

Public Housing Policy among Project Renewal Neighborhoods in Israel

Dr. Zvi Weinstein¹

The article describes and analyzes one of the core social issues of Israeli politics in recent years regarding the sale of public houses to their tenants. Public housing policy in Israel has undergone fundamental changes – from a universal and socialist policy during the 1950's and the 1960's to the neo-liberal and capitalistic policy of free market and privatization since 1977. These changes caused a widening of the social and economic gaps among different population groups.

The limit quantity of nearly 60,000 units left to day is concentrated in 65 neighborhoods included under Project Renewal out of 94, correct to 2013.

The central question of our discussion is whether the transformation of public housing dwellers in Project Renewal neighborhoods from rent to ownership status has contributed socially and economically to the neighborhoods' residents.

The issue of public housing became one of the most significant social issues in 1998 when the Knesset (Israeli Parliament) discussed the Law of Public Housing initiated by Ran Cohen, at that time a Parliament Member. Unfortunately, the law was passed only in 2013 after long political debates and suspension procedures by the Law of Regularization. In between these two dates, in the summer of 2011, we witnessed a protest led by young people, followed by the Trachtenberg Committee and many suggestions by Knesset members and NGO's organizations on how to solve the issue.

During the first 30 years since the establishment of the State of Israel, the central government adhered to the ideology of population dispersal of new immigrants and the creation of development towns. About 60%- 70% of public housing were built in periphery towns and remained there as a reservoir

Since the early 1980's, Project Renewal encouraged residents to buy the apartments that they were living in as a policy aimed to prevent the emigration of the residents due to the physical and social deterioration of the neighborhoods and simultaneously enabling them to improve their quality of life by enlarging and

1 Project Renewal Coordinator, Ministry of Construction & Housing.

renovating their buildings – a privilege that only owners deserve. More than 40,000 units were renovated as a result. The transfer from rent to ownership status continued over the years, reaching 72% in the 2008 population census. Still, in the long run, these changes caused further negative consequences: families who became more affluent migrated to the center of the country to find opportunities to raise their income, to achieve higher education and to find better jobs.

The issue of public housing places a challenge to the government to ensure a proper standard of living in a period when disadvantaged populations struggle with difficulties caused by social service privatization, a decrease in public housing stock, a dramatic rise