.)*

### The Center for Local Government

### Representatives of non-governmental bodies

*(fields of expertise: minority issues, public participation, gender issues, economic development, planning and governance.)*

The Association of Builders and Contractors in Israel  
The Hebrew University of Jerusalem  
Haifa University  
Tel Aviv University  
The Technion – Israel Institute of Technology

It is important to note that the Committee is both broad-based and gender-balanced to include as many contenders in the Israeli social system as possible; Government and NGO based. It continues to grow with increasing interest in the Habitat Agenda.

At the first meeting of the re-established National Committee, held last February, it was announced that preparations for the Istanbul +5 Special Session of the United Nations General Assembly would once again be coordinated in the Department of Urban Planning of the Ministry of Construction and Housing, under the auspices of Ms. Sofia Eldor, Arch., the Department's Director and an Israeli representative to the First Meeting of the Preparatory Committee for Istanbul +5, 2000 and to the Istanbul +5 Special Session, 2001. Preparation work of the National Report was divided among the members of the National Committee. Coordination and collection of the material, its processing and preparation were charged to Ms. Shulamith Gertel of the same department. Ms. Gertel can be contacted by the following means:

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## **In preparation for the Istanbul +5 Special Session, 2001**

At the first meeting of the National Committee it was established that the next meeting in the series would deal with the **organization of a national workshop to review current national and local plans of action and their implementation with a view to assessment of progress made and obstacles encountered in implementing the Habitat Agenda.** This meeting has been scheduled to take place in May, 2000, subsequent to the First Meeting of the Preparatory Committee for Istanbul +5, Nairobi, 2000, in order that the committee may informed about that conference.

The next meetings in the series will serve to prepare Israel's presentation for the Istanbul +5, 2001 Special Session within the context of the principal issues to be discussed in Nairobi, 2000, and the following:

- Best practices, good policies and plans with a view to the future
- Priorities for future action and initiatives in terms of policy development, capacity building and planning
- Further discussion and work on the National Report for Istanbul +5, 2001 to report on established priorities in categories outline by the universal reporting format: a) Sustainable human settlements, b) reduction of poverty, c) policy development, d) capacity building and action planning and e) international cooperation.

## **The First Draft Preliminary National Report**

This First Draft Preliminary National Report is an interim document in preparation for the First Meeting of the Preparatory Committee for Istanbul +5, May 2000. It comprises, the collection and analysis of indicators and other information including national urban \ regional development strategies and Local Agendas 21. It does not relate in detail to future action initiatives, as this will be the focus of the final draft National Report to be presented at the Istanbul +5 Conference, June 2001.

The purpose of this preliminary report is to take stock of quality of life issues in Israel today. Relevant material collected here will serve as a frame of reference for evaluating Habitat oriented activities and their progress since Habitat II, 1996. In keeping with the incremental documentation process, the style of this report is slightly more detailed than required by the universal reporting format, and will be revised for the Istanbul +5 Conference.

**CURRENT CONDITIONS:  
INDICATORS AND QUALITATIVE DATA**

*A SUMMARY OF THE DATA DESCRIBED IN THIS REPORT*

## **BASIC SET OF INDICATORS**

(Based on statistics compiled between 1996 and 1999)

### **1. TENURE TYPES BY PERCENTAGE OF HOUSEHOLDS:**

Owned and with mortgage: 71 %; private rental: 16 %; social housing: 6 %; keymoney: 2 %; rent free: 1 %; squatter no rent: 420 persons in social housing – on average, 70 per year are legalized ; homeless: 0.4 %; other (including types of sub-tenancy): 3.6 %.

### **2. LEGAL AND AGREED EVICTIONS:**

Average annual number of household evictions during the past 5 years, for purposes of large public works projects and or improved living conditions: approximately 600-1000 per year.

### **3. HOUSING PRICE-TO-INCOME RATIO:**

Ratio of the median free-market price of a dwelling unit and the median annual household net income: 6.05; ratio of the median annual rent of a dwelling unit and the median annual household net income: 0.35.

### **4. LAND-PRICE-TO-INCOME-RATIO**

Ratio of the median price of 10 sq. meters of developed land and the median household monthly income: 5.0

### **5. MORTGAGE AND NON-MORTGAGE:**

Percentage of first time buyer couples who married between 1982-1993 that by 1995 had taken advantage of their right to government subsidized mortgages: 63 %.

### **6. ACCESS TO WATER:**

Percentage of households with access to water: 98-99 %.

### **7. HOUSEHOLD CONNECTIONS:**

Percentage of households which, within their dwelling unit are connected to: Piped water: 96%; Sewerage: 96 %; Electricity: 96% ; Telephone: 98%.

### **8. UNDER-FIVE MORTALITY:**

Percentage of infants who died: 0.63 % ; Percentage of children between ages 1-4 who died: 0.04 %.

### **9. CRIME RATES:**

Number of reported victims annually per 1000 population: Murders and attempted murders: 0.04; thefts: 29.3; rapes: approximately 1.7.

#### **10. POOR HOUSEHOLDS**

Percentage of households situated below the poverty line: **16.6 %**.

#### **11. FEMALE-MALE GAPS**

School enrollment per 1000 population aged 14-17: female: **947**; male **888**;  
life expectancy: female **80.1** years; male **75.9** years;  
unemployment rate: female: **10 %**; male: **8.6 %**;  
increase in female participation at local government level since 1996: **40 %**;  
percentage of female members of Parliament; **13 %**.

#### **12. POPULATION GROWTH:**

Average annual growth in population since 1990: **115,630** persons.

#### **13. WATER CONSUMPTION:**

Average consumption of water per day per person for all domestic uses: **304** liters.

#### **14. PRICE OF WATER:**

Median price paid per hundred liters of water in US dollars at all times of year: \$ **0.098** US per 100 liters.

#### **15. AIR POLLUTION:**

Average number of violations of national standards per annum (SO<sub>2</sub>, SPM, O<sub>3</sub>, CO, Nox, Pb): approximately **400**.

#### **16. WASTEWATER TREATED**

Percentage of all wastewater undergoing some form of treatment: **90 %**.

#### **17. SOLID WASTE DISPOSAL**

Percentage of solid waste: disposed to sanitary landfill **80%**; incinerated **0 %**; disposed to open dump **10 %**, recycled **10%**, burned openly **0 %**.

#### **18. TRAVEL TIME:**

Average time in minutes for a one-way trip to work: **60** minutes in the Tel Aviv Metropolitan Area.

#### **19. TRANSPORT MODES:**

Proportion of non-motorized work trips: **11 %**, proportion of motorized work trips: **89 %**; proportion of motorized work trips by: Private vehicle: **56 %**; bus: **14 %**; organized rides (minibus, truck or van): **24 %**; taxi: **3 %**; motorcycle **2%**; train and other modes: **1 %**.

#### **20. INFORMAL EMPLOYMENT:**

Percentage of the employed population whose activity is part of the informal sector: **7.6 %**.



**21. CITY PRODUCT:**

(See indicator 23)

**22. UNEMPLOYMENT:**

Average proportion of unemployed men and women during the year as a fraction of the formal workforce: **8.9 %**.

**23. LOCAL GOVERNMENT REVENUE AND EXPENDITURES:**

Average expenditures of local authorities over the last 3 years in US dollars: **\$ 9.5 billion**.

Per capita expenditures of local authorities over the last three years in US dollars: **\$ 1,635**.

## QUALITATIVE DATA

### 1. HOUSING RIGHTS:

Does the Constitution or national law promote housing rights? **Yes.**

Does it include protection against eviction? **Yes.**

Are there impediments to ...owning land? **No.**

Are there impediments to women or particular groups inheriting land and housing? **No.**

Are there impediments to women or particular groups taking mortgages in their own name? **No.**

### 2. URBAN VIOLENCE

#### Existence of:

Areas considered dangerous or inaccessible to police: **There are some dangerous areas in some densely populated low income areas in the center of the country where drug trafficking may lead to waves of crime and violence.**

Official policy against domestic violence: **yes.**

Violence at school: **some.**

Weapon control policy: **yes.**

Crime prevention policy: **yes.**

Victim of violence assistance program: **yes.**

### 3. DISASTER PREVENTION AND MITIGATION INSTRUMENTS:

#### Existence of:

Building codes: **yes.**

Hazard mapping: **yes.**

Disaster insurance: **yes.**

### 4. LOCAL ENVIRONMENTAL PLANS:

Have cities established long-term strategic planning initiatives for sustainable development involving key partners ? **yes.**

Is this process institutionalized at a national level ? **yes.**

Has there been any legislative change to support cities to engage in sustainable development planning processes ? **yes.**

### 5. PUBLIC-PRIVATE PARTNERSHIPS:

Have some major public enterprises involving the delivery of services in cities established partnerships with private firms during the last five years ? **yes.**

### 6. LEVEL OF DECENTRALIZATION:

#### Power of local government:

(see chapter 5)

**7. CITIZEN INVOLVEMENT IN MAJOR PLANNING DECISIONS:**

Do cities involve the civil society in a formal participatory process prior to:  
(see chapter 5; annex B)

**8. TRANSPARENCY AND ACCOUNTABILITY:**

Existence of:

Regular independent auditing of municipal accounts: **yes**.

Published contracts and tenders for municipal services: **yes**.

Sanctions against faults of civil servants: **yes**.

Laws on disclosure of potential conflicts of interest: **yes**.

**9. ENGAGEMENT IN INTERNATIONAL COOPERATION:**

Is the country involved in international cooperation as a receiver or donor? **donor**.

What is the total amount of aid provided and in how many countries? **Approximately 30 million per year, for countries, not including contributions made by the Bank of Israel to the European Bank.**

Are cities involved in direct city-to-city cooperation? **yes**

# **INTRODUCTION: THE CONTEXT FOR REPORTING**

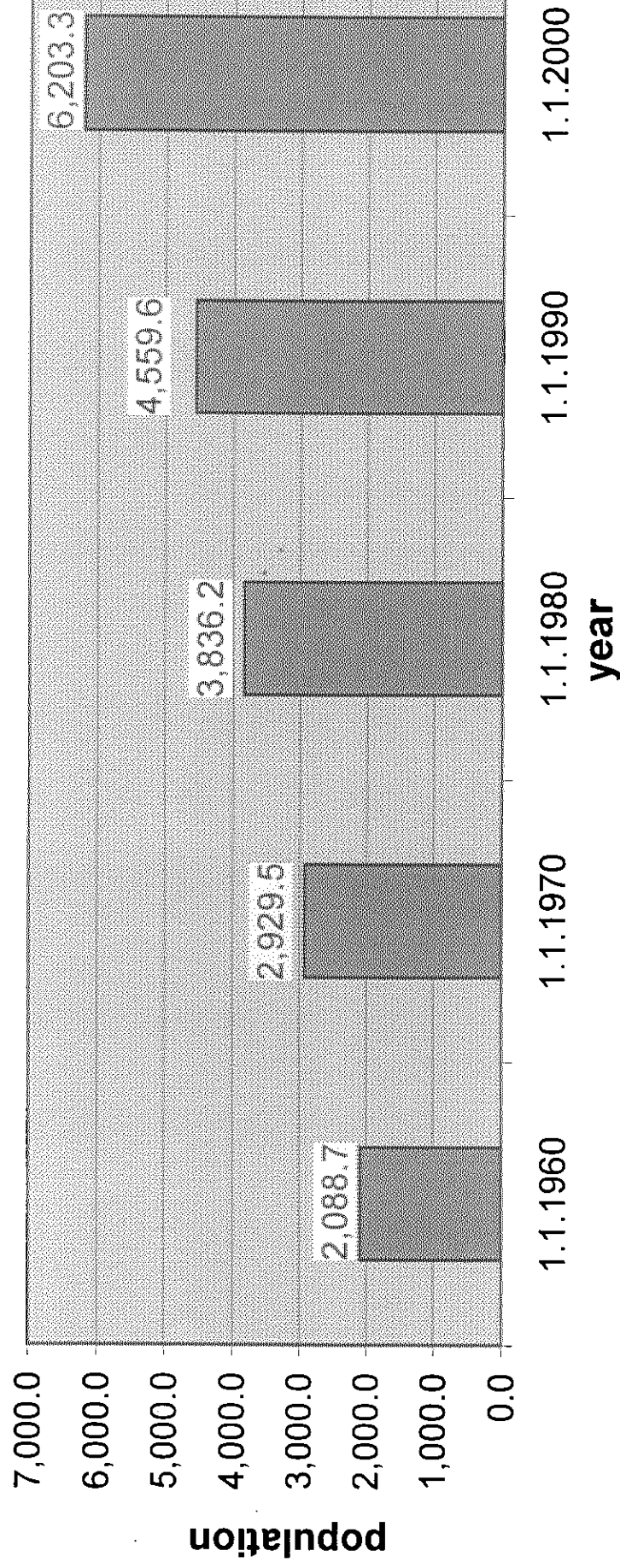
## **Written by:**

Ms. Sofia Eldor, Urban Planning Department, Ministry of Construction and Housing  
Mr. Guy Kav Venaki, Israel Lands Authority  
Ms. Shoshana Gabbay, Ministry of Environment

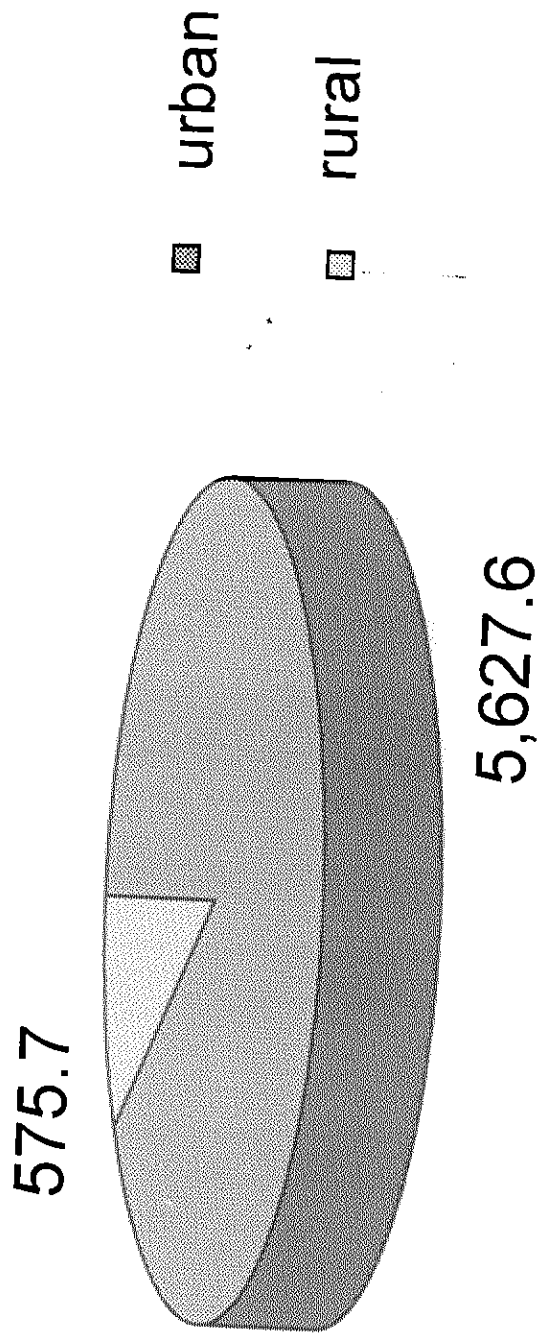
## **Contributors:**

Mr. Sergio Goldstien, Ministry of Environment  
Ms. Shosh Amir Cohen, Dept. of Information, M. of Construction and Housing

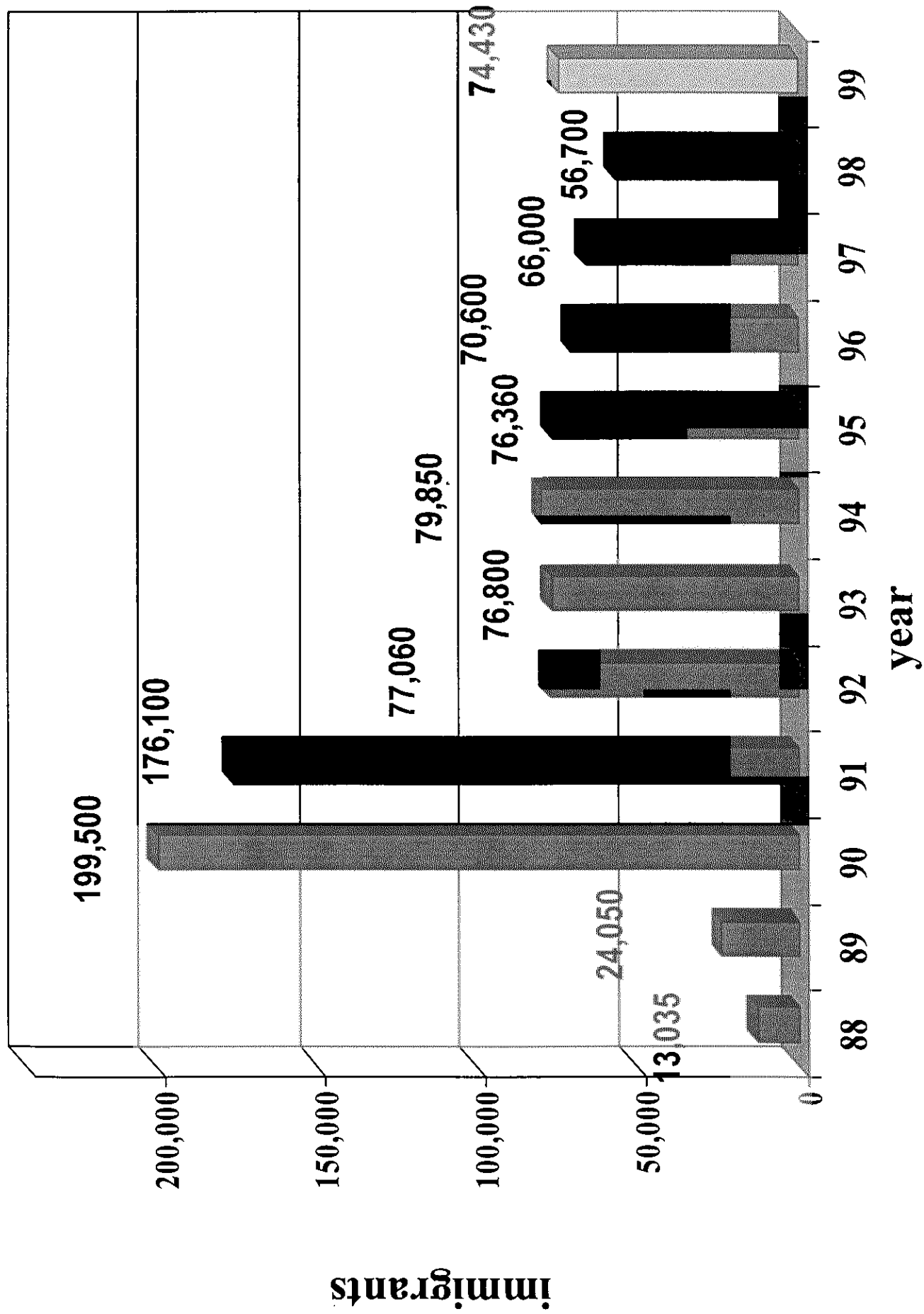
# POPULATION OF ISRAEL (thousands)



# THE POPULATION OF ISRAEL as of 1.1.2000, in thousands, by type of settlement



# IMMIGRANT ARRIVALS ( per year )



# PLANNING AND POLICY MAKING FOR SUSTAINABLE HUMAN SETTLEMENT IN ISRAEL

## National Planning

The smallness of the country's territory and the intensity of its spatial conflicts mount the government against significant challenges in the areas of planning, land administration, development and preservation. Over the last decade, three national plans were drafted in Israel in order to face these challenges:

**National Outline Plan 31** – “The National Outline Plan for Building and Development and Immigrant Absorption” - A statutory 5 year multi-disciplinary national scheme aimed at development enabling the absorption of mass immigration from the former Soviet Union and from Ethiopia at the beginning of the 1990s.

**Israel 2020** – As discussed, a non-statutory national master plan aimed at proposing ways of coping with Israel's unique spatial problems. This is a long-range program, the first such integrated national program of its kind in many years.

**National Outline Plan 35** – A long term national statutory scheme aimed to replace National Outline Plan 31. The program still requires statutory approval (see executive summary of plan on p. 16).

The main principals that have developed through these programs are:

1. More efficient use of land and increased density of development
2. Concentrated distribution of development, meaning the national distribution of activities, and concentration on the regional level
3. Defining four metropolitan areas: Jerusalem, Tel-Aviv, Haifa and Be'er Sheva
4. Preservation of open areas
5. Distinction between areas worthy of development and areas worthy of preservation
6. Durable development
7. Limited growth of rural settlements, primarily in the country's central region in high demand
8. Rehabilitation and re-use of urban land
9. Refraining from establishing new settlements, other than in special circumstances
10. Investment in transportation development, especially public transportation systems
11. Development of regional employment centers, discarding the antiquated philosophy of “occupational independence”
12. Recognition of the unique needs of various population groups

## Israel 2020: Long-Range Master Plan for Israel

Since the mid 1960s, Israel's population has nearly doubled but, due to rising living standards, the built-up area has quadrupled. From a sparsely populated country with 800,000 residents in the late 1940's, Israel today has become a densely populated nation. Today, spread over 21,501 square kilometers, 92% of Israel's 6.04 million inhabitants live in an area which covers only 40% of the land area. The average density rate has risen from 154.8 persons per sq.km. in 1972 to 281 persons per sq. km. Over the next thirty years, Israel may again double its present population and treble its built-up area. Increased stress will be placed on a diminishing pool of land resources.

The call for a long-range master plan was first made by the nation's leading planners, architects and engineers in 1989. The project was officially launched in May 1991 for the purpose of preparing comprehensive and non-statutory strategic documents which are to form a framework for national plans for the next 30 years.

The project outlined a broad spectrum of forecasts for Israel's future and analyzed them from various perspectives and disciplines. Four alternative integrated planning directions for the state's future development included foci on: economic development, social issues, protection of open spaces, and an alternative based on the continuation of current trends. These alternatives were evaluated and developed into a set of policy recommendations for the long term. Substantive and empirical foundations for policy are detailed in the areas of: society and demography, land, energy and water resources, future technologies, environmental sustainability, transport and telecommunication, and security.



The environmental team identified the problems and conflicts likely to be of concern in the year 2020, taking into account anticipated population and economic growth. Its report suggested means of approaching these problems, both from operative and conceptual viewpoints, harnessing regulative and market mechanisms. The report has served as a foundation for the preparation of Israel's preliminary documents on sustainable development.

## **Projections for Israel's future**

### **Population**

Disregarding the Be'er Sheva district, which comprises 60% of the area of the State but is inhabited by only about 8% of the State's population, the average density approaches 650 persons per square kilometer. According to National Outline Plan 35 projections, the population of Israel will reach 8.76 million persons by 2020, as a result of natural growth and positive immigration. These trends in population growth are expected to increase the population density of Israel, disregarding the Be'er Sheva district, at a rate 2.5 times greater than those of Holland and Japan.

### **Residential areas**

Housing construction in Israel aims to equip the growing population and the demand to increase the amount of per capita housing space. From 1960 to 1997, total per capita housing space in Israel increased by 5.25 times, as a consequence of an increase in population by 2.7 times and a corresponding growth in per capita housing space per person of 95%. According to National outline plan 35 assessors, actual per capita housing space increased from 14.6 square meters gross in 1960 to 28.5 square meters gross in 1997. The number of persons per household in Israel (3.51 in 1997) is much higher than in most Western countries (2.2 average in Western Europe, 3.0 in Japan). Forty nine percent of Israel's population resides in households of at least five persons (44% in the Jewish sector, 73% in the non-Jewish sector), in an average density of 1.2 – 2.4 persons per room (differentiating between sector and household size).

Projections show that the number of households will increase faster than the rate of population growth. This is a result of a decrease in the rates of marriage and procreation, an increase in divorce, a hastening of youth's departure from parents' homes and more frequent separation between elderly parents and their children's families.

According to National outline Plan 35, projections, per capita housing space will grow (in inhabited housing units solely serving housing purposes) from 28.5 square meters gross in 1997 to 36.8 square meters gross in 2020. According to these projections, the housing supply in Israel will increase from approximately 177 million square meters at the end of 1998 to 335 million square meters at the end of 2020. This amounts to an increase of 158 million square meters, equivalent to 89% of existing housing space. It can be estimated that 6% of construction will be executed through expansion of existing housing units.

### **Land resources**

According to National Outline Plan 35 estimates, constructed settlement area in Israel was approximately 1,150 square kilometers in 1995 (about 5.3% of the area of the State). Distribution of constructed settlement area in the State was not uniform. Settlement area manifested about 24% of total area in the four principal regions of Israel. In the Northern and Southern regions, the number was significantly lower – only about 2.3%. In order to assess projected land demand through 2020, a model was developed in the framework of Israel 2020 and refined by National Outline plan 35. This model accounts for projections regarding: (a) population increase, (b) future density of settlement development, (c) floor space increase in already-constructed areas, and (d) the movement of population outwards of currently constructed areas, as a result of those areas' decreasing capacity to cope with expected increases in the demand for greater per capita housing space.

The results of the model show that if National Outline Plan 35 density policies are implemented, some 600 square kilometers will be needed between 1995 and 2020 for settlement development (an increase by about 50% over constructed area in 1995), about 49% of those 600 square kilometers derived from the four principle regions (14% of the State's area): about 31 in the Northern region (21% of State area), and some 20% in the Southern region (65% of State land).

## **Efficient use of land and increased density of development**

Israel is expected to absorb immense construction scopes in the coming decades, both in order to meet the demand of a growing population, and as a result of the continual rise in economic activity and per capita housing space.

The increase in per capita housing space from 28.5 square meters gross in 1997 to about 36.8 square meters in 2020, is a significant component of the land space that will be needed in Israel for future development. The Israel 2020 master plan was the first to place the risk of exhausting land resources on the national agenda. The plan warned that paradoxically, as the population density increases, the more wasteful uses of land are employed, because of the urbanization of rural areas and uncontrollable assent to the high demand for housing with adjacent land. Israel 2020 cautioned against the trend towards an ever more crowded central region, increasingly covered by construction, and the loss of land reserves, the risk of a national infrastructure collapse (i.e. public transportation) and irreversible damage to natural resources such as seashore aquifer, in open areas and sites of landscape value, if left unchecked by a program.

A primary means used by National Outline Plan 35 to improve the efficiency of land use is the setting of minimum density standards for the approval of local residential projects. The focus on residential projects stems both from their being the largest land consumers and the existence of research data on housing density. The minimum housing density standards set by the program's directives vary by region and settlement size: Relatively high housing density minimums were set for districts in the center of the country, compared to the periphery and for small settlements. The defined density standard is the average of the total residential area within the boundaries of the particular project, measured as the number of housing units per 1,000 square meters. Density standards vary between 2 units per 1,000 square meters in settlements of less than 2,000 residents in the Be'er Sheva district, and 12 units per 1,000 square meters in the centers of Tel-Aviv and Jerusalem. In settlements of lower socio-economic status, diminished density standards prevail. Moreover, the program refrains from approving density standards twice over the defined housing density minimum, other than in areas adjacent to transportation hubs.

## **Concentrated distribution of development "Population Clustering"**

For years, a planning doctrine of scattered distribution was dominant in Israel: The establishment of new settlements throughout Israel without consideration of agglomeration and size advantages, this doctrine guided by both a vision of settling the country and security considerations. Social and geographic processes, and recognition of the exhaustion of land resources brought about the formation of a new philosophy in the 1990s, that speaks of central distribution: Distribution of activities on the national level and concentration on the regional level. Spatially balanced distribution on the national level means that development of the periphery, the Galilee in the North and the Negev in the South, remains a national objective.

## **Limitation of the growth of rural settlements, primarily in the country's highly desirable Central Region**

According to National Outline Plan 35 estimates, without program intervention market trends give rise to the real possibility of the formation of a contiguous urban construction zone of national proportions in the center of the country. The Plan defined this possibility as a danger and serious threat to the quality of life in Israel. Fears of Israel becoming a city-state focus on the following:

- I. Total obliteration of the differentiation between constructed areas and open spaces and the loss of most open space
- II. Loss of the clear advantages of the existence of definite urban centers and the supply of commercial, cultural and entertainment urban activity
- III. Elimination of the option of railway or motor public transportation and complete acquiescence to the private vehicle as the only means of transport

The rural area in the center of the country is at the frontier of development pressures. Few rural settlements were included in the urban reference units ("textures") of the Plan, and the option of urbanization remains open to them. Despite this, expansion of the rest of the rural settlements, found in protected "textures", is restricted. The maximal number of housing units in each settlement in the rural sector until 2020 was determined by either the number of agricultural units or relative to its size according to the most recent population census. In peripheral areas where demand is lower in any case, restrictions on the development of settlements are less severe.

## **Re-use of Urban Land**

Aspirations to preserve diminishing land resources, buttress old cities losing vital population to the suburbs, halt the physical deterioration of these cities, encourage the use of public transportation and reduce social disparities, validates institutional intervention to promote urban renewal. Israel's national planning policy deals with renewal and re-use of urban land.

An operative means, already under way and likely to be successful, is a project that provides government funding for construction removal initiatives. Central Government involvement in this project, contrary to similar attempts in the past, focuses on planning and setting criteria for funding. Beyond this involvement, free-market forces will be allowed to operate. Local authorities apply for government funding by submitting site proposals to an inter-ministerial committee, headed by the Ministry of Construction and Housing. Competition for finances is based on the competitive worthiness of various sites. Pre-defined criteria for evaluating proposed site projects require: increased building rights (density) according to the estimates of an assessor, a maximal number of rights holders per lot – to increase applicability, an assured number of demolitions, etc. A management company undertakes planning for approved sites. The entrepreneurs are the bearers of the land rights. This project initiative derived from the supposition of the existence of market failure in the advancement of planning to enable the addition of rights to urban land.

## **Refraining from Establishing New Settlements, Other than on the Periphery**

The establishment of new settlements was for many years a central tenet of Israel's planning policy. However, recognition of the importance of scaling down the number of new settlements, other than on the geographical periphery or under special circumstances, has gathered support over the last decade. Considerations have been: economic- the aspiration to buttress existing settlements and to prevent spatial polarization; and environmental - the preservation of open spaces and increasing the density of development.

## **Investment in transportation development, and public transportation systems**

All national plans prepared in Israel over the past decade emphasize the vital importance of massive investment in development of transportation infrastructure, especially public transportation systems. The plans call for the Government to allot the necessary funds for that purpose. Thus far, the success of these programs has been partial.

## **Defining regional employment centers**

Distortions in the Israeli taxation system created a situation in which local authorities lose money on every additional resident within its jurisdiction, but benefit greatly from every cubic meter of employment within its area. Consequentially, each local authority works toward the development of its own employment center. This state of affairs is undesirable from a national perspective. There is a surplus of employment areas, land waste, no advantage to expand and difficulty providing public transportation services to a large number of small employment centers. In order to confront this phenomenon, National Outline Plan 35 promotes a philosophy of regional employment centers, and rejects the antiquated philosophy of local occupational independence. The urban "textures" should serve as units of municipal cooperation and for the definition of integrated urban systems functioning as one. Additionally, the Plan severely restricts criteria for approval of new employment centers when they are not shared by a number of local authorities and well served by public transportation.

## **Recognition of the unique needs of various population groups**

National plans prepared in Israel in the 1990s recognize the need to adjust planning to the characteristics and desires of the various population groups comprising Israeli society. The housing patterns of some population groups, such as the Arab and Ultra-Orthodox Jewish populations have unique characteristics. As such, planners reached the conclusion that planning cannot be done for the "average Israeli", but rather for a diverse Israeli society. In this respect, National outline Plan 35 aspires to give rise to spatial and cultural diversity and functional integration. Spatial and cultural diversity, meaning distinct housing patterns for anyone that so desires, on various geographic levels: region, settlement, neighborhood. The emphasis is on honoring the wish to conduct a culturally different way of life, while providing the possibility for each population group to reside, if it should wish, in its own space and location, where it can bestow its heritage upon the younger generation and cultivate its identity. The hope and expectation of the Plan is that the population groups will never be completely isolated from one another. The functional integration to which the Plan aspires will be given spatial expression with the creation of common "junctions", where various population groups will work, shop, learn, spend time, meet, and exchange ideas. Among the significant "junctions" are urban centers, regional employment centers and open spaces, which will provide a response to the common recreation and leisure needs of the various groups, and a transportation system, primarily public transportation.

# **THE NATIONAL OUTLINE SCHEME FOR BUILDING, DEVELOPMENT, AND PRESERVATION**

## ***AN EXECUTIVE SUMMARY***

**Written by:**

Ms. Dina Rachevsky, Planning Authority, Ministry of Interior

## **National Outline Plan 35 - The Main Points of the Plan**

It is important to view this habitat report within the framework of the revolution that is presently taking place in terms of national planning. Decision-makers in Israel have come to the realization that future quality of life for the country's growing population is directly linked to sustainable development. With this at the forefront of national consciousness, planners have come together, on an inter-ministerial level, to produce workable guidelines for national development and land use. The resulting Outline Plan 35 represents a serious effort to institutionalize environmental values, making them an integral part of the Israeli statutory planning system.

### **Background**

National Outline Scheme 35 ( *NOS 35* ) was prepared by the Planning Administration of the Ministry of Interior together with the various working committees, steering committees and a staff of professional planners. Currently, *NOS 35* is being considered by the National Planning and Building Board, in accordance with the guidelines established in the Planning and Building Law. There are four remaining stages before *NOS 35* receives government approval: (1) The National Board must first decide to pass the plan along to the regional and local councils for comments. (2) The regional and local councils then need to discuss the plan and formalize their comments. (3) The National Board then has to receive and review the comments and pass the entire plan on to the government. (4) Finally, the government will consider and approve *NOS 35*.

*NOS 35* incorporates two parts: (1) A compendium of statutory guidelines with accompanying maps at a scale of 1:100,000, and (2) a written text which presents a series of recommendations and complementary policies that will help actualize the goals of the plan.

## **National Outline Scheme 35 - The Guiding Principles**

The overall spatial pattern of *NOS 35* is based on two principles:

### **The Principle of "Population Clustering"**

This principle was initiated in the "*Israel 2020*" project and calls for an organized redistribution of population density. The approach to achieving this goal is to distribute the population nationally while concentrating it locally. *NOS 35* quantitatively describes how this principle will be achieved with the following national goals: rapid development in the southern region, controlled development in the northern region, tapering of the growth in the central region, strengthening Jerusalem, and significantly improving the infrastructure and quality of life of the core metropolitan areas of the Tel Aviv and Haifa regions. The broader policy implications of the goal of population concentration at the local level include: urban building and development connected to existing urbanized areas, the creation of large urban sectors to optimize land resources, and an effort to prevent the splintering of such urban development into a large number of small developments.

### **The Principle of Metropolitan Structure**

The principle of metropolitan structure for settlements in Israel began with *NOS 31 - for Building Development, and the Absorption of Immigration* and was broadened in its scope in the *Israel 2020 Plan*. According to this principle, a majority of settlements and cities in Israel as well as a large majority of industrial zones are organized in the framework of four metropolitan regions: Jerusalem, Tel Aviv, Haifa, and Beer Sheva. *NOS 35* views the strengthening of these metropolitan centers as one of its main planning objectives and recommends a series of steps to realize these goals. The implementation of these steps is essential to maintaining the economic standing of the metropolitan areas and to improving the level of urban services and the quality of city life.

## **NOS 35 - Three Specific Principles based on the Major Principles**

### **The Principle of "Urbanism"**

Given the high rate of population growth and economic development that characterizes Israel, *NOS 35* prioritizes the development of urbanized areas to allow these areas to absorb residents, to improve the urban quality of life, and to make the cities more attractive. In the absence of such a concerted plan, experts predict a transformation of rural areas into suburbs. The outcomes of this type of sprawl would include the exit from the urban centers of the wealthier population, the need for heavy investment in new infrastructure, traffic congestion, an inefficient use of land, and a polarization of society.

In order to facilitate the development of urban areas, *NOS 35* defines broad areas as "urban clusters." These include the large settlements and the adjacent areas (both next to and outside the legal borders of the existing city). With this provision, the plan declares on the national planning level that all future urban development will be located within these urban clusters and will address the expansion of the existing urban centers.

### **The Development Goal of Demarcating Cities**

*NOS 35* strengthens the urban sector in two areas in which there currently exist tension:

#### **The conflict between the city and the surrounding agricultural settlements.**

In the current situation, agricultural collectives (moshavim) and communes (kibbutzim) are offering a supply of attractive housing that competes with urban centers. This situation is typical in the center and peripheral regions and, therefore, harms both the large and small cities. To address this problem, *NOS 35* establishes guidelines for agricultural settlements within areas that were designated as urban and urban-village clusters that are interested in expanding beyond their rights established by decision 737 of the Israel Lands Council. These agricultural settlements are obligated, at the time of building approval, to be included within the legal border of the adjoining city or at least an agreement must exist to share municipal services with that city. Outside of the areas designated to be urban, *NOS 35* restricts allowable expansion of agricultural settlements.

#### **The competition for economic and industrial areas.**

Regional councils offer attractive opportunities for industrial development for the following reasons: They have large tracts of land at their disposal, they can offer competitive real estate prices and rents, and they can provide tax relief to developers. Thus, the regional councils compete with the cities adjacent to them, which have many inhabitants, expensive property costs, and high real estate taxes. Regarding this conflict, *NOS 35* favors the cities and establishes that commercial centers designated to serve the city population must be established within the borders of the city, or with an agreement of income sharing, or within an approved commercial center. Similarly, *NOS 35* has established conditions limiting the construction of commercial areas within the rural sections and protected reserves, as opposed to more permissive conditions when constructing these sites within the urban regions.

#### **The revitalization of cities: Optimizing residential density and development**

*NOS 35* obligates realizing the use of all the space that has currently been planned within the city borders before it approves building in open areas. Similarly, *NOS 35* establishes a minimal density for all new residential building plans. These densities vary by region and city. The purpose of this regulation is to implement a policy of spreading the population while ensuring that no area of high demand will be developed with low density residences. On the other hand, this regulation allows for attractive lower density development in peripheral settlements and regions with low socioeconomic status.

## **Protection of open areas for agriculture and recreation**

*NOS 35* establishes objectives that prevent turning agricultural villages into suburbs. The plan distinguishes between those areas that are clearly best for maintaining an agricultural character, and those areas that have the potential for high density, high quality urban development. The plan includes two million dunam of land for national parks and nature and scenic reserves in addition to the land which was designated for these uses in *NOS 8*, the plan which originally defined the nature reserves, national parks, and scenic areas.

*NOS 35* includes roughly one million dunam of areas that are not protected by any other plan, but have cultural, scenic, historical, or natural value. According to the principles of the plan, on these areas, residential development is curtailed while very limited development for tourism is permitted.

Additionally, the plan marks waterways and their environs, buffer zones between foci of development, strips of scenic areas, and the city seashores as open public spaces. For all of these areas, the plan limits development, except for purposes of leisure and recreation and establishes stringent guidelines for these permitted activities.

## **Development of public transportation systems**

*NOS 35* concentrates the development areas in accordance with the deployment of the public transport and planned mass transit systems. Public transportation is viewed as a backbone for the urban development.

The plan enables intensive, high density building close to the transportation centers and makes possible the establishment of new employment areas in the vicinity. The intention of this policy is to create a critical mass of population around these transportation centers as an incentive for the development and use of public transportation.

*Besides these three objectives that are the foundation of the plan, NOS 35 emphasizes:*

### **1. The development of the Negev and the Galilee**

An aim of the plan is to place the Negev and the Galilee at the center of national planning. In addition to the possibilities of widespread development, which are outlined in the diagrams and directives, the plan offers specific socioeconomic policies for the development of the Negev and Galilee. These policies provide an increased and ongoing ability to compete with the center and should make possible continuous economic growth and a strengthened society. These policies include: redeployment of population to the Negev and the Galilee, investment in the physical infrastructure and human capital, development of employment and services, wide ranging and careful preservation and improvement of landscapes and their historical legacy, and the maintenance of open spaces for recreation and tourism.

### **2. Responding to the needs of different population groups**

*NOS 35* identifies and analyzes the outlook, desires, and aspirations of different population groups in Israeli society. The plan incorporates the variety of concerns in the Israeli population to respond to these differing needs. The plan's consideration of the Israeli diversity of culture is designed to honor the cultural legacies and traditions and accordingly sometimes provides for separation between groups. This planning solution reflects the country's mosaic of cultures and has its expression in the preservation of the unique structure and variety of landscapes and settlement areas. On the other hand, the development plan is also directed at cooperative functions as seen in the recommendation to establish regional employment centers.

## ***Chapter 1 : SHELTER***

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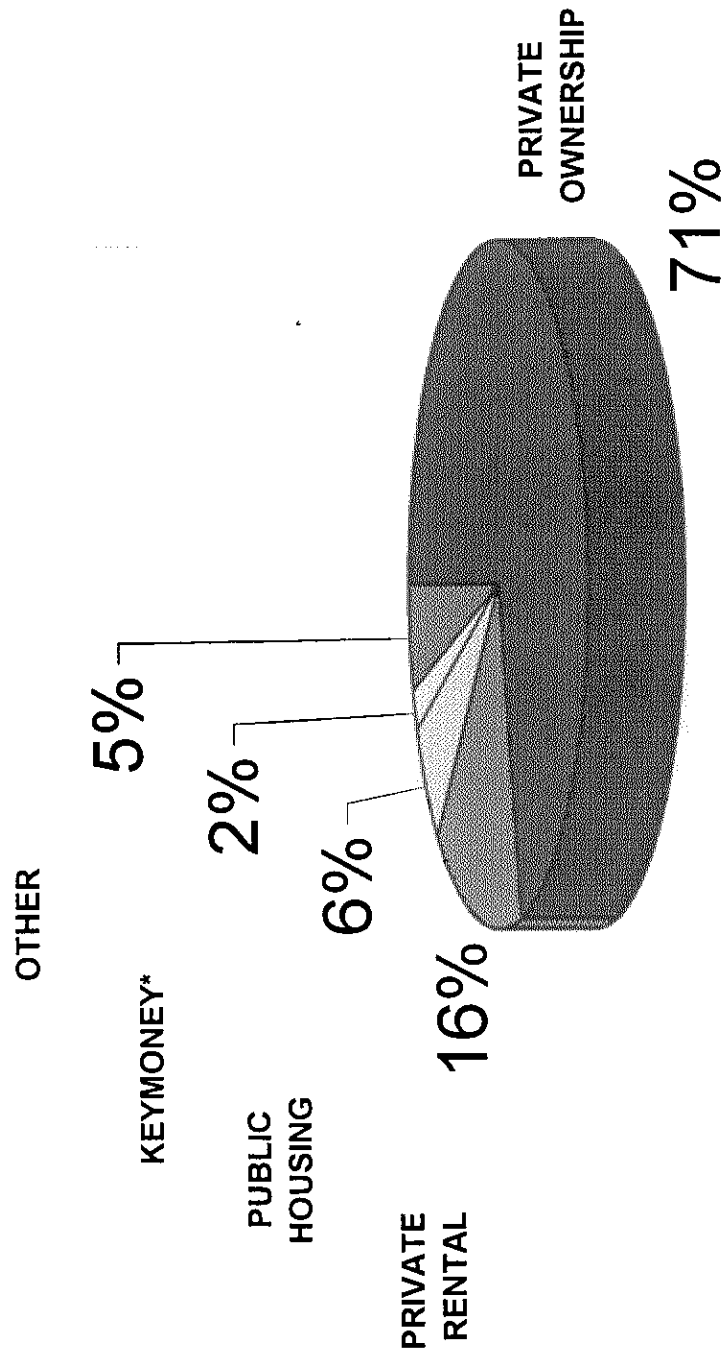
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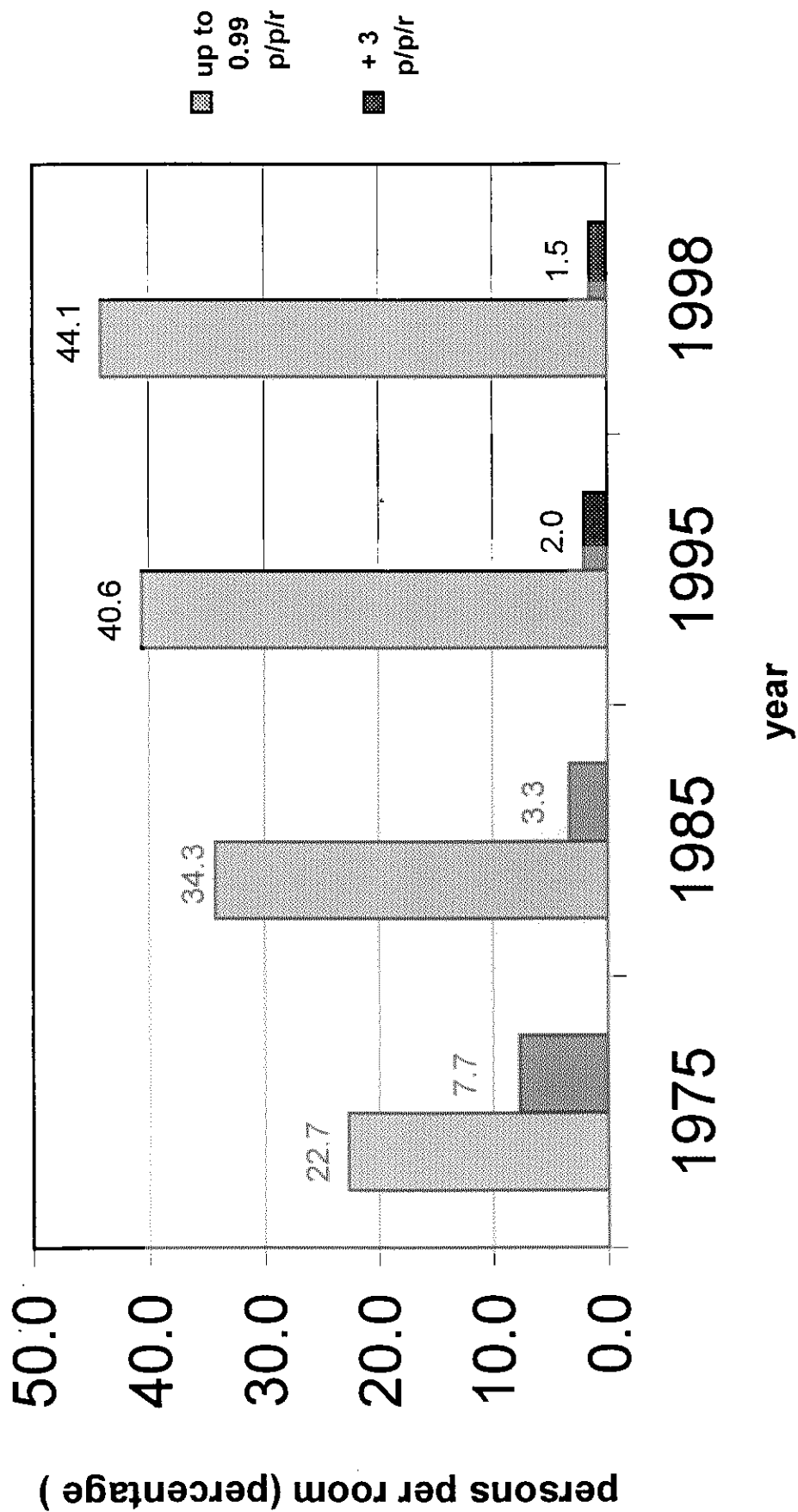
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# THE DISTRIBUTION OF HOUSING TYPES IN ISRAEL



# HOUSEHOLDS BY HOUSING DENSITY



# 1. Security of tenure

## Tenure types

The most common housing status in Israel is one of the safest categories of tenure which is private ownership. Seventy one percent of housing in Israel is privately owned.

Sixteen percent of housing in Israel is privately rented. It is important to note that even in cases where tenants have not paid their rent, an eviction must be carried through the courts. This procedure is long, arduous and expensive for the landlord who cannot generally be awarded compensation from a tenant of no financial means.

Six percent of housing in Israel is public housing (at a very low rent). Recently, the government has decided to allow long term tenants and their resident offspring the chance to purchase their flats at prices, adjusted in respect of the rent paid over years of tenancy, that represent a small percentage of market prices.

Two percent of Israeli housing is by "keymoney". This is a system of rent controlled housing, usually in big city centers, whereby the renter cannot be evicted and may sub-let to another tenant who is then protected under the same conditions as the original renter.

## Legal and Agreed Evictions

Evictions in Israel take place only to make way for large public works projects and or to improve the living conditions of deprived populations. The rule of thumb for the various public authorities charged with the task of housing the evicted families is that under all circumstances the family's standard of living must be raised as a result of eviction.

Evicted families are compensated in monetary terms - the preferred government policy - or re-housed in an appropriate manner. Minimal standards of improved living conditions for evicted families are in accordance with national averages as follows:

family of 4 persons.....	80 sq. meters
family of 5-6 persons.....	100 sq. meters
family of 7 + persons.....	130 sq. meters

The average annual number of household evictions during the past five years is estimated at between 600 and 1000 per year. Approximately 65 % of the evictions carried out were for reasons of improving the living conditions of immigrant populations housed in temporary structures such as caravans, or substandard public housing that is no longer viable.

The budget allotted by the Ministry of Construction and Housing for re-housing evicted persons in the year 2000 is approximately \$ 7 million. Evictions for purposes of urban renewal and development are carried out primarily in cases where the value of land is increased by development, rendering the project economically viable. In dealing with urban slums, the only solution is often to re-house residents and rebuild the area. Where this is not economically viable, the government pays for the entire process.

A case in point would be the "Rakevet Neighborhood Project" in Lod. This project is set to run for approximately one and a half years, at a cost to the Israeli government of approximately \$ 25 million, extraneous to the yearly budget for 2000. The purpose of eviction here is to alleviate poverty and wipe out elements of crime in the designated area by rebuilding. This area was populated by 309 Bedouin families who migrated north to the center of the country in the '50s and '60s in search of employment. They installed themselves as squatters in an illegal shanty neighborhood of shacks and makeshift shelters with little in the way of basic services. The government had allowed them to stay there with a view to resettling them at the nearest opportunity. Forty two of the families were settled in permanent housing some years ago. The remaining families will now receive fully serviced single family houses on a plot of land only meters from the original site in accordance with meterage standards specified above.

## 2. The right to adequate housing

### Housing rights

The following is an excerpt from Israel's Report to the United Nations on the implementation of the International Treaty on Civil and Political Rights, including a brief description of legislation forming the basis of equal rights in Israel.

Israel did not enact a constitution upon its establishment, as called for in its Declaration of Independence. Instead it has chosen to enact Basic Laws regarding different components of its constitutional regime (giving written constitutional footing to a series of fundamental individual rights). These Basic Laws, taken together, comprise a "constitution-in-the-making".

"...Despite the lack of explicit, written constitutional guarantee, the right to equality has been firmly entrenched as a binding, over reaching principle in Israeli law since the beginning of the post-independence legal system. Israel's Declaration of Independence, drawing on the Universal Declaration of Human Rights, provides that "the state of Israel will maintain equal social and political rights for all citizens, irrespective of religion, race or sex."... (T)he Supreme Court has relied on (the Declaration), as well as on common-law doctrines requiring administrative authorities to act in good faith and consistently with public policy, to establish the right to equality before the law as the "life and breath of our entire constitutional regime" (H.C.J. 98/169, Bergman v. Minister of Finance 24 (1) P.D. 639,698), and to make that right enforceable in the courts."

1. In general, the broad subject of housing rights and the right to housing is only generally institutionalized in the framework of general laws in the relevant subject areas, i.e. real estate law, contract law, property law, etc. Nevertheless, specific legislation also exists. The Tenant Protection Law prevents the tenant from eviction, but does not relate to all types of housing in Israel. The State assists in the provision of loans for the purchase of housing according to the Housing Loans Law, which does not differentiate among groups on basis of gender, race, religion, etc. Likewise, the State houses the underprivileged in public housing not regulated by special law.
2. As a rule, there are no gender, race, religious or other similar restrictions on the ownership of private land. Basic Law prohibits transferring the ownership of State land. Long-term lease of these lands is available. The prohibition by Basic Law is not limited to specific groups.
3. The Law of Israel does not include inheritance restrictions relating to women or any other specific groups.
4. The Law of Israel does not include loan or mortgage restrictions relating to women or any other specific groups.

### Housing price-to-income ratio

Israeli free-market housing prices vary greatly according to the market demand for property in particular geographical areas. In general, prices range from very high in the center of the country and low around the periphery.

It is important to realize that the weakest segments of the population, often the newest immigrants, receive government grants, rent allowances and cut rate mortgages, which allow them to participate in free-market.

The ratio of the median free-market price of a dwelling and the median annual household net income, was 6.05 in 1998. In other words, it takes approximately 6 years of median gross income to purchase a dwelling. In practical terms, 20-30 year mortgages are available to the average Israeli family, and accessing these mortgage facilities would be the norm.

The ratio of the median annual rent of a dwelling unit and the median annual household net income, was estimated at .35 in 1998. This means that the renter household is paying out approximately 35 % of its annual income in rent.

### **3. Equal access to land**

#### **Land price-to- income ratio**

The ratio of the median price of 10 sq. meters of developed land and the median household monthly income is 10,000:2,000, or 5.0. In other words, it would take approximately five months income to purchase 10 sq. meters of land.

### **4. Equal access to credit - mortgages**

All first time buyers of housing in Israel are entitled, by law, to a government subsidized mortgage plan, which amounts to approximately 15 % of the cost of the dwelling unit, and a larger percentage in preferential development areas. In general, the bank requests at least 5 % of the cost of the dwelling in a down payment (but not always). New immigrants receive improved mortgage packages, e.g. immigrants from Ethiopia are entitled to a government subsidized mortgage covering 99 % of the cost of the dwelling unit.

At present the market is a buyers market, and with stiff competition from the various banks, the customer, to some extent, wields bargaining power. Low income families who cannot qualify for bank mortgages, and do not fall into a special aid category, are entitled to generous government rental subsidies.

According to a study conducted by Dr. Mina Tzemach, 63 % of couples who married between 1982-1993 had, by 1995, taken advantage of their entitlement to a government subsidized mortgage. At least 71 % of new immigrant families from the former Soviet Union, who had arrived between 1989-1999, had purchased their own homes.

### **5. Access to basic services**

Basic services in Israel comprise two categories of reference; one being social services such as health and education (see chapter 2), and the other services relating to physical connections to engineering infrastructure services. This section will deal with engineering and infrastructure.

#### **Water**

Approximately 98-99 % of the population of Israel has immediate access to water. Households in informal Bedouin settlements of the Negev Desert receive water channeled through a number of collection taps situated along major pipelines. Since 1996, the number of collection points has been increased by 40 %. Presently there is a concerted effort being made to change the system of water supply so as to lay pipes directly into the settlements.

Being that up until now the collection taps have been centralized and far from certain settlements, the government has been tendering for Bedouin middle men who have been given the right to channel water from the main source to the settlements. In order compensate for the middle man's charge of approximately \$ 0.072 US per 100 liters of water, the government has been charging a subsidized price of only \$ 0.028 per 100 liters of water, bringing the price per 100 liters to a reasonable total of \$ 0.10 per 100 liters.

#### **Household Connections**

##### **Connection to water and sewage system:**

Connection of housing structures to the water and sewage system indicates the basic economic ability of the population, as well as the normative level of performance of infrastructure systems.

Examination of the subject in Israel reveals that 96% of permanent households are connected to the water and sewage systems. In the scattered Bedouin-populated areas, most households are connected to the water and sewage system, while a small portion of households are connected to a system still based on cesspools. Since the Bedouin population has for 30 years been undergoing a processes of transfer to permanent housing, the relative portion of households connected to water and sewage systems is ever-increasing.

#### **Connection to electricity:**

Worldwide and Israeli energy consumption is increasing over time and expected to continue increasing proportionally to world population and economic growth. Nevertheless, future increases in the efficiency of consumption, energy consumption trends and oil price developments are uncertain.

Examination of the extent to which the Israeli population is connected to electricity reveals that there are approximately 1.937 million consumer households (average household size of 3.4 persons); a relatively high level of service.

Based on possible world and Israel scenarios for development of energy systems, the State of Israel is prepared and maintains short, medium and long-term energy plans. Scenarios are based on economic growth, resource policy, technology and environmental factors. Planning relates to industry, services, transportation and domestic use.

#### **Connection to Telephone:**

In light of intensive technological developments in the last half-century, communication enables the transfer of information and knowledge across distances, by physical or cordless means. Changes in the economic system and consequentially in social and political systems have intensified the importance of communications in the last two decades.

Information and knowledge are becoming increasingly meaningful in terms of required input for technological productivity as a result of the following two factors:

1. The proportion of knowledge-intensive products is increasing, as a result of processes of research and development – products of information and knowledge.
2. The use of communication mediums enables control from a distance, which also enables the distribution of economic activities to many locations and the utilization of local advantages (land resources, human resources, institutional benefits, etc.). The competition over these advantages causes greater dependence on knowledge.

Connection to telephone is therefore an important indicator in estimating economic development levels, the level of government involvement in economic activity in international markets and the level of social and cultural exposure to unique global innovations and processes.

Examination of the subject in the State of Israel reveals that approximately 98% of all households are connected to the telephone system, about 2.7 million persons have cellular telephones and Israelis enjoy a relatively high rate of Internet traffic and e-mail use.

## ***Chapter 2 : SOCIAL DEVELOPMENT AND ERADICATION OF POVERTY***

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## **6. Equal opportunities for health and safety**

### **Under-five mortality rate**

Statistics show that the percentage of male and female infants who die before reaching their first birthday, is highest within the first three months of life. As of 1996, this figure was at 6.3 per 1000 infants, or .63 percent of babies under one year of age.

In 1996 the number of male and female children who died between the ages of one and four is 0.4 per 1000 residents, or .04 percent of children between one and four.

It is important to note that the infant and child death rates have gone down drastically over the past 40 years across the wide spectrum of populations in Israel. Between 1955-59 the infant death rate stood at 36.5 per 1000, from 1965-69 it was 25.5 per 1000 and from 1985-89 it was 10.9 per 1000.

### **Crime rates**

Between the years 1980-98, the population of Israel grew by some 54 %, approximately half of which comprised 1,033,378 new immigrants. This situation is known to have resulted, to some extent, in a shift of societal norms. It is within this context that we must view the crime rates in Israel.

In 1980 there were a total of 215 murders and attempted murders in Israel, or .06 per 1000 population. In 1998 that number had increased to 260, or .04 per 1000 population, an increase of approximately 30 % in real numbers, but a decrease of .02 per 1000 population.

In 1998 there were 584 reported rapes, representing approximately 0.2 rapes per 1000 women. Unfortunately, there is no way to estimate the number of rape occurrences that go unreported each year.

Thefts in 1980 numbered 113,931, or 29.38 per 1000 population, and in 1998 174,507, or 29.23 per 1000 population. This represents a real number increase of approximately 53 %, yet a decrease of .15 per 1000 population.

It should be noted that according to the Central Bureau of Statistics' Victimization Survey of 1990, 52.7 % of all thefts during that year were never reported.

### **Urban violence**

There are some dangerous areas in some densely populated low income areas in the center of the country where drug trafficking may lead to waves of crime and violence. Violence in schools has recently become a problem in Israel, and is dealt with by various programs instituted by the Ministry of education.

The Ministry of Labor and Social Affairs holds as one of its primary objectives, the reduction of family violence. The Ministry's activities, in this regard, center around the various aspects of law enforcement, prevention of violence, treatment of victims of violence, rehabilitation of perpetrators and victims of violence, and public awareness about the subject. This is in accordance with national laws and policies on reporting incidences of violence, prevention of violence in the home and protection of women and children against violence.

The Ministry, together with the newly established Inter-Ministerial Committee for the Prevention of Violence and the National Council for the Prevention of Crime, is responsible for assessing the public's need for programs relating to the prevention and treatment of violence on a yearly basis. Their findings are analyzed with a view to strategic and integrative planning and the allotment of appropriate budgets to fund crime prevention activities.

With funds contributed by government bodies and public and private organizations, the Ministry has been able to establish and maintain:

- 22 women and children's shelters and 43 permanent dwellings housing approximately 900 women and almost 1,500 children
- 22 family counseling centers serving approximately 6,500 families
- 8 telephone helplines receiving approximately 7,110 calls per year



- 2 hostels for violent men housing 80+ men
- 12 centers for aiding victims of sexual molest treating approximately 10,000 victims per year
- 25 parent-children communication centers (for children not living with one or both parents) serving 582 families
- 7 children's hostels serving 500 children
- 3,500 family assessment reports conducted with a view to removing violent persons from their homes

There is a stringent and efficient weapons control program instituted by the weapons licensing authority at the Ministry of the Interior.

## **7. Social integration and disadvantaged groups**

### **Poverty, income inequality and government policy**

The rapid economic growth prevailing in Israel during the period 1990-1995 turned into a slowdown in 1996-1999. During 1997-1999, the GDP rose by an annual rate of 2.4 percent, compared to 5.4 percent in 1993-1996 and 6.3 percent in 1990-1992. To a large extent, the economic slowdown was an unavoidable result of the restrained monetary and fiscal policies adopted by the government during 1996-1999, in an effort to attain both its deficit and inflation goals. The slowdown was accompanied by a sharp increase in unemployment: the unemployment rate, which dropped steadily from 11.2 percent in 1992 to 6.0 percent in 1996, changed course and began climbing, reaching 8.9 percent in 1999. The rise in unemployment was not equally distributed; it hit mainly the traditional sectors and peripheral areas, affecting the less educated, the very young, and the older workers. The heavy price in terms of unemployment and loss of product has sharpened the public debate as regards the future goals of economic policy and the desired measures to achieve them. While many acknowledge the achievements of the restraining policy, particularly in curbing the inflation, there is a concern that further adhering to this policy might prevent the economy from realizing its potential growth.

Despite the recent government policy of reducing public expenditure and the ever-increasing pressure to cut transfer payments and social services budgets, government expenditures on social services grew in 1995-2000 at an annual rate of 4.6 percent, on average, reaching 20 percent of the GDP in 2000 as compared to 18 percent in 1995. Government transfer payments (most of which are social security benefits) grew by 6.6 percent annually, whereas expenditures on direct social services (such as health and education) rose by 3.5 percent. Government expenditures grew in per capita terms as well. Aside from demographic changes, the rise in government expenditures is mainly due to efforts to improve the transfer payment system, on the one hand, and to the increased unemployment, on the other hand. The former included increasing benefits to low-income and disadvantaged groups within the framework of the Laws to Reduce Poverty and Income Gaps (August 1994 and June 1995), equalizing the child allowances to all large families, irrespective of military service (1994-1997), expanding the coverage of the old-age benefit to include housewives (1996), and increasing benefits to the disabled so as to assist them in mobility and daily functioning (1999-2000). As for the impact of unemployment, the two main schemes that ensure income for the unemployed – unemployment insurance and income support – bore an increasing economic burden in these years, when both the number of beneficiaries in these schemes and the scope of payments increased. About a third of the growth in total benefits paid by the National Insurance Institute can be attributed to the increase in payments of unemployment benefits and income support allowances.

Only slight changes occurred in the dimensions of poverty and income gaps in Israel during this period. This stability is notable, in view of the recession in economic activity and the slack in the labor market. It testifies to the central role played by the system of transfer payments in ensuring economic protection in times of unemployment and distress. Still, the country's social situation remains a cause for concern. The prevalence of unemployment and economic uncertainty do not herald a turning point in poverty and income gaps, nor do they guarantee that the stability shall continue.

### **The measurement of poverty in Israel**

Poverty data in Israel has been systematically collected and published since the early 70's by the National Insurance Institute (NII). The measurement of poverty is based on the relative approach, according to which poverty reflects relative distress that should be evaluated in relation to the standard of living characterizing the population as a whole. Although a family's standard of living is a multi-dimensional concept, expressed through various aspects (income, housing, health, education, etc.) the poverty measure is based on income data alone, which are available on an ongoing basis. The poverty line in Israel is defined as 50 percent of the net median income, adjusted to family size. That is, a family whose adjusted net income falls below half the net median income is regarded as poor. Each year the NII publishes a poverty report within its annual survey, which is submitted to the government. The report on poverty usually receives wide coverage by the media,

raising the major issues on the public agenda as well as helping the government reassess its anti-poverty policy. Because there is almost a two-year lag in the collection of data by means of Income Surveys, the last report relates to 1998.

## **Recent developments in poverty and income distribution**

According to the NII 1998 report, 16.6 percent of all families in Israel had net income below the poverty line, with the average net income of a poor family being 75 percent of the poverty line. The poverty incidence among persons and children was higher, 18.0 and 22.8 percent, respectively. Poverty is not equally distributed among population groups; it is more frequent among families whose head does not work (58.8 percent), large families (34.9 percent), and single-parent families (27.0 percent). The incidence of poverty among the elderly (18.7 percent) is only slightly higher than that in the population as a whole.

The developments in poverty dimensions during the years 1994-1998 shows that the incidence of poverty among families fell from 18.0 percent in 1994 to 16.0 percent in 1996 and then rose a bit to 16.6 percent in 1998. This is so despite the fact that when measured by factor income, poverty incidence remained quite stable over these years, at the level of 34.2 percent, on average. This implies that the poverty-reducing effect of transfer payments and direct taxes strengthened in 1996, as compared to 1994, but somewhat weakened in 1998. Indeed, in 1994 transfer payments and direct taxes extricated from poverty 47.2 percent of the poor, compared to 53.4 percent in 1996 and 51.3 in 1998. The improvement in poverty in 1996, as measured by net income, resulted mainly from the implementations of the Laws to Reduce Poverty and Income Gaps (August 1994 and June 1995), which increased the level of benefits paid to low-income families, as well as from equalizing the child allowances paid to large families whose members did not serve in the army with the level paid to those who did, a process which started in 1994 and ended at the beginning of 1997. By 1998, the beneficial effects of the Anti-Poverty Laws and the child allowance equalization process diminished, which together with the adverse effect of the expanding unemployment, apparently account for the upward trend in the incidence of poverty. The relatively moderate increase in poverty despite the substantial rise in unemployment is attributed to the increase in the number of families receiving benefits from the unemployment and income support programs, destined to guarantee income to the unemployed and their families.

The fall in poverty rates between 1994 and 1998 characterized not only the population as a whole but specific population groups as well. The fall in poverty was prominent for single-parent families and the elderly. This is so because the government policy to increase benefits was targeted towards these groups. The poverty rate among single-parent families declined from 40.7 to 27.2 percent, and among the elderly - from 25.1 to 18.7 percent. It is worth noting that the poverty rate among families headed by an employee increased during the relevant period. Hence, participation in the labor market does not necessarily protect workers from falling into poverty. Low wages and employment instability may account for this phenomenon.

Transfer payments and direct taxes, both of which are very progressive, play an important role not only in reducing poverty but also in narrowing income gaps. Almost 44 percent of all transfers are paid to the lower quintile of families, who pays less than 2 percent of all direct taxes, whereas the higher quintile receives less than 10 percent of all transfers and pays almost 70 percent of all direct taxes. Consequently, in 1998 transfer payments and direct taxes reduced income inequality, as measured by the Gini index, by 31 percent. During the years 1994-1998, factor income inequality increased, as a result of the growing unemployment and the widening of the wage gaps. Transfer payments and direct taxes partially offset the increase in factor income inequality, increasing net income inequality by a smaller magnitude. The upper quintile share in total net income rose from 40.7 percent in 1994 to 42.1 percent in 1998, on the expense of all other quintiles. The Gini index of net income increased by 3.0 percent during this period.

## **Future challenge**

At the initiative of the Minister of Labor and Social Affairs, Mr. Eliahu Yishai, a Public Council for Reducing Gaps in Society and War on Poverty was set up in 1996. The Council submitted its final recommendations in December 1999. The Council, including its five committees, examined economic and social distress not only from the point of view of income, but also in the areas of education, housing, health and social services. It recommended ways of improving the existing methods of measuring poverty and incomes gaps, and increasing the knowledge of these phenomena, in order to build a more concrete basis for developing social policy and early intervention programs. The Council committees recommended a wide range of policy measures in the area of social services, the emphasis being on (a) locating at-risk populations and identifying needs, which the present system does not adequately meet, and (b) allocating special, targeted resources to the weak sectors and to settlements in the periphery, and encouraging social initiatives for developing new projects, particularly at the local level.

The distribution of transfer payments and direct taxes, by deciles (rounded off percentages), 1998



As to the labor market, the recommendations of the Council's committees focused on policies of increasing the individuals' competence to join the labor market and improving earning capacity, mainly by investing in education and encouraging participation in the labor force. In addition to a macro-economic policy encouraging growth and employment, it was recommended to make the mechanisms of arbitration between the individual and the labor market more efficient and to reduce the number of foreign workers. The protection of weak employees in the labor market – by enforcing labor laws, encouraging unionization of workers and equalizing the wages of workers employed by means of manpower companies – was recommended as a central component of the policy to reduce wage gaps.

In view of the above recommendations, first steps have already been taken. Recently, four major surveys of populations at-risk of poverty (the elderly, disabled adults, children with special needs and persons receiving income support benefits) have been conducted. Special emphasis has been placed in these surveys on integrating information with regards to health condition, disability, standard of living, employment history, sources of income, service provision and unmet needs. The surveys will enable policy makers and service providers to evaluate and reassess current policy measures.

In 1999 the government decided on conducting a large-scale experiment for integrating long-term unemployed individuals, especially those receiving income support benefits, into work. More specifically, the purpose is to enhance employability through targeted training, rehabilitation measures and intensive case management. The Minister of Labor and Social Affairs has recently appointed a special commission to propose an experiment design, to be implemented in several geographic areas and accompanied by evaluative research.

The challenge facing us – the reduction of poverty and the achievement of a more equitable distribution of income – demands a wide range of activities in all areas of family welfare. Economic growth is not sufficient, unless all sectors of the population enjoy its fruits. Due to budgetary constraints, the government of Israel cannot offer a comprehensive solution to social problems in such a short time. However, despite these constraints, society at large is committed to continue to strive to implement the necessary changes, for the benefit of all.

## **8. Gender equality in major socioeconomic issues**

Marking International Women's Day, 1998, the Israeli Knesset (Parliament) voted to establish the statutory body established and maintained by law "the Authority for the Advancement of the Status of Women" (AASW). The Authority's mandate is to formulate policies that serve to eliminate discrimination against women and empower them to take their place in society.

### **Education**

Over-all levels of illiteracy and semi-literacy in Israel are very low, even in geographically peripheral populations. Where necessary, literacy programs have been instituted. Primary and secondary (until the 10<sup>th</sup> grade) education is compulsory by law in Israel. Schools enrolment rates have been consistently high, with the rate for females at 947 per 1000 (aged 14-17) and for males at 888 per 1000 in 1996/97.

In 1995/96, figures for enrolment in universities showed that the percentage of women between the ages of 20-29 enrolled was 11.5, while that figure for men was 8.1. That same year, percentages of female and male students of the same age enrolled in non-university higher education programs were 3.3 and 3.7 respectively.

The Israel Defense Forces, in conjunction with the Ministry of Education has instituted a program to encourage female recruits to enlist in technological branches of the military, and/or to pursue their technological education after being discharged.

Note that vocational courses provided by several government ministries, targeting peripheral areas with high rates of unemployment, have a majority of women participants. In addition, there are leadership training courses for women provided by a number of NGOs active in the field.

### **Health**

Life expectancy figure for 1997 were 80.1 years for females and 75.9 years for males. In the same year, infant mortality rates (under one year of age) were 6.3 per 1000 residents for females and 6.6 per 1000 residents for males. The mortality rates between the ages of 1-4 were 0.3 for females and 0.4 for males.

## **Economy and employment**

Israeli legislation, including the Law for Women's Employment, 1998, guarantees equality for women and offers women extensive protection for specific circumstances, such as pregnancy and other health issues, maternity leave (which can be shared with spouse) and motherhood.

According to "The National Report on the Status of Women in Israel", presented at the Beijing +5 Conference, women constitute 42 % of the civilian working force, and 89 % of them are employees. unemployment still hits women hardest. In 1998 the national unemployment rate was 8.6 %, while the women's unemployment rate was 10 %. Women comprise 70 % of the workers. earning less than average minimal wage, and requiring financial supplement to their earnings.

To combat this trend, Israel has legislated to protect vulnerable groups – women among them. The 1994 Law for the Reduction of Poverty and Income Disparities provides benefits to the poor. The 1995 Law to reduce Poverty – Supplementary Steps, raised income supplements to relevant groups including single-parent families and separated and abandoned women whose husbands are in prison. The Housewife Insurance Law, 1996, enables housewives to become eligible for old age pensions. The 1992 Single Parents law makes almost all single parent families eligible for income support benefit in terms of income supplement, child education grants and priority in vocational training.

The 1996 Equal Pay (Male and Female employees) Law compliments the 1951 Law of Equal Rights for Women, and serves to cut out loopholes that existed in previous legislation to eliminate gendered wage gaps. In spite of this law, the Status of Women in Israel Report describes the related problem of a 60 % female concentration in the small number (less than 25 %) of labor intensive and low paying occupations. Only 17.5 % of women are managers; of these 74 % are concentrated in public services and commerce. The Civil Service has instituted affirmative action policies with a view to equal representation of both sexes in management positions. The Courts have also recognized the principal of affirmative action, e.g. in terms of the Government Corporations Law requiring adequate female representation on Boards of Directors.

The Small Business Authority operates a committee to help women establish small businesses targeting minorities and women residing in peripheral areas.

The Ministry of Construction and Housing, through its "Neighborhood Rehabilitation Program", runs a project directed at providing women, some who've never worked outside the home, with employment-related skills. A series of workshops within this framework provide personal empowerment and interpersonal skills, together with basic employment proficiencies. In five years of operation, approximately 65 % of graduates has found permanent employment.

## **Formal participation in decision-making**

Of the 120 members of Parliament, 15 are women. There are two female Cabinet Ministers and a third Deputy Minister. There are many women on the various parliamentary committees.

Representing a 40 % increase in female participation at local government levels over the last five years, there are now 250 female local council members; accounting for 7 % of local councilors. There are 4 female Council Heads and 25 Assistant Council Heads or Substitute Council Heads. Within local councils there are about 80 women's councils dealing with a variety of issues connected to the status of women, female employment and creative empowerment of women.

## ***Chapter 3 : ENVIRONMENTAL MANAGEMENT***

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## 9. Geographical balance

Owing to awareness of the lack of land resources, the value of nature and landscape, and a distinct array of settlements, National Outline Plan 35 defines the need to focus on Israel's periphery. Concentrated distribution of activities will diminish crowdedness in the central region and relieve pressure on natural resources in general and on land resources, while local concentration will help to curb wasteful and inefficient land development of the periphery. In order to encourage the redistribution of activities from the country's hub to the periphery National Outline Plan 35 allots significantly larger plots of land for development in the periphery than in the center of the country, based on projected needs.

### Defining four metropolitan areas

Israel's macro-spatial development model is based on the designation of four metropolitan areas: Jerusalem, Tel-Aviv, Haifa and Be'er Sheva. The first three are developed metropolises, and the last is a budding metropolis. The four metropolises are scattered throughout the long and narrow state in three clusters: Haifa in the north, Tel-Aviv – Jerusalem in the center, and Be'er Sheva in the south. In areas between and around these four metropolises, national planners in Israel seek to resist developmental pressures and preserve rural and open spaces.

### Preservation of open space

One of the innovations of projects done in Israel in the 1990s is the essence of relating to open space as natural resources and landscape. These programs laid the groundwork for a new philosophy vis-a vis open space, according to which open space has a quality and value of its own, not measured merely by the land's potential for construction and development. The programs represent a progression from the perception of open space as "residue" to that of symmetry and value for construction in the organization of open space. This new approach was given practical expression by comprehensive studies and analyses of the characteristics of open space in Israel and their categorization by environmental and landscape sensitivity. Among the aspects taken into account by these analyses: wildlife, natural growth, rock, relief, hydrology, human and historic resources, agriculture, etc. The following are the main principles of preservation and cultivation consequentially formulated

- The allotment of protected areas as nature reserves and forests within contiguous open spaces
- The preservation of large unadulterated open spaces in the north and south
- Preservation of intermediary spaces and barriers both between and within the metropolitan centers

Determining "game rules" to ensure adjustment of the scope and type of development according to the features of open space.

Significantly, the program also defined agricultural areas as an important component of the array of areas worthy of preservation.

### Distinction between development-worthy areas and preservation-worthy areas

As a statutory plan, National Outline Plan 35 proposes legal means of shaping the nation's open space in accordance with desired macro-spatial structure. To that end, the program draft divides the state's entire area into six reference units, referred to in the plan as "textures". The six "textures" are easily classifiable as one of two types: those designated for development and those designated for preservation. The Textures Philosophy's innovation is that contrary to all other statutory plans in Israel that define settlement area, industrial zones, nature preserves and roadways in distinct lines, the Plan sees its primary role as the division of the nation's open spaces into large land blocks, differentiated by their features and functions, and this within crude lines, designated and specified in future regional and local plans.

This division into textures distinctly defines Israel's macro-spatial structure: Four metropolitan areas, with open spaces between and around them

Another means by which National Outline Plan 35 protects the contiguity of open spaces is by requiring that any future settlement expansion be contiguous to constructed areas, thereby scattered development.

## **10. Effective water management**

### **Water consumption**

The last century has seen widespread technological – social development, one of the ramifications of which is a drastic increase in the level of demand for water. This has required planners to engage in a constant search for new water sources, the development of water treatment options and the formulation of policies to encourage water conservation, due to the ever-depleting available water supply.

The State of Israel upholds the principle of charging uniform prices for water use throughout the year, a complex task.

Per capita consumption depends on the quality of life and the quality of sanitary services offered to the ever-increasing population.

Reviewing the Israeli per capita consumption figures over time reveals that its relative portion increased from 19% in the 1960s to 32% in the 1990s.

Annual per capita water consumption this year stands at 304 liters per person per day in large cities, and about 246.5 liters in small towns.

Examination of the scope of consumption and the level of services shows the portion of domestic water consumption relative to total urban consumption to be 70.6% .

In light of the above figures and the ever-increasing demand for water, a projection of per capita domestic water consumption until 2010, based on detailed population growth projections for towns and their growth, and the projection of per capita consumption, estimated a modest average rate of increase at 600 liters per capita.

Israeli water planning is based on the following components:

#### **1. Demand characteristics:**

- Various urban water-demand levels (domestic and industrial consumption)
- Demographic scenarios
- Petitions for domestic and industrial consumption
- Technological development increasing the efficiency of urban water consumption

#### **2. Supply Characteristics:**

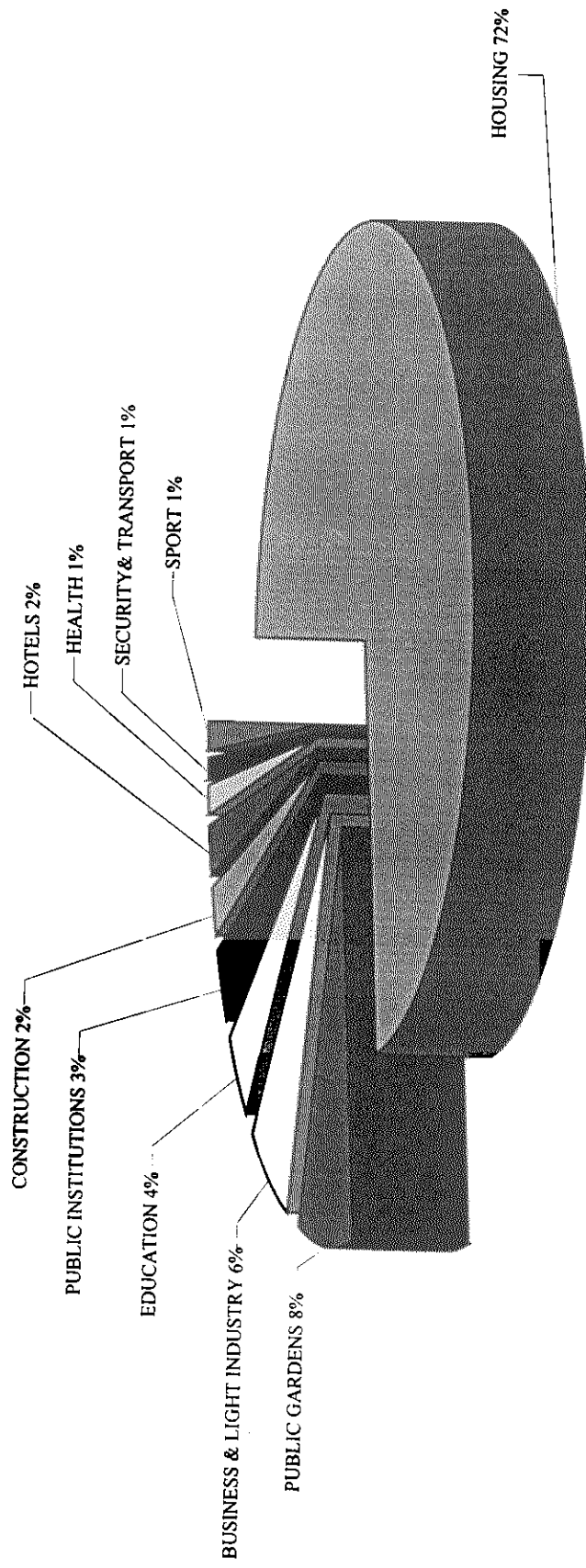
- The quantity of usable water at the disposal of the national water system, in accordance with the performance of water suppliers relative to their potential
- Perennial supply relative to increased supply potential, through desalinization of seawater and inter-regional import under conditions of regional cooperation and techno-economic feasibility

#### **3. Increased Efficiency in Consumption Processes Due to Technological Advancement:**

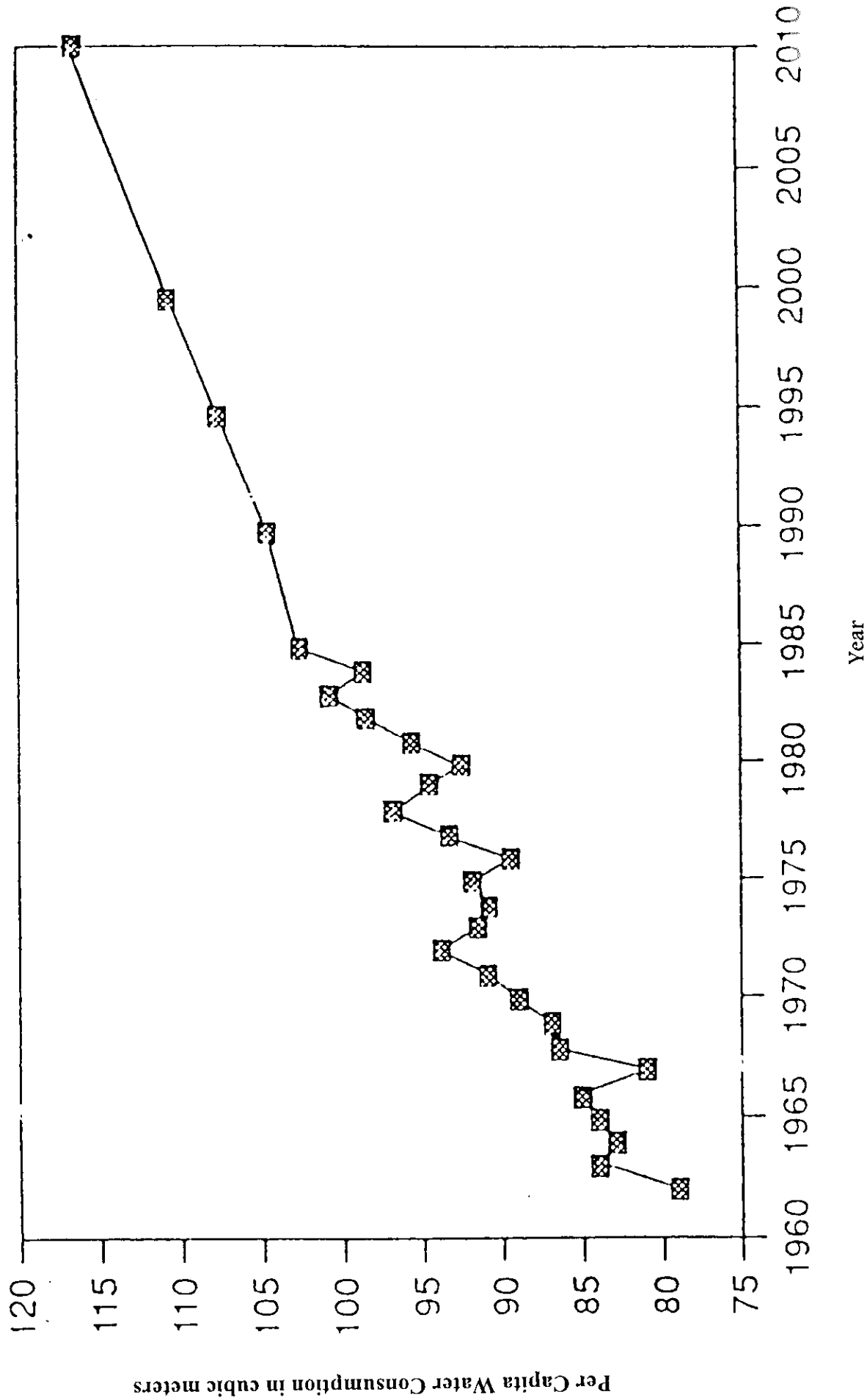
Changes in the balance of supply and demand, made possible by the penetration of advanced technological processes that increase the efficiency of water use, are seen as techno-economically feasible for the next 20 – 30 years. This is conditioned on future housing culture, consumption custom, water usage technologies and the future rate of substitution of energy consumption for water consumption.



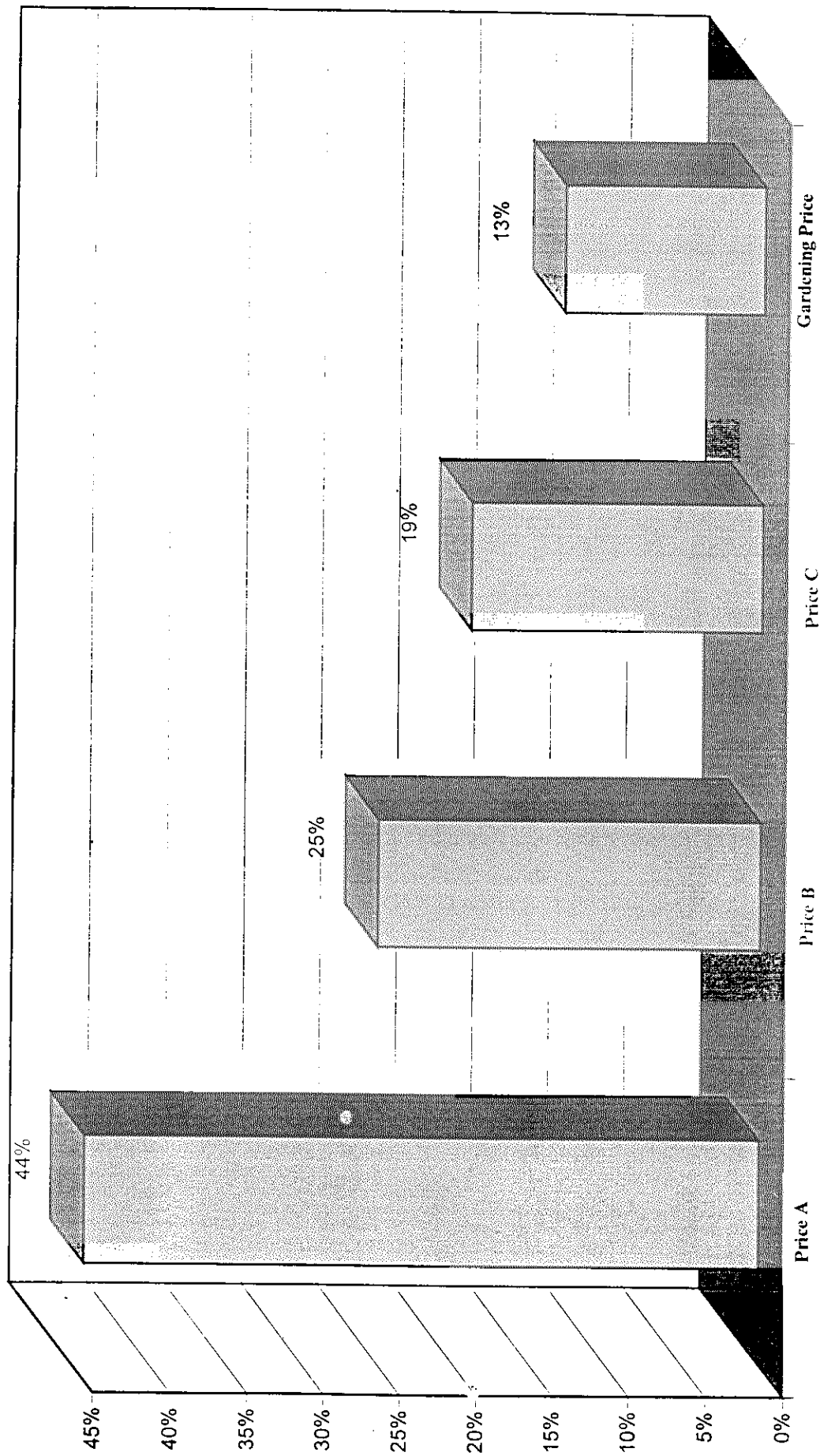
# URBAN WATER CONSUMPTION BY TYPES OF USES - 1998



PROJECTED PER CAPITA DOMESTIC WATER  
CONSUMPTION UNTIL 2010  
(IN CUBIC METERS)



# WATER-NATIONAL CONSUMPTION BY PRICES - 1998



## Water Prices

In order to meet the ever-growing demand for water in Israel, the State's water policy is formulated around the following:

**Water Resource Development Policy** – Full use of stream water, increasing the efficiency of water use, use of all water sources, decreasing evaporation and preservation of water quality (and amplification of rain)

**Water Distribution Policy** – Allocation of water for domestic consumption according to demand and reduction of water allocation to agriculture during shortages of economically accessible water sources

**Dependable Water Supply Policy** – Increasing the flexibility of supply on one hand, and conservation of underground water reserves and the Sea of Galilee for controlled usage on the other hand

**Water Pricing Policy** – Charging consumers cost-prices on the basis of a uniform price throughout the year, including periods of significant shortage

Water prices (in US dollars) in the State of Israel is structured on the basis of this policy, which include three rates for domestic (residential) consumption:

- **Price A:** For first 8,000 liters per month - \$ 0.066 per 100 liters
- **Price B:** For 7,000 liters additional cubic meters per month - \$ 0.098 per 100 liters
- **Price C:** Beyond 15,000 liters per month - \$ 0.142 per 100 liters

The price of water for domestic gardening purposes is Price A (i.e. \$0.66).

Graduated pricing is based on a policy of water conservation aimed at enabling the State to meet consumption needs over the course of time.

## 11. Reducing urban pollution

Motor vehicles are the foremost polluters in terms of particulates and nitrogen oxides. Electricity production is responsible for the lion's share of sulfur dioxide and nitrogen oxide emissions while industry is responsible for significant emissions of particulates and sulfur dioxide.

An analysis of air pollution trends in recent years reveals continuous increases in pollutant emissions with the following exceptions:

- Increased use of low sulfur fuel in power plants has significantly reduced sulfur oxide emissions. However, increased demands for electricity production by an ever-growing population have led to the construction of new power stations--bringing about a renewed increase in SO<sub>x</sub> emissions.
- Installation of catalytic converters in vehicles beginning in 1993 has helped reduce carbon monoxide and hydrocarbon emissions from gasoline vehicles.

The pollution emission trends in the period spanning between 1980 to 1996 is:

- Sulfur dioxide emissions increased by 14% since 1980;
- Nitrogen oxide emissions increased by 192% since 1980;
- Particulate emissions increased by 41% since 1980;
- Hydrocarbon emissions from gasoline vehicles decreased by 6% since 1980;
- Carbon monoxide emissions increased by 67% since 1980.

In order to further reduce pollutant emissions and comply with new international standards, several measures are being planned, one of which is the possibility of importing large quantities of natural gas for electricity production.

By the 1990s, the need for a nationwide monitoring system to cover all geographical areas of the country and encompass additional pollutants became apparent. Establishment and operation of the national network was completed in 1999. The network includes a national control center in Ramle, three regional centers and 24 monitoring stations. The individual monitoring stations will be linked to regional centers and to a national control center that will provide near real-time

## AIR POLLUTION EMISSION AIR POLLUTION EMISSION

### Sources of Air Pollution in Israel (1996)

Pollutant/Sector	Industry	Electricity Production	Motor Vehicles	Space Heating
SPM	32%	27%	41%	<1%
SO <sub>2</sub>	45%	51%	3%	1%
NO <sub>x</sub>	12%	44%	43%	1%

### Preliminary results ( 1997) confirm severity of air pollution in Israel - National violations in air pollution:

Pollutant	Standards	Violations	
		1997	1998
NO <sub>x</sub>	Half-hour – 940 mg/m <sup>3</sup>	83	246
	Diurnal – 560 mg/ m <sup>3</sup>	2	7
O <sub>3</sub>	Half-hour – 230 mg/ m <sup>3</sup>	Several (during spring and autumn)	
SPM	Diurnal PM <sub>10</sub> – 150 mg/ m <sup>3</sup>	Several (during spring, due to natural dust)	

### Power plants violations in air pollution:

Pollutant	Haifa	Hadera	Ashdod
SO <sub>2</sub>	13	-	10
SPM	6	√	√
NO <sub>x</sub>	9	√	-
O <sub>3</sub>	-	√	12

information about air quality throughout the country. This information will facilitate enforcement of air quality standards, serve planners on regional levels and inform the general public about air quality levels.

The control of sulfur dioxide (SO<sub>2</sub>) emissions from the fuel oil fired power plants is based on the use of low sulfur fuels. An intermittent control system (ICS) is implemented for the Haifa and Ashdod plants. In 1990, low sulfur fuels comprised only 17.5% of the fuel oils. By 1997 this percentage reached 81.2%.

Implementation of the ICS has resulted in the reduction of the total annual emission of SO<sub>2</sub> from the oil fired plants, from 113 to 47 thousand tons between 1990 and 1997. This has contributed significantly to the fact that the annual SO<sub>2</sub> emissions from the entire production system has decreased from 164 to 150 thousand tons over the same period despite a 66% increase in the production in .

Most of the industrial gas turbine NO<sub>x</sub> emissions must meet USEPA emission standards. The newer coal fired plants are equipped with precipitators having relatively larger collection areas, designed to meet USEPA particulate emission standards.

## **Wastewater treatment**

Israel's national program for sewage was first drawn up in 1970 and came into effect in 1973. Of the total volume of wastewater produced in Israel (400 MCM), about 90% is collected in central sewage systems and 70% (280 MCM) is treated, of which about 85% (240 MCM) is reclaimed for reuse. It is expected that by the year 2010, Israel will produce 500 MCM of wastewater per year, of which 450 MCM will be treated and 300 MCM will be reused.

Israel's wastewater treatment plants use intensive (mechanical/biological) and extensive treatment processes. Intensive treatment plants use the activated sludge method while extensive processes are based on anaerobic stabilization ponds which are integrated with shallow aerobic ponds and/or deep facultative polishing reservoirs.

Regulations promulgated by the Ministry of Health in 1992 require secondary treatment to a minimum baseline level of 20 mg/liter BOD and 30 mg/liter suspended solids in every settlement with a population exceeding 10,000 people.

Random sampling of effluent quality in about forty major wastewater purification plants which treat some 242 MCM a year--about 65% of the total sewage quantity--was carried out in 1997. The survey revealed that about 47% of the water generated in the treatment plants did not comply with the minimum standards set in regulations.

The large-scale reclamation of effluents which is practiced in Israel makes it necessary to store effluents in seasonal reservoirs (100,000 to 3 million cubic meters in volume). These reservoirs, some 160 in number, are a part of numerous small reuse schemes in Israel.

Water quality in about 95 effluent reservoirs used for irrigation with a volume of 50 MCM was sampled in 1997. The results revealed high chloride concentrations (above 300 mg/l) in 56% of the water, high boron concentrations (over 0.5 mg/l) in 44% and high nitrate concentrations (over 24 mg/l) in 68% of the water. To reduce effluent salinity, several steps were taken by the Ministry of the Environment including requirements for reduced brine discharges from industrial sources.

Industrial wastewater constitutes about 17.5% (about 68 MCM/year) of Israel's total wastewater, but its potential risk to the environment is especially significant. The past year has seen a flurry of new and draft regulations designed to improve industrial wastewater treatment.

## **Solid waste**

Waste generation is an inescapable byproduct of human activity. The only long-term solution lies in an integrated system of solid waste management which includes reduction, reuse, recycling, energy recovery and landfill.

In 1993, some 96% of Israel's domestic waste found its way to about 500 garbage dumps. Most of the sites were poorly managed and many had reached or were soon to reach full capacity--with no alternative in sight. Recognition of the severity of the problem in 1993 to the National Outline Scheme for Solid Waste Disposal - Today, the country's waste is concentrated in 25 national and regional sites--19 of which comply with stringent environmental conditions. About 80% of Israel's municipal waste is currently disposed or treated in an environmentally sound manner.

In 1997, two authorized central sites for disposal of construction debris were inaugurated and a third existing site was upgraded to prevent leachate infiltration. To assure that construction debris is indeed disposed in authorized sites, the Ministries of the Interior and of Housing have drafted an amendment to planning and building regulations on building permits.

Data on the sources and composition of solid waste are essential in any long-term solid waste management program. Over the course of the past twenty years, the composition of Israel's domestic solid waste has changed dramatically.

Component	% of total weight	
	1975	1995
Organic	65	38
Paper	17	22
Plastic	7	14
Metals		4
Textiles		3

Following are the main findings of the 1995 survey:

- The total annual quantity of domestic waste in Israel is 2,288,550 tons--1.14 kilograms per person per day.
- The total annual quantity of municipal waste in Israel (including yard waste and construction and demolition debris) is 3,473,000 tons--1.73 kilograms per person per day.
- The total annual quantity of solid waste generated in Israel (including industry, commerce, services and institutions) is 4,697,500 tons--2.34 kilograms per person per day.
- The average volume of a kilogram of waste is 6.15 liter.
- The average density of waste is 162.7 kilograms/cubic meter.

On the basis of currently operating landfills which have been approved within the framework of the National Outline Scheme for Solid Waste Disposal, Israel's landfill waste volume will be exhausted by 2005. With the inauguration of a new central landfill in the Negev, landfill waste volume will only suffice until 2020. High land demand and low land availability clearly dictate the need to turn to options other than landfill. The Environment Ministry has therefore initiated plans to prepare a master plan for solid waste treatment which will help designate new sites for waste disposal and treatment (e.g., recycling, composting, incineration) based on economic and environmental considerations.

In 1993, only 4% of Israel's post-consumer municipal solid waste was recycled. By 1996, this figure reached 422,548 tons which constitute about 10% of the total quantity of solid waste. With the addition of the industrial and commercial sectors, recycling reaches 20% of the total quantity of solid waste in Israel (985,726 tons).

Israel is investing new efforts in promoting the move to low- or non-waste technologies and in encouraging waste reduction, reuse and recycling. Several groups, including industry, consumers, institutions and government bodies, have been targeted for new initiatives in all these areas.

The following table presents data on recycling of various components of Israel's solid waste in 1996. Out of some 422,548 tons of recycled post-consumer municipal waste, 56% (agriculture and organic material) is composted and the remaining 44% (dry components) are transferred for recycling.

A new standard for "green" batteries which reduces permitted heavy metal levels in batteries to maximal concentrations of 0.025% mercury, 0.025% cadmium and 0.4% lead came into force in 1996. Alkaline and zinc-coal batteries which comply with the standard make up 60%-70% of the total batteries used in Israel.

## 12. Disaster prevention and planning

### Disaster prevention and mitigation instruments

The primary natural disaster impacting Israel is earthquakes. The region is regarded as moderate seismicity. The last seismic event to cause substantial property damage and loss of life occurred in 1927. Ninety years before, in 1837, Israel and neighboring countries to the north and east also experienced of considerable intensity and loss of life. While there are historical accounts of earlier devastating earthquakes, seismic risk has not been a part of national consciousness.

## Estimates of Recycling in Israel (1996)

Type of Waste	Total Recycled Waste (tons)	% of Recycling	Recycled Municipal Waste (Post-Consumer) (tons)	% of Recycling (Post-Consumer)
Paper	199,600	4.25	127,760	3.26
Plastic	15,940	0.34	7,294	0.19
Glass	15,000	0.32	0	0.00
Organic Material	64,713	1.38	64,713	1.65
Agriculture	170,400	3.63	170,400	4.34
Ferrous Metals	433,500	9.23	1,612	0.04
Non-Ferrous Metals	47,340	1.01	12,740	0.32
Used Oil	13,600	0.29	13,600	0.35
Tires	1,244	0.03	1,244	0.03
Electronic Equipment	5,612	0.12	5,612	0.14
Car Batteries	13,000	0.28	13,000	0.33
Toners	197	0.0042	197	0.01
Precious Metals	12	0.00	12	0.00
Textiles	1,750	0.04	750	0.02
Wood	3,000	0.06	3,000	0.08
Air Filters	13	0.00	13	0.00
Chemical	806	0.02	601	0.02
Total	985,727	21	422,548	10.78%



Earthquakes in the Mediterranean basin, Turkey and Greece, this past year, heightened public and governmental concern regarding seismic risk.

Israel, north of the Negev Desert, is a very densely populated country, even by European standards. An earthquake near the center of the country could impact much of the population.

There is considerable technical capacity for reducing seismic risk in Israel. Building code requirements for lateral force design were based on foreign standards until 1979. Since then they reference an Israel Standard that has undergone amendments and revision. The standard includes a country wide map of seismic intensity zones. The Earthquake resistant design requirements are a matter of law for all new buildings. Never the less, additional measures are being considered to insure adequate supervision and on site inspection during the construction process.

Earthquake insurance is included as a part of comprehensive home owner insurance. Due in part to mortgage requirements, a very high percentage of residences, approximately 50 %, are insured.

Seismicity is monitored and studied by the Israeli Institute of Geophysics. This includes network monitoring, data processing, hazard assessment, historical seismicity and trials of prediction. The Geological Survey of Israel is also studying ground structure, geo-technical aspects and microzonation of some areas.

### **13. Effective and environmentally sound transport systems**

#### **Travel Time**

Travel time to work is an indispensable measure of the performance of road infrastructure. A review of travel time in Israel's metropolitan area during morning rush hour (not including walking and waiting) reveals a number of key facts: Sixteen percent of Israel's inhabitants reside a driving distance of up to 20 minutes in a private vehicle from a metropolitan center, with 95% reaching their destinations within one hour. Among those commuting by public transportation, only 3% arrive within 20 minutes, and 40% of public transportation commuters take more than one hour to reach their destinations (National Land Transportation Plan, Volume II, 1998).

#### **Modes of Transportation**

Seventy percent of home-to-job commutes in the metropolitan Tel-Aviv area are executed by private vehicle, and 30% by public transportation. Not including taxis, 98.5% of all public transportation rides in Israel are taken by bus, and 1.5% by train. Ten percent of all inter-city trips by public transportation are taken by train.

Approximately 89 % of work trips are taken by motorized vehicle. A daily average of 56% of all commutes to work are done by private vehicle, 14% by bus, 8% by organized rides, 16% by truck or van, 3% by taxi, 2% by motorcycle and 1% by other modes. The proportion of commutes by train is less than 1% (Israel's Annual Statistical Report 1999, Table 18.26).

According to existing plans, most of the cities of a population of 20,000 persons and up will be connected to the railway network. A 200 kilometers per hour railway will run among the four metropolitan centers. To complement the railway system, priority will be given to bus traffic along major inter-city and inner city routes. Citywide train systems will be built in the large cities to enable the swift, efficient and reliable flow of traffic.

The planned measures will enable comfortable accessibility to and within the urban centers by public transportation. Likewise, they will connect the center of the country with the periphery.

## 14. Local environmental plans and Local Agenda 21 initiatives

### Sustainable development

All national programs prepared in Israel during the 1990s include policies formulated to adhere to the principle of sustainable development. Among the aforementioned and the following policies:

- Recognition of the value of open space and its preservation
- Preservation of urban land resources and the development of public transportation systems

Additionally, the programs make meaningful reference to environmental issues, including: water quality, air quality, dangerous chemicals, solid waste, noise pollution, open space, preservation of coastlines and seawater. National outline Plans 31 and 35 provide a list of land designations as well as of environmental guidelines, defining: areas for water resource preservation, natural resource areas, areas of particular landscape sensitivity, and environmental restrictions on transportation infrastructure. In these areas, the programs set restrictive regulations of development for the said purpose of environmental protection.

Agenda 21, which was adopted at the Earth Summit in Rio de Janeiro in 1992, determines *inter alia*, that governments should adopt a national strategy for sustainable development. The preparation of Israel's strategy for sustainable development is being advanced within the framework of the UNEP/MAP Coastal Areas Management Programme (CAMP).

The achievement of an optimal long term balanced policy between human activity and economic development, on the one hand, and environmental and natural resource protection, on the other, requires a multigenerational comprehensive integrated vision --a policy of sustainable development.

Israel's proposed policy includes regulative, economic and educational components as well as an investment policy which aims to improve present conditions in specific areas and in specific subjects.

In Israel, there is a comprehensive system of environmental management, based on the incorporation of environmental considerations into decision making on development projects. Within this framework, requirements for the protection of environmental resources and prevention of nuisances are integrated in a large number of projects. However, environmental management cannot be limited to responses to individual development proposals. A policy which integrates long term environmental requirements with development needs must be adopted.

Israel launched a process of sustainable environment planning in 1996, comprising seven target groups: industry, energy, transport, tourism, agriculture, urban sector, and; of a wide range of stakeholders including: national government, local government, the private sector, academics and NGOs. The goal has been to propose a sustainable development strategy for each sector using the consensus building approach. Discussions are conducted within a round-table framework with the participation of all stakeholders, on local and national levels, in each target group. Preliminary documents on sustainable development strategies in all sectors were presented in 1998. The emphasis is to be on changes in production patterns from "end-of-the-pipe" solutions to reduction at source solutions. Strategies call for the integration of economic and ecological approaches which include regulative, economic and educational components as well as incentives aimed at facilitating sustainable development.

Several recent Israeli studies have set the scene for anticipating future developments, particularly the recently completed master plans for the 21st century--Israel 2020 and National Outline Plan 35. The environmental team of Israel 2020 has proposed several approaches for building a sustainable development strategy. These approaches have been compiled in a preliminary policy paper which was widely distributed by the Ministry of the Environment in 1996 as a first step toward introducing the concept of sustainable development into government discussions. It was followed up by presentations by Israeli experts on present problems and future goals for air quality, water, bio-diversity, open space and waste disposal.

Over the past two years, Israel has begun planting the seeds which will hopefully provide for a better quality of the environment, not only for the present generation but for future generations as well. To achieve the vision of a better environment, Israel will have to move from an environmental paradigm built on control and cleanup to one based on efficient use of limited resources and avoidance of environmental harm. The challenge today is to transform these concepts into practical policies which are relevant to Israel's physical, social and economic reality. Such a policy will not only enable Israel to meet the challenge of the 1992 Earth Summit, but may well provide an example to other Mediterranean countries in the future.

## ***Chapter 4 : ECONOMIC DEVELOPMENT***

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### **Contributions:**

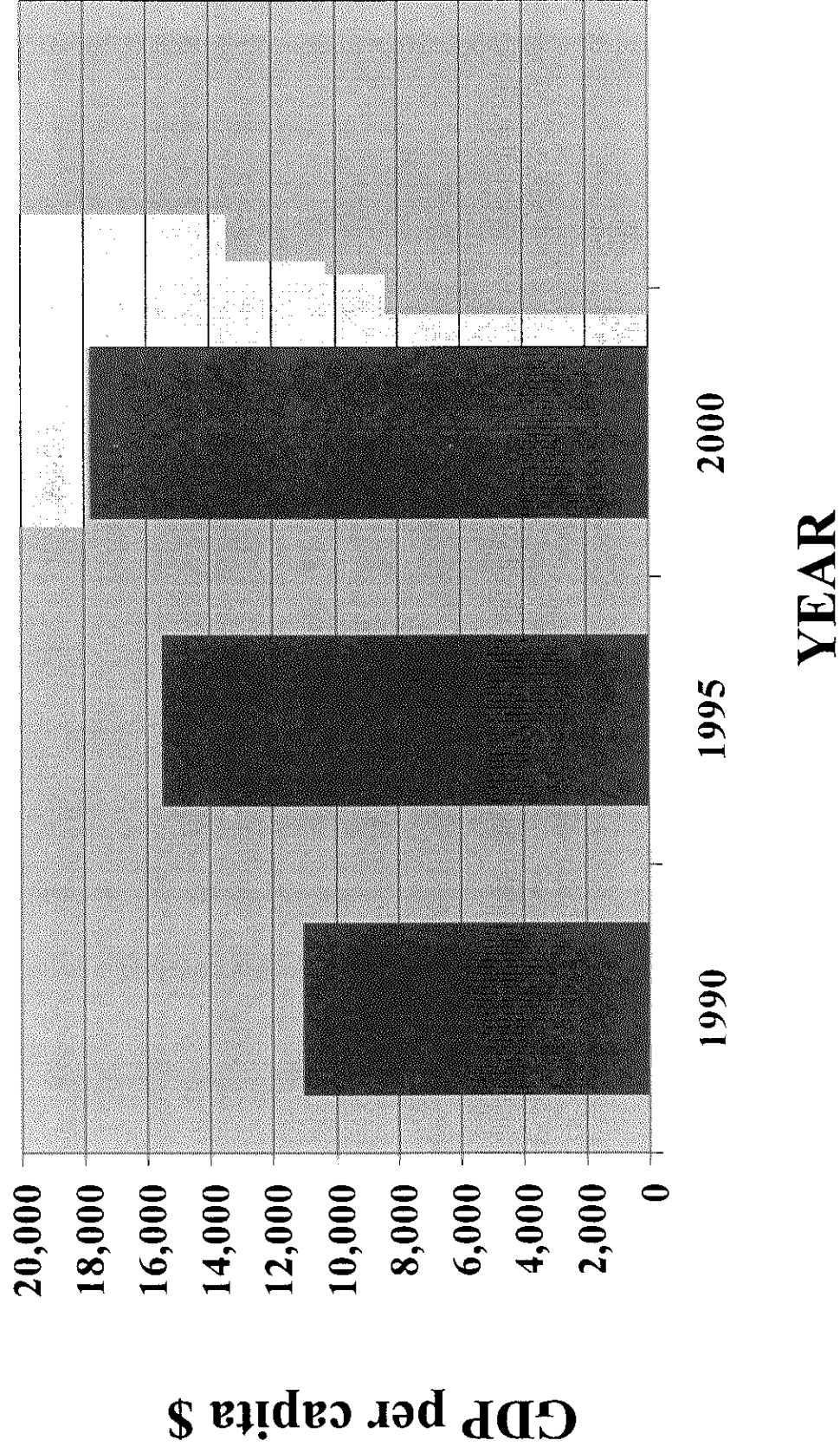
Mr. Adam Buchman, The Association of Builders and Contractors in Israel

Ms. Leah Achdut, The National Insurance Institute

Ms. Rivka Abelson, Dept. of Urban Planning, M. of Construction and Housing

# GROSS DOMESTIC PRODUCT PER CAPITA

In US dollars



## 15. Small and micro-enterprises

### Economic development and informal employment

The 1996-98 Central Bureau of Statistics Survey on Value Added Tax defines a "dealer" as someone on record in terms of value added tax (VAT) who sells products or property or offers services as a business transaction. According to the survey, the turnover of dealers in the market, excluding diamonds, totaled approximately 164.5 billion dollars in 1998, compared to some 152.5 billion dollars (US) in 1997, representing nominal growth of about 8%, and about 3% in with the reduction when accounting for the change in consumer price index. The quantitative change in turnover is not uniform throughout the market. In continuance of a fall of 8% in 1997, the turnover in the construction sector decreased by 5% in 1998. In 1998, growth of about 13% in the business services sector was registered, about 1% in personal business services, about 3% in agriculture, and about 4% in industry (excluding diamonds).

In 1998 there were 343,000 active dealers – those on record having reported revenue during a minimum period of one month over the course of the tax year, accounting for 7.6 % of the work force. Of the active dealer, about 30,000 of them in industry (excluding diamonds), some 82,000 in trade, approximately 72,000 in business services and financial institutes (excluding banking and development companies), and about 20,000 in personal services.

The portion of small dealers – those employing no more than 2 workers and with a turnover of no more than 5,6250 dollars (US) out of all dealers in 1998 was very small, some 1%, with a very slight turnover (approximately 0.1%). Despite this, some 78% of dealers were licensed as non-companies, representing 33% of the economy's turnover, and 21% of dealers were companies, representing 67% of the economy's turnover.

In the majority of trade and services sectors, the portion of small dealers of all dealers is very small. An exceptional sector is the nursery-kindergarten sector, in which about 15% of the dealers are small dealers. Other sectors in which small dealers are particularly active are car dealerships and mechanics and other repairs (about 1.7%), food and hosting services (3.4%), education (4.5%) and personal services (3.2%).

Recognition of the importance of the small dealers sector in Israel has increased over the past decade, and is seen as an important source of economic growth, as well as a source of stable and healthy employment from an economic standpoint. The primary advantages of small businesses are innovation, flexibility, speedy and low-cost establishment, and risk dispersal. They are considered dynamic economic units that can quickly and inexpensively adjust themselves for changes in the economy and/or market trends. Small businesses offer suitable solutions to the employment problems of unique population groups, such as women, recently discharged soldiers and new immigrants. However, small-sized businesses suffer from obstacles in the areas of funding, management and access to information, hindering both competition in the free market and proper development.

The Small Businesses Authority was established in Israel in 1994, which together with other government bodies, banks, capital funds, public institutions, institutions of higher education and the relevant local authority, funds assistance and advancement centers serving small businesses.

The principle types of centers are as follows:

- The Center for Initiatives Development, encompassing non-profit public institutions aiming to provide assistance, consulting, instruction and business accompaniment to entrepreneurs in the process of establishing or expanding small businesses.
- The Economic Development Unit, established in the country's Special Status regions, aiming to generate employment opportunities for local populations, including new immigrants, women and small business entrepreneurs.
- Business "Greenhouses" – Physical and organizational frameworks supporting small business initiatives for a short period at the start-up stage.

Other institutions, that provide, among other services, assistance to small businesses, include the "Business Coaching" project of the Ministry of Industry and Commerce. The total number of inquiries to these institutions stands at over 30,000 per year, and the annual budget to these institutions stands at approximately 25 million dollars(US).

## 16. Public and private sector activities and productive employment opportunities

### Public and private partnerships

The need and demand for advanced public transportation infrastructure services is high in most western countries. On the other hand, economic factors limit the scope of public expenditures. Therefore, implementation and maintenance of these projects must be executed at low cost. The cooperation of the commercial sector increases the available sources of funding for investment in public infrastructure and services, improves the quality and level of services, and reduces the costs – an impetus to implementation and maintenance.

Since in the case of public infrastructure it is not always possible to engender an affinity between the users and services, and there is often no desire to do so, the accepted method is to implement projects in which the public sector is the service consumer. In this way, the participation of the private sector in establishing the infrastructure for which the public sector is supposed to pay user-fees is increased. A number of models for public-private sector funding cooperation have been developed. Model One: B.O.T. (Build Own Operate Transfer) – Projects that do not require government subsidy, and which are allowed to charge a user fee, such as a highway toll; Model Two: P.F.I. (Private Financial Initiative) – Projects of which the public sector is the service consumer; Model Three: J.V. (Joint Venture) – Projects in which in addition to charging user fees, government subsidy is also required, i.e. railroad operation.

In light of the poor physical state of its infrastructure compared to that of western countries and even relative to the standard of living in Israel, Israel reached the conclusion that something had to be done to improve the situation, and not in the framework of the national budget, which is incapable of funding a response to this problem. Until now, a number of projects were operated in Israel, in which it was permitted to charge user fees (B.O.T.). Examples are: the Trans-Israel Highway, sewage treatment plants, the Carmel Tunnel, etc. Investment in physical infrastructure and in public institutions totaled approximately 1.75 billion dollars (US) in 1998. The government's portion of that investment through the national budget stood at about 1.25 billion dollars (US).

One of the sectors in which wide and fruitful cooperation was done between the business and public sectors is residential construction. With the mass immigration from the former Soviet Union in 1990-91, some 90,000 housing units were built, compared to approximately 20,000 housing units built annually in the 1980s, representing a growth by hundreds of percents.

In order to provide a response to the growing demand during those years, the State enabled the construction boom, either by direct financing of construction or by providing incentives such as purchase guarantees to construction companies.

The government's policy changed in the mid-1970s, down grading its direct involvement in the housing construction sector through the use of the State's budget for construction. Increasingly, the public sector was encouraged to become the dominant factor in the generation of housing supply. Some 95% of construction in Israel today is undertaken directly by the private sector.

However, cooperation between the public and private sectors did not end, but rather reached a turning point. The government, through indirect involvement in the housing market, now encourages both supply of and demand by a number of means, the first of which is the planning of State-owned land – some 95% of the land in Israel. Presently, some 60-70% of all annual construction takes place on State-owned land.

A second means for encouraging market forces is increased mortgages with improved terms of payment for young people and new immigrants. The third means is State allocation of land for new settlements areas, and investment of the initial capital needed to lay the infrastructure leading to the settlement. This investment is expensive and cannot be awarded to a single entrepreneur. The capital is returned to the State through the sale of land to developers and contractors.

An instructive example of such successful cooperation was establishment of the city of Modi'in. The State determined the location of the new city, invested in the physical infrastructure and construction of educational structures, and the private sector erected a city there of thousands of housing units. An entire city was erected through a limited amount of public funds in a restricted timeframe.

# **Poverty rates among families, persons and children: Israel 1994-1998**

	<b>Before Transfers and Direct Taxes</b>	<b>After Transfers and Direct Taxes</b>
<b><u>1994</u></b>		
Families	34.2	18.0
Persons	31.1	18.0
Children	34.5	22.8
<b><u>1996</u></b>		
Families	34.3	16.0
Persons	30.3	16.5
Children	33.4	21.4
<b><u>1998</u></b>		
Families	34.1	16.6
Persons	32.9	18.0
Children	38.2	22.8

### Poverty rates among families, by family type: Israel 1994-1998

	1994	1996	1998
All Families	18.0	16.0	16.6
Families with 1-3 children	14.3	12.4	14.8
Families with 4 children and more	37.8	33.9	34.9
Families headed by an elderly	25.1	19.9	18.7
Single-parent Families	40.7	25.3	27.2
Families whose head does no work	60.4	58.5	58.8
Families headed by an employee	7.2	7.2	8.5

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### Income inequality measures: Israel 1994-1998

	Quintile share					Gini Index
	1	2	3	4	5	

#### 1994

Factor Income	1.0	8.1	15.0	24.5	51.4	0.5019
Net Income	6.7	11.7	17.0	23.9	40.7	0.3441

#### 1998

Factor Income	1.0	7.3	14.2	23.9	53.6	0.5230
Net Income	6.7	11.2	16.5	23.5	42.1	0.3556

# The Israeli economy, cities and towns and conditions of unemployment

## City product

**City product** – The term is not recognized, at least or referred to on the local level in Israel, and is therefore not measured. What is gauged is merely the level of municipal expenses, broken down to measurement using income tax figures of overall income throughout the local authority.

**Local government revenue and expenditures** - During the past three years, the average expenditures of local authorities stand at approximately \$9.5 billion US, including ordinary budget, and the activities and development of municipal companies. Per capita expenditures stand at about \$1,125 US from the ordinary budget, some \$280 US in development, approximately \$230 US through companies and corporations and a per capita total of \$1,635 US. It should be emphasized that these expenditures include government transfers to the local authorities for government services.

**The trade and services sector in Israel** (the sectors of industry, construction and transportation are not included in these statistics) affirmed that central cities generate more than half of Israeli economic activity which falls into two categories: district and settlement.

The districts examined were Jerusalem, the North, Haifa, the Center and Tel-Aviv. The figures show that some 35% of the businesses of the research sector are located in the Tel-Aviv district, which includes both Tel-Aviv itself and the inner stratum of cities of metropolitan Tel-Aviv, comprising some 47% of all turnover in the sector. Another 24% of the businesses of the research sector are located in the Central district, which includes the cities in the intermediate stratum of cities of metropolitan Tel-Aviv, comprising some 23% of all turnover in the sector. Lastly, about 22% of the businesses of the research sector are located in Haifa and the North, comprising some 16% of all turnover in the sector. About 10% of the businesses of the research sector are located in Jerusalem, comprising some 8% of all turnover, and some 8% are located in the Southern district, comprising some 6% of all turnover.

Analysis by settlement, including the cities of Jerusalem, Haifa, Tel-Aviv, Ramat Hasharon, Holon, Givatayim, Be'er Sheva and Eilat show that most of the research sector's economic activities concentrate in the vicinity of the larger cities in the center of the country. Some 36% of employment is in Jerusalem, Haifa and Tel-Aviv, comprising about 46% of all turnover.

The direct significance of the fact that economic activities concentrate mainly in large cities in the center of the country is that these cities enjoy a higher employment rate at the expense of public and private sector initiatives that target small towns. Unemployment continues to concentrate in peripheral areas.

## Unemployment: Trends, Characteristics and Patterns of Change

The following is an excerpt on unemployment, from a paper written by Ms. Leah Achdut of the National Insurance Institute and presented at the Copenhagen +5 Conference:

The rapid economic growth that characterized the Israeli economy in the years 1992-1995 turned into a recession in 1997-1998, encompassing all business sectors and accompanied by a sharp rise in unemployment. The unemployment rate, which had consistently declined from a peak of 11.2% in 1992 down to 6.7% in 1996, changed direction and rose by about 33% in 1997-1998, up to 8.9% of the labor force. The rise in unemployment reflected a slowdown in employment growth, mostly in the business sector. The construction and the traditional industry sectors experienced a fall in employment. During the years of consecutive expansion in unemployment (1997-1999), the labor force increased by 8.7%, while employment rose by 6.2% only. Consequently, the number of unemployed increased by 45%, from 144,000 in 1996 to 209,000 in 1999.

Certain characteristics of the present unemployment are of special concern to policymakers:

- As mentioned, the unemployment rate is not the same throughout the country. The development towns, located in the northern and southern regions of the country, usually have higher unemployment rates than elsewhere. However, when the slowdown in economic activity deepens, the increase in unemployment is more evident in the highly concentrated areas in the center of the country than in development areas. The unemployment rate in development towns increases from 10.5% in 1996 to 11.9% in 1999, while in the rest of the country, it rose from 6.3% to 8.5%, respectively.

- The present unemployment crisis is characterized by similar trends among new immigrants and veterans. The increase in the unemployment rate among new immigrants was more or less the same as that of veterans. However, unemployment among new immigrants is still higher than among veterans: 11.4% compared to 8.4% in 1999. Unemployment among new immigrants decreases with the length of their residence in Israel; those who arrived in the country in 1990-1991 have more or less the same unemployment rate as do veterans: 8.5%. (Many new immigrants reside in peripheral towns, tending to migrate toward the center of the country once they've become more established.)
- While the unemployment rate of women was considerably higher than that of men in 1996 (7.8% compared to 5.8%), the gap has been reduced during the years 1997-1999. The present unemployment mainly affected men. It is worthy of mention that the relatively moderate increase in women's unemployment occurred despite the continuous rise in their participation rate in the labor force. During the years 1997-1999, almost 70% of the additional employment can be attributed to women. Women show more wage flexibility, and more readiness to work in part-time jobs, and suffer less from foreign workers' competition than do men.
- The incidence of unemployment declines systematically as age increases. However, the 45-55 and 55+ age groups, whose unemployment rates are relatively low, were hurt the most by the expanding unemployment, as their unemployment rates grew by 45%, on average.
- The incidence of unemployment by years of schooling until 1996 was bell-shaped, unemployment being the lowest among both the less-educated groups and the more-educated groups. During the present unemployment period (since 1997), unemployment has affected the less-educated workers – those with 0-8 years of schooling – much more than it has the other groups. The unemployment rate among workers with 0-8 years of schooling grew from 7.3% in 1996 to 13.7% in 1999, whereas among workers with 16+ years of schooling, the unemployment rate grew only from 3.7% to 4.4% in this period. In the years 1996-1997, unemployment declines with education.

Opinions differ widely among economists and policymakers regarding the desired government policy to reduce unemployment. One school of thought supports a government initiative of fiscal expansion – mainly, allocation of more resources to infrastructure – and a less restrained monetary policy. Since the present unemployment crisis is not a result of structural changes, but rather of cyclical fluctuations and economic policy, the government and the Central Bank of Israel should change their policy in order to encourage economic growth, expected to lead to a rise in the demand for labor.

The opposing school contends that we should simply allow the economy to return to its natural state of equilibrium and that economic stability, which is a necessary condition for economic growth, can be achieved only by means of a policy of budgetary discipline and low inflation.

However, there is a consensus among policymakers on the following foolproof measures to reduce unemployment

1. Focussing on distress areas of unemployment, in coordination with all the factors involved;
2. Strengthening the connection of unemployed persons and persons on income support with the labor market;
3. Placing an emphasis on vocational rehabilitation and investing in education for long-term results.

In the last half of 1999, the first signs of economic recovery were observed. The scope of employment widened; it did not lead to a halting of unemployment, but it did slow down the pace of unemployment growth. It is too early to determine to what extent this trend shall continue, but at present, the signs are encouraging.

Table : Labor Force, Employment and Unemployment  
(thousands, monthly average)

	1987	1989	1992	1996	1999
Working-Age Population	2962.3	3082.2	3574.4	4019.9	4358.5
Labor Force	1494.1	1603.3	1857.8	2156.9	2345.2
Employed	1403.7	1460.8	1650.2	2012.8	2136.7
Unemployed	90.4	142.5	207.6	144.1	208.5

## ***Chapter 5 : GOVERNANCE***

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## Local Government

In order to draft, to whatever extent possible, the level of autonomy of local governments in Israel, one must examine its relations with the national government from two standpoints:

- I. The Legal / Institutional Standpoint – the system of laws and budgeting defining the functions and authorities of the local government.
- II. A realistic analysis of practical policy, to explain and power relations between local and national governments, beyond that which is defined by law.

Studies and analyses regarding the subject show that despite the high concentration of power of the national government expressed by control through legislation, budgets and the development of services, local authorities enjoy a considerable degree of autonomy, as well as a wide degree of maneuverability regarding acceptance of decisions in the areas of planning, budgeting and the development of services.

### 17. Level of decentralization

The heads of local authorities and councils are elected by the public according to law. In the event that the (elected) local council and/or chairman are not functioning properly (and have been so warned), or if an investigative committee reaches such a conclusion and recommends as such, the Minister of Interior is entitled to appoint a new local council chairman, thereby canceling the appointment of the former, and to dismiss the council.

In such a scenario a temporary committee will be appointed for a period no less than two years, after which the Minister of Interior will announce new elections. This legal authority is exercised quite rarely, and only after all other options are exhausted, i.e. warning, assistance, functional accompaniment, etc.

### Budgeting local government authorities

The local authority prepares a budget proposal for approval by the Ministry of Interior, before the start of the fiscal year. Tentative approval can be given in the even of delays in the submission or final approval of proposals. Local authority revenue is divided into some principle categories, including taxation, independent revenue from real-estate tax, surcharges, service fees, the sale of assets, etc.

Revenue from the National Government – Funds transferred by the national government to the local authority according to either agreement or law, for example:

- Taxes collected by the national government, a portion of which is transferred to the local authority
- Participation in services provided by the local authority as defined by law, such as education, and either full or partial reimbursement
- Government grants, primarily given according to set criteria, some related to the economic status of the local authority and to the population's socio-economic status

### Taxation by the Local Authority

A rise in the independent revenue of local authorities has begun over the past decade, reaching in 1996 to about 60% of the total budget. The local authorities see independent revenue as an expression of economic strength and of widened opportunities for the development of the town. The local authorities tax residents for real estate, and above these are permitted, within limits, to receive surcharges. Local authorities are currently working to expand their tax bases by adding elements of economic development. This competition over the expansion of tax bases generates conflicts on the level of national planning for regional development (here decentralization of industrial zones is too great, etc.)

In any case, dependence on national government budgeting is not necessarily an expression of functional dependence. A large degree of flexibility is preserved, both in determination of tax rates and decisions regarding the structure of the budget.

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In any case, dependence on national government budgeting is not necessarily an expression of functional dependence. A large degree of flexibility is preserved, both in determination of tax rates and decisions regarding the structure of the budget.

1. The national government sets minimum and maximum tax rates, surcharges and service fees, and the local authority maintains a range of flexibility. Final approval in any case rests in the hands of the Minister of Interior.
2. Only a certain portion of the taxes / fines is determined uniformly throughout the country by the Minister of Interior and other Government Ministries, to ensure the adequacy of basic services.
3. Local authorities are able to borrow funds, albeit not independently borrow funds. Approval of the Ministry of Interior and often the Ministry of Finance is required regarding the scope and source of loans.
4. Local authorities are entitled to independently choose contractors as long as they follow the requirements of issuing a public tender. Approval for housing and employment projects depends on the provision of infrastructure (water, sewage, roads, electricity and meeting environmental criteria). For new projects, infrastructure costs are included in the calculations of the costs to the entrepreneur, and it is his responsibility to ensure that they are executed in cooperation with the local authority, members of the private sector, or the national government (either execution by entrepreneur or use of development surcharges).

### **The transfer of government budgetary funds**

A significant portion of governmental budget transfers is not precisely known prior to preparation of the local budget, and they are defined as estimates that become final only after approval of the State budget. In any case, there are fixed formulas concerning some of the transfers and regarding the economic grant. Even after the budget is actually approved, the local authority is given a degree of freedom to exceed its budget. These deviations stem from developmental needs, financing elections and/or inefficient management. The local authority expects the national government to cover these deficits, with the rationale of economic dependence and of inappropriateness of services funded according to the scope of the budget transferred by the national government. Given the relationship of dependence, there is often no incentive for consulting with the local system.

## **18. Participation and civic engagement**

### **Citizens' involvement in planning decisions**

Contrary to expectations, the public's involvement in decision making in the area of planning does not manifest itself in the form of the active participation by citizens in the process of decision making, but rather in the legal mechanisms at the public's disposal to respond to planning actions. These means include the right to be heard, to object to and/or appeal decisions, etc.

The cases in which the public is given the opportunity to take an active part in the decision making process are not widespread. They occur primarily when either relevant social groups and/or organizations reveal particular interest in the subject of planning and apply pressure, or the local authority, and publicly elected Mayor, are interested in wide public support for decisions likely to alter the principles of local planning. It is important to note, however, that the Local City Council is a publicly elected body that, in practice, holds decision making power in terms of planning, services, activities, etc.

In terms of public participation, a very good case study focusing on public involvement in planning is the "Project Renewal" program instituted by the Ministry of Construction and Housing to empower the residents of run down urban areas. The residents of these areas are encouraged to organize, actively initiate and take part in schemes to alleviate their specific neighborhood problems. Uniquely, the project encouraged urban renewal on a material and physical renovation level as well as on a personal citizen self-improvement track involving opportunities for education.



## 19. Transparent, accountable and efficient governance

### Transparency and accountability

According to law, the Ministry of Interior has the authority to supervise the activities of the local authorities. Among other means, supervision is carried out through the auditor's department of the local authority. Auditing of the local authorities' finances is done on an on-going basis, both independently (by the local authority's comptroller and an accounting firm), and by an accounting firm hired by the Ministry of Interior as an outside body. The Ministry of Interior itself also conducts financial auditing of the local authorities.

Municipal services that are contracted out are assigned by either public tender or by franchises that are given exemptions from tender participation by the Ministry of Interior. The issuance of tenders is done publicly, and the results are transparent.

Sanctions are placed on public servants that do not perform their duties properly, and most are anchored in law. The law relates to the subject of possible conflicts of interest, regarding both elected officials and employees of the local authority. Elected officials and/or local authority employees are required (by law) to declare any possible conflict of interest, in which case they are prevented from participating in decision making on the relevant subjects. Breaking the law is punishable by fine.

### Local plans

There are two separate categories of plans:

- I. Statutory plans defining land designations and land rights (outline plans, specified plans)
- II. Strategic plans regulating the processes of development, development in stages, processes making systems more efficient, etc.

Category A – Anchored by the Planning and Construction Law. The initiative for a project can come from either the local authority or the national government. Planning is carried out in full cooperation with the local authority and with the final approval of the District / National Committee of the Ministry of Interior. There is a precise definition for programs under the auspices of the local authority, and they are primarily limited and detailed programs and the issuance of permits.

Category B - Most cities (some 50%) and some local councils (about 30%) have strategic planning units established as a joint initiative of the local authority and national government, with the government maintaining responsibility for half of the funding. Cooperation (including funding) developed with the Jewish Agency and in some places also with the Center for Encouraging Business Initiatives. These units conduct long-term and medium-term strategic planning, conduct research and surveys of the authority from various perspectives, some in direct cooperation with private businesses. This is not a widespread phenomenon on the local level, but local authorities often deal with companies and corporations, owned by the local authorities or in partnership with them.

Private business involvement is more common in the case of development and/or rehabilitation of business districts such as industrial parks, etc.

The search for new working methods that result from economic independence from the national government gave rise to the mechanism of city companies as a potential enticement to investment and business address for municipal activities (consulting services for entrepreneurs, dealing with investors, municipal assets, etc.).

In practice, most city companies deal more with economic development through the management of municipal assets and development of long-term economic strategy. However, these municipal countries are in a continual state of flux and adjustment to local market changes, expressed primarily in areas of distinct economic advantage) the center of the country has gradually reduced its economic dependence on the national government).

In regards to social and economic strength, over time, this generates greater spatial and polar variance between the center and the periphery.

## ***Chapter 6 :* INTERNATIONAL COOPERATION**

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## 20. Enhancing international cooperation and partnerships

On the local level, many Israeli cities have "twined" with cities abroad. The relations between twin cities generally entail cultural and social / educational exchanges.

On the national level, Israeli cooperation with other states is a well established institution operating in terms of a wide variety of issues. Israel makes financial contributions to European and World Banks, is involved in various UN and other international organizations such as INTA, has defined and is presently in the process of defining numerous peace initiatives with geographical neighbors - including environmental protection agreements (see annex D) and economic aid programs, allots a very large proportion of national resources to absorption of immigrants, and provides technical assistance to developing countries (as described below).

### The Center for International Cooperation

International cooperation between Israel and other countries is coordinated in Israel by the Foreign Ministry through their Center for International Cooperation (CIC). On a budget of 25 million dollars per year, the CIC is charged with responsibility for Israel's programs that provide technical assistance to developing countries. It has become an important and unique component of foreign policy, suited to a distinctly Israeli ideological ethos, combining altruism with pragmatism.

Israel's foreign policy vis-a-vis developing countries is a faithful expression of the tremendous value placed by the Government on the importance of aid and giving.

### Fields of Activity

The CIC attempts to cope with the principal issues that continue to plague developing countries. Improved access to local services and infrastructure in developing countries paves the way for improved business productivity. This economic activity, in turn, raises the standard of living in communities to provide plumbing, telephone and electrical services to families, thereby decreasing their vulnerability to disease and epidemics. Israeli programs, according to CIC brochures, are relevant in the following fields:

- increasing and diversifying agricultural crops while preserving the maximum amount of water and irrigation
- fighting the battle against deforestation
- working for the status of women in national development
- promoting business initiatives
- promoting sustainable tourism
- increasing water sources and quality
- promoting health
- advancing education
- introducing computerization
- community development
- establishing professional associations
- establishing legal systems
- developing mapping and geological surveys
- discovering energy sources
- environmental protection
- facing challenges faced by newly evolving economies

Beyond the ability to assist in the improvement of professional skills by providing knowledge and technology, the CIC has become a tool for the achievement of political, economic and humanitarian objectives. As such, Israel has joined the community of donor nations, albeit to a modest extent, and is recognized as such. The flow of proposals from all over the world for use of Israeli knowledge and expertise is an expression of appreciation and trust in Israel and its abilities.

## Activity Modes

CIC brochures explain their specialization in the development of human resources, a subject that places it in the center of the map of world assistance. This objective is achieved in the following ways:

Training in Israel: Over the past 40 years, some 65,000 men and women from some 140 countries have come to Israel for training in various disciplines at 20 centers throughout the country. (Some at universities, the Volcanic Institute, the Carmel – Haifa Center, the Center for Development in Rehovot, etc.) Every year, about 130 courses and seminars are held in five languages: English, French, Spanish, Russian and Arabic. Likewise, special courses are held in other languages according to need (i.e. Czech, Bulgarian, Albanian, etc.).

This year the emphasis has been on activities in the Middle East. In this regard, the Center for International Cooperation contributes to the institutionalization and strengthening of ties between professionals on both sides of the political barricade, the building of mutual trust and the improvement of the general atmosphere in the region.

In 1997, a record number of trainees (4,300) arrived, with the Palestinians forming the largest group of trainees for the first time (666). Egypt sent the second largest group of participants in 1997 (450), followed by China (166), Turkey (149), Bulgaria (98) and Jordan (94).

Training Abroad: Some 85,000 men and women have taken part in training programs and seminars run abroad by the CIC in the past 40 years. In 1997, 142 mobile courses were held abroad, in which some 6,000 persons took part.

Course graduates automatically join "peace associations" in their respective countries, participating in various activities with the assistance of the Embassy and the Ministry of Foreign Affairs in Israel. Such "associations" are scattered throughout 60 countries. All graduates receive "Peace" Magazine, issued three times a year in five languages.

## Exhibition Centers

According to CIC sources, they operate 26 exhibition centers in the field of agriculture – fish and pheasant breeding, cattle and milk farms, orchards, bee harvests, in the fields of optometry and technological education, accompanied by Israeli experts on location. The goal is to expose Israeli technologies and input likely to provide better solutions to those areas, and to promote Israeli export of both knowledge and input.

These activities are currently being implemented (through Syndaco and Agridav Ltd.) in Egypt, Jordan, China, Mongolia, India, the Philippines, Ethiopia, Urethra, Kenya, Senegal, תוניסיה, Swaziland, Cossackstan, Uzbekistan, Kirgistan, Poland, Hungary, El Salvador, Peru, Ecuador and Costa Rica. The establishment of exhibition centers is planned for Jordan, Turkey, Morocco, Zimbabwe and Ukraine.

## Emergency Aid

The Center's system is harnessed on the need to provide emergency aid to disaster – hit regions by dispatching experts, mainly in the fields of health (medications, emergency surgeries, infectious diseases, "eye camps", blankets, etc.) and agricultural rehabilitation.

Recently, representatives of the Ministry of Foreign Affairs visited the earthquake- inflicted regions of Turkey to present the Israeli proposal for the establishment of an "Israeli Village" that will provide a response and refuge to several thousand people lacking shelter. The decision to establish an "Israeli Village" was made in a special meeting of the Government of the request from Ankara for Israel convened on the subject of the disaster in Turkey, in which it was decided to grant temporary shelter for the many disaster victims.

The Government of Israel allotted a special budget (of 19 million NIS) to fund the Village, in the framework of which more than 500 temporary housing units will be erected (refurbished containers with the addition of bathrooms, heating, kitchens, sewage, etc.). The units were chosen as a worthy alternative, being the most suitable, efficient and appropriate electricity solution, given the budgetary and time restrictions involved.

The Government of Turkey accepted the proposal with great appreciation and gave its blessing for the establishment of the Village. The Israeli Government made a commitment to build the Village, with options for future expansion, on the outskirts of the city of Edezafrı, along the Istanbul – Ankara Highway, before the onset of the harsh winter. The “operation” shifted into higher gear, the containers have arrived on site and have been prepared for habitation and other community services (school, clinic, community center) and, Israeli teams are in the field.

This is the first project to be undertaken in Turkey by a foreign country in the creation of infrastructure and housing for earthquake victims in the face of the current disaster. The village will serve as a model for units to be constructed through aid provided by other countries / organizations.

### **Agreements**

The CIC has signed agreements with AID and the governments of Holland and Denmark, which contribute a significant part of the Center’s budget, as well as Norway and Sweden. Likewise, there are agreements with international aid organizations cooperating in activities in developing countries, such as UNDP, UNESCO, UNCTAD, FAO, EDI (International Bank) and the African Development Bank.

### **Research**

According to CIC sources, there are forty research projects underway through special foundations, appointed mainly by Germany and Holland and designated for researchers from developing countries in cooperation with Israeli researchers

## ANNEX

## **A. PUBLIC AND PRIVATE SECTOR INVOLVEMENT IN HOUSING PROVISION**

**Mr. Adam Buchman, The Association of Builders and Contractors in Israel**

During the eighties, an average of some 20,000 apartments was constructed each year.

At the start of the nineties, a large wave of immigration began arriving in Israel from countries of the former Soviet Union. During the two years of 1990-91, some 380,000, that comprised over 8% of the existing population, have arrived in Israel. later on, the numbers have decreased to some 60-80,000.

Within two years, an increase was recorded of more than 300% in the number of building starts in Israel – from about 20,000 apartments in 1989 to 84,000 apartments in 1991. In parallel with this, the time for building construction was shortened by one-half.

During the first years, the government was heavily involved in the “supply side” by either directly financing construction of housing, or by giving a “purchase guarantee” to developers.

In the second half of 1992, the policy has changed toward lesser direct involvement in the “supply side”. Since 1993, the private sector is actually providing the “supply side” of housing solutions.

Over 95% of the new dwelling units constructed each year, are financed, marketed and constructed by private developers. Nevertheless, there are very substantial inter-relation between the public and the private sectors in provision of housing solutions.

### **The Background**

#### **Supply of land**

Since 92% of the land of Israel is a state owned, the government is the major provider of land to the construction industry. In fact, 60-70% of the new dwellings is constructed on state owned land.

#### **Mortgages**

The government is providing soft loans to large numbers of eligible populations, including young couples and new immigrants. Eligible populations account for some 40-50% of the total housing transactions in the housing market (new and second hand) each year. However, in terms of mortgages financial volume, the share of government's soft loans has been substantially decreasing from 37% in 1994 to 27% in 1999.

In these circumstances, the private sector, to a large extent, is dependent on the government to provide planned and developed land on one hand, and to support the demand, on the other.

The government is doing the zoning, the general development, the provision of utilities and basic infrastructure, and sales the plots, through public tenders, to developers. (the execution of planning, supervision and construction is done by the private sector firms contracted by the government. There is no public execution entity at all) The developer is responsible for the detailed planning, marketing, financing and constructing. Thus, the private, rather than the public sector, is bearing most of the commercial risks. It must be noted that 30-40% of the housing is constructed on private land, where the public sectors involvement is lesser.

A sample of the public private cooperation is well demonstrated in the establishment of the new city of Modi'in. The government initiated the city and did the zoning and basic development. It also provided the utilities and public structures. The plots, in various sizes from 30 up to 600 units, had been tendered out to private developers to build and sale the housing units. The developer also had to pay back the government the development and infrastructure costs. Thus, a whole new city has been established with very limited public financing. Only public structures like schools, community centers etc and main lines of infrastructure had been actually financed by the public sector.

### **Preconditions for the private sector**

#### **Availability of land**

Since most land is state owned, the developers are dependent on the state to provide planned land to the market. In some years, namely 1993-1994, a scarcity of land, was the main barrier to increase housing starts

**Demand-Mortgages**

The size and cost of soft loans in the framework of the housing assistance scheme, is an important factor determining the actual demand for housing.

Other, even more important factor, is the cost of “free” mortgages.

The constant rise in the cost of mortgages comprises barrier to housing solutions.

**Credit**

The housing industry is a very credit intensive activity.

The inability to raise equity in the Israeli capital markets and the scarcity of banks’ credit comprises another barrier to the industry.



## B. PUBLIC PARTICIPATION IN PLANNING DECISIONS IN ISRAEL

Prof. Arza Churchman, Center for Urban and Regional Studies, Technion-Israel Institute of Technology,  
Haifa Israel

Public participation in Israel has a checkered past, present and probably future. The system of government in Israel is a very centralized one, and although there has been a move to decentralization in the last 20 years, it is a very slow process. Centralized decision-making is, of course, antithetical to public participation. Furthermore, attempts to introduce resident participation in various programs have been hampered by the fact that the vast majority of the immigrants who arrived in Israel over the years have come from non-democratic countries, and thus had no experience with any democratic process, let alone a participatory democratic process.

Within the planning system, the only legal requirement for public participation is the Building and Planning Law requirement to publish a notice in newspapers informing people of a plan under review, and inviting them to submit an objection to the plan should they wish to do so. This requirement is very minimal and limited: a) since the notice appears only at the end of the planning process after the plan is complete and has been approved by planning committees, b) people who wish to object have to do so within 60 days of the notice, and c) one has to prove that one will be directly affected by the plan, or else be a recognized group that has the right to submit objections. In recent years, the number of NGO's submitting objections has significantly increased, both because of increased sensitivity to, and concern with environmental issues (in the broad sense of both ecological and quality of life aspects), and because of the rapid rate of development in the country during the past decade.

There are increasing numbers of grassroots groups that have sprung up in various cities and neighborhoods, each with its own agenda depending on the issues in its particular community. Many of these groups are very dedicated and effective; others suffer from the lack of resources and burnout by the active members. The response by the politicians to such groups is mixed: some have learned to work together with them, some have learned to live with them, and some continue to object to what they perceive as interference with their right and responsibility to make decisions on their own. An interesting development is the push by environmentally activist groups to encourage resident participation in decision-making processes, and attempts to create a coalition with socially activist groups so as to create a synergetic effect.

The issues and dilemmas surrounding public participation in Israel are in essence similar to those relevant in other countries, except that of course their particular nature or intensity may be different. Issues such as who should/can/does participate? What information should be available to the residents, at what point of time, in what format? Can they, or should they need to, claim to 'represent' the public? How can one ensure that the 'weaker' groups in the community are given an opportunity to participate? What kinds of decisions should be open to resident input? What should/can the division of power be between the residents and the politicians/professionals/bureaucrats? What kinds of resources should be invested in the participation process and by whom?

One of the major programs in which resident participation played a central role was the Project Renewal Program, under the joint auspices of The Ministry of Construction and Housing and the Jewish Agency. This program began in the late 1970's and still continues, although at a much smaller scale than before. It was very significant in giving legitimacy to the principle of public participation, and served as a 'school' for both residents and professionals.

The cities of Jerusalem and Tel Aviv have set up local committees in various quarters of the city, each with varying degrees of decision-making and implementation power.

There are at present some encouraging signs: public participation has become an issue that is raised in many more forums than before. For example, a recent conference of city engineers was devoted to the topic. The Ministry of Interior has begun requiring a public participation component in the tenders for plans that it advertises. Various plans initiated by professionals in private practice and by municipal agencies have encouraged and enabled residents to participate in the decision-making process. Some of the cities have begun attempts to develop a strategy for public participation.

A unique program underway at the moment is a Citizens Conference, modeled after such programs conducted in Denmark and other European countries. The citizen's conference brings together a group of volunteer residents, non-professionals in the field being discussed, for intensive discussions based on input from professionals and decision-makers. They will discuss issues of transportation policy that are presently facing the country, and present their conclusions to the Ministry of Transportation, the Ministry of the Environment, and to the public at large. The fact that these two ministries are sponsoring the conference, together with a number of NGOs is a very interesting development, and bodes well for the future of resident participation.

Furthermore, there is more and more research conducted on the topic, mainly within university settings, such as the Hebrew University and the Center for Urban and Regional Studies at the Technion, but also under the auspices of groups devoted to the encouragement of resident participation.

Thus, it would appear that there is now a significant amount of awareness and activity among residents, professionals, bureaucrats and politicians, enough to allow some degree of optimism that the momentum will continue and spread.

## **C. DEVELOPMENTS IN THE BEDUOIN SECTOR**

**Ms. Shulamith Gertel, M. of Cnstruction and Housing with Mr. Amatzia Tvuah, The Bedouin  
Administration Authority**

## D. INTERNATIONAL COOPERATION FOR ENVIRONMENTAL SUSTAINABILITY

Ms. Tamar Yeger, M. of Construction and Housing with Ms. Caroline Zeidan , Palestinian / Israeli Environmental Secretariat and Mr. Salman Abu-Rochan , Israel Nature and National Park Authority

Israelies and Palestinians share the same small geographical area, with many ecological and environmental problems of common concern. Only international cooperation can help solve the environmental problems. leading to bilateral understanding in term of all aspects of co-existence.

The following are two examples of international cooperation:

The Israel Nature and National Park Authority (INNPA) activities in association with Palestinian governmental and non-governmental organizations.

Activities of the INNPA up to 1999:

1996 - A Palestinian nature protection officials training seminar.

1997 – A joint seminar for representatives from the INNPA and the Palestinian Environmental Ministry in Bonn, and a summary paper.

1998 – A workshop on nature and environmental issues for teachers from the Palestinian Authority. A joint guided tour for Israeli and Palestinian students at Um-Reichan nature reserve. Meetings between representatives from the INNPA and the Palestinian Authority in which the Bonn summary paper was discussed within the frame-work of cooperation. The Palestinians were given the Israeli law for the protection of wild animals, including lists of animals and vegetation in the reserves within the Palestinian area. A master plan for Palestinian nature protection officials training program was established and supported by the German government. An environmental guided tour for Palestinian journalists was held in the Judean Desert. A Workshop was held for Palestinians and Jordanians on managing nature reserves and educational centers as a way to promote awareness of nature. The INNPA set up and supported a petting corner in Jericho.

Future activities:

Training Palestinian officials to supervise and uphold the nature protection laws, including joint patrols with the INNPA officials. Workshop and seminars on nature and heritage sites conservation, and training educational people using the INNPA training centers.

2. PIES – Palestinian Israeli Environmental Secretariat – established in July 1997 by the Economic Cooperation Foundation (ECP), The Palestinian Council of Health (PCH), and The Society for the Protection of Nature in Israel (SPNI), and is supported by the Dutch government. PIES is opened to all environmental NGOs, municipal environmental agencies and commercial bodies, Israelies and Palestinians, that support Israeli-Palestinian cooperation.

PIES promote joint activities in two main areas: education and public awareness, and environmental protection.

PIES aims are: To forge a Palestinian-Israeli commitment to environmental protection, promote "People to People" activities – using environmental activities to teach acceptance of the "other", promote sustainable development based on mutual interests, create a mechanism to develop joint environmental projects aimed at upgrading environmental infrastructure, support Israeli and Palestinian NGOs, provide technical support to Palestinian NGOs – based on the experience of the SPNI and other Israeli's NGOs, and to provide data and research materials that will serve decision-makers, planners and politicians.

**E. INTERNATIONAL COOPERATION ON A LOCAL LEVEL:  
TWIN CITIES PROJECT**

**Mr. Dov Kehat, City Planning Consultant**

## G. RELEVANT ELEMENTS OF PLANNING IN ISRAEL

Guy Kav Venaki, Israel Lands Authority

### Metropolitan areas

Metropolitan Haifa is a multi-centered metropolis, stretching from the Mediterranean coast to the west, to the center of the Galilee. Primary development centers of this metropolis are the City of Haifa, the Krayot, Acre, Nazareth and Carmiel. Israel 2020 characterized this metropolis as mountainous, green, integrating Jewish and Arab populations, unique in its natural worth, of great heritage, and including sites of interest to tourists and various types of settlements.

Metropolitan Tel-Aviv is located at the center of Israel's coastline, and is the business and cultural center of the country. Jerusalem is approximately 70 kilometers southeast of Tel-Aviv. Some consider metropolitan Tel-Aviv and metropolitan Jerusalem a single unit, defined as the "heart of the country", but it should be noted that although a city called Modi'in was established halfway between the two metropolises in recent years, the distinct planning policy is to preserve a significant open barrier between Tel-Aviv and Jerusalem. Jerusalem is the capital of Israel, its governmental and religious center, and a metropolitan nucleus.

Metropolitan Be'er Sheva is referred to as the Southern Metropolitan area, despite its geographical location in center of Israel. This is because most of Israel's population resides in the northern half of the country. Metropolitan Be'er Sheva is a budding metropolis. The vision of Israel 2020 is for it to become a metropolis of innovation and primacy on the edge of the desert, quality environment, experiment, and integration of Bedouin, from a nomadic, transient lifestyle to one of permanence.

### Categories for planning

The National Outline Plan 35 division of Israel's land area into "textures" distinctly defines Israel's macro-spatial structure: Four metropolitan areas, with open spaces between and around them., these open spaces organized according to the following principles:

- I. A Green Strip – Contiguous nation-wide green space serving as the backbone of the array of open spaces; this space encompasses most of the protected sensitive spaces in northern and central Israel. It includes a longitudinal column of open spaces, connecting the Galilee and Carmel in the North to the Jerusalem and Negev Hills in the South, via the Eastern section of the "narrow hips" of Israel, along the planned route of the Trans-Israel Highway.
- II. Lateral buffers among and within the metropolises, mainly along riverbeds descending from the hills to the seashore.
- III. National reserves, mainly in Southern Israel (most of the Negev Desert), designated as large protected spaces for the purposes of landscape and nature preservation and tourism.

Urban "textures" (of two kinds) are designated for urban development. They include most of the metropolitan areas, the large urban settlements and small number of rural settlements, open and agricultural areas, seen by the program as bearing potential for future urbanization. The scope of open spaces among these urban "textures" is double that of the scope needed for urbanization according to projections. This is meant to ensure flexibility when locating sites for urbanization, in the face of many restrictions to development in Israel such as the existence of: archaeological sites, water drilling, security distances from infrastructure, joint ownership, conflict between adjacent local authorities, etc. These obstacles diminish the rate of housing supply as a response to continually high demand, and cause housing prices to rise. Moreover, in order to prevent the transformation of all urban "textures" in the center of the country to urban areas, the program restricts the amount of area that can be urbanized within each particular "texture". Village "texture" includes village areas that are not located in regions of great environmental or landscape sensitivity. The program places few restrictions on development in this "texture", as long as it does not become urban. In symmetry to the three "textures" designated for development, the Plan designated three "textures" for preservation. Combined preservation, national preservation and coastal. These "textures" include the majority of nature preserves, forests and open spaces of environmental and landscape value. Additionally, these "textures" include a number of urban settlements, which could not be included in urban "textures" because of their location in sensitive open spaces. The program places restrictions on development and encourages preservation in these "textures".

## **Center and periphery**

The metropolitan centers of the North and South are a mere distance of approximately 100 kilometers from the country's hub, Tel-Aviv, but characteristics of development, social, security and historical backdrop of the establishment of settlements brought about the designation of those regions as national periphery in terms of perceived distance and spatial disparities.

National Outline Plan 35 refrains from placing the same development and employment restrictions on the Galilee and Negev that are placed on residents in the center. The Plan calls upon the Government of Israel and the Ministry of Finance to increase investment in physical infrastructure and manpower in the periphery, in order to increase its attractiveness and encourage migration from the center of the country.

## **H. RELEVANT ENVIRONMENTAL LEGISLATION**

**Ms. Tamar yeger, M. of Construction and Housing**

The Abatement of Nuisances Law of 1961 is the principal legislative instrument for controlling air pollution. Other legislative instruments are:

**Local** authorities enact by-laws on air pollution prevention, and the following laws: The Traffic Ordinance (New Version), 1961, The Operation of Vehicles (Engines and Fuel) Law, 1960, A 1982 regulation within the framework of the Planning and Building Law, 1965, The Licensing of Businesses Law, 1968, The Public Health Ordinance, 1940,

A Covenant on Implementation of Standards on Pollutant Emissions into the Air was signed by the Environment Ministry and the Manufacturers Association in 1997. The appendix to the Covenant includes Regulations on the Abatement of Nuisances (Pollutant Emissions into the Air). Emission standards for the power stations operated by the Israel Electric Corporation are currently being finalized. In addition, emission standards for urban waste incinerators and hazardous waste incinerators were established in 1997.



# I. ISRAEL NATIONAL NETWORK OF HEALTHY CITIES

Dr. Milcha Donchin, February 2000,

## NATIONAL NETWORK OF HEALTHY CITIES

The idea of the *healthy city* that took shape in Canada and the United States in 1984, developed in 1986 into an experimental project of the European branch of the World Health Organization, and in recent years has become a worldwide movement. A *healthy city* is one that is aware of the value of health, aspires to improve the state of health, and is willing to function according to the fundamental principles of "health for all" that were formulated by the World Health Organization and adopted by all member nations including Israel. These principles focus on activity towards the diminution of health disparities among and within countries, advancement of health and prevention of disease, multi-sector work and citizen involvement. In a *healthy city*, there is a **political obligation** to take action towards advancement of health. In the process of its development and activities, the *healthy city* commits itself to consider the ramifications of its decisions on its population.

According to one of the new definitions, a *healthy city* is one in which all sectors work together – residents, organizations, businesses and the local authority, to ensure **a living city where living is good**.

To take action towards advancement of health, the *healthy city* must first commit itself to recognize the state of health of all stratum of its population, to recognize the socio-economic and environmental characteristics connected to their state of health, to identify health disparities, to be aware of the level of utilization of health services and the extent to which they are suited to the needs of the population. A multi-sector team with citizen involvement carries these activities.

Collection of data in the local authority (city health profile) enables it to both plan its actions so that they will respond to the population's needs and to evaluate achievements.

An integrative view of needs and planning in accordance with accepted goals requires the pooling of resources and is likely to lead to the more efficient use of existing resources. Adoption of this viewpoint is likely to lead to an organizational change in the local authority.

There are approximately 1,000 *healthy cities* in 27 national networks in Europe today, functioning as one European network managed by the World Health Organization. There are about 6,000 *healthy cities* worldwide.

Models of additional frameworks for the advancement of health were developed in recent years. All work by the same fundamental principles of "health for all", and in accordance with the guidelines set at the Ottawa Convention on the Advancement of Health. These activities are carried out in every setting where citizens live, work or study. They were independently developed in these settings (cities, rural towns, neighborhoods, homes, schools, factories, hospitals, clinics, pharmacies, universities, etc.), and as part of the activities of *healthy cities*.

### The National Network of Healthy Cities in Israel:

The Israeli network of *healthy cities* was established at the end of the first Healthy Cities Seminar, held in March 1990 at the initiative of the Ministry of Health and with the participation of the World Health Organization. The network of partners includes representatives of the *healthy cities*, representatives of government ministries, organizations, institutions and individuals interested in advancement of health in Israel. The network currently functions as an agency of the Union of Local Authorities in Israel. The network is interested in expanding its services in order to increase its power and influence to advance health in Israel.

The *healthy cities* currently part of the network are: Jerusalem, Tel-Aviv, Haifa, Netanya, Ramat Hasharon, Ashkelon, Ma'aleh Adumim, Kiryat Gat, Um El-Faham, Dimona, Nazareth, Rahat, Ramleh, Lod, Kiryat Motzkin, Jesar El-Zarka, Ke'uhav Abu Elhija, Givat Shmuel, Ashdod, Nahaf, Karnei Shomron, Eilat, Modi'in, Herzliya, Kiryat ya'arim (Telstone) and Kfar Yafiya.

# **J. JERUSALEM - ROME - NEW YORK**

## **THE INTERNATIONAL CENTER FOR MUNICIPAL POLICY**

Mr. Dov Kehat, City planning Consultant

### **General Background**

The International Center for Municipal Policy will function to generate the information infrastructure needed as the basis for the strengthening local democracy worldwide. The essence of strengthening local democracy worldwide is the advancement of individual freedoms, by increasing the freedoms of choice and expression of city dwellers worldwide and by advancing the cause of world peace for the good of humanity and the well being of individuals.

The International Center for Municipal Policy will also work for the formulation of an international treaty on local democracy; a treaty that will strive for the regulation of the system of relations between the (democratic) State and the local democracy, in a way that will strengthen the power of democratic rule, as well as between the local democracy (local government) and the individual citizen in a way that will ensure individual freedom (in the broadest possible way in the framework of social order).

### **The Center's Regional Structure**

The International Center for Municipal Policy will conduct its international activities from three main centers:

- Jerusalem
- Rome
- New York

The activities of the International Center for Municipal Policy will be available from these three centers to the entire world. Presumably, secondary centers will open throughout the world over the years. Already in the initial stages of its operation, the Center will run interactive communication systems that will facilitate worldwide accessibility to and from the Center.

### **The Center's Areas of Work**

As mentioned above, the Center will work for, among other things, the formulation of an international treaty on local democracy (local government). Beyond that, the Center will have a variety of areas of work. In the initial stage, the Center will focus its work in three main areas, each city (Jerusalem, Rome and New York) being responsible for conducting one area of work.

1. New York will take the leading role in the area of innovative technological applications within the local government; a subject that can affect all areas of life including: advanced water and waste disposal treatment systems, innovations in transportation, innovations in municipal services and contact with the local resident, directing from afar, some of the technological innovations in education, etc.
2. Rome will take the leading role in work in all subjects connected to city planning, such as: conservation and rehabilitation of old cities, cities more friendly to residents integrated applications in city and regional development, etc.
3. Jerusalem will take the leading role in various aspects of local democracy, beginning with subjects related to systems of local government:

- i. The delineation of responsibilities between the local and central governments
- ii. Questions of representation and choice
- iii. Subjects related to resident involvement
- iv. Additional governmental layers (sub-councils, community boards, etc.)
- v. How to enrich residents' range of choices
- vi. How to scrupulously preserve individual freedom

As mentioned above, each city will take the lead in a particular subject area. However, this does not mean that it will refrain from dealing with other subjects. To the contrary, each city will serve as a resource to the others, enriching knowledge, sharpening questions and deepening international discussion.

## Organization of the Center's Activities

During the first stage, the intention is to generate activities of the Center on two levels only:

- The local level, on which each city develops activities according to its own preference, on the condition that these activities generate data that can be used internationally. The types of activities we suggest for development in Jerusalem are detailed below.
- The international level, on which we speak of three types of activities:
  1. Annual conference
  2. Work groups
  3. The international exchange of ideas, through an interactive Internet site.

### 1. Annual Conference

Initially, the mayors of the three cities will tour the three cities together, according to plans in the year 2000. In this framework, it will be possible to hold a professional seminar in each city in one of the subjects (in which the city is supposed to take the leading role). The mayors of the cities will participate in these seminars and announce the establishment of the Center and its goals.

The year 2000 will be dedicated to preparing the first annual conference, to be held before the end of the year, or during 2001 the latest, the first year of the new millennium. The annual conference will be open to the entire world in stages, each year in a different city.

### 2. Work Groups

In the various cities, the International Center for Municipal Policy will work towards the establishment of international work groups. These groups will work both through the interactive systems of the Internet, and in the framework of meetings, to be held in the respective cities. At the appropriate time, the work groups will hold international meetings, the protocols of which will be submitted as a position/work paper, manifesting themselves both as a basis for the formulation of municipal policy, and as a resource to be distributed throughout the world. Some of these papers will serve as the basis of the annual conference. The work groups will gradually be opened to participants worldwide.

### 3. The International Center for the Exchange of Ideas

The International Center for Municipal Policy will work towards the launching of an interactive Internet site. The site will serve as an international center for the exchange of municipal policy development ideas.

The Center will be open to all and managed by an integrated staff of professionals in the area of municipal policy, academicians, public servants and local community leaders. In order to initially generate an agenda common to everyone that visits the site, the subject of the international treaty on local government can be brought up for discussion. A set of questions and dilemmas can be offered for discussion, concerning the treaty's urgency and the purposes such a treaty might serve, the possible components and structure of such a treaty, the treaty's place in the array of the legal social contracts of the democratic state, ways to assimilate such a treaty, etc. Later on, it will be possible to use the site to involve the greater public in both the work of international work groups and the makeup of annual conferences.

Organization of the Center's activities on the local level (i.e. Jerusalem): As stated above, the Center will operate in Jerusalem, Rome and New York. A center in each of these cities will coordinate activities that will presumably stretch beyond the city boundaries. In the case of Jerusalem, the intention is for the center to serve as a basis for the Israeli Center for Municipal Policy. That is to say, a center that will transcend general municipal policy subjects of international concern, also focusing on specific Israeli municipal policy issues. The center in Jerusalem will function in cooperation with a variety of partners, including:

- The Ministry of Interior
- Academia
- The Union of Local Authorities and the Regional Council organization
- Economic Organizations

- Surrounding groups
- and others

The Center will remain abreast of innovations in the area's municipal subjects, attempting to serve as a source of inspiration and information.

In the first few years, the Center will focus special attention on the peace process. In that context, the Center will work towards the development of cooperation between Israeli and Palestinian cities, for the strengthening and advancement of local government in the region. The Center will generate cooperation with various institutions such as the Peres Center for Peace, to advance contacts in the municipal area in the region. Indeed, some of the work groups of both the International Center and Israel Center for Municipal Policy can include companies from Israeli, Palestinian and other cities, academia, and more.

Moreover, cooperative efforts such as these can lead not only to joint work in integrated teams, but also to the development of joint projects, such as common marketing of tourism packages, a joint cathedra, joint seminars in subjects related to municipal policy issues, joint projects in water treatment and waste management, recycling, etc; formulating joint legislative proposals, etc; developing joint projects to establish tourist attractions, such as joint parks, bicycle paths, pedestrian walkways, horseback riding trails, etc;

The center in Jerusalem will gather much information from the centers in Rome and New York. This information will be at the disposal of work groups, serving as a source of inspiration, and an impetus for changes in the system of local government in Israel. As mentioned above, the center in Jerusalem will be responsible for taking the lead in subjects pertaining to the design of local democracy. However, it would be impossible to ignore the unique experience accumulated in Israel during this period, in the area of immigration and absorption. As such, the center in Jerusalem will presumably make a unique contribution in that area.

### **Sources of funding**

National Government  
Jerusalem

Foundations and Donations

The Union of Local Authorities and the Regional Council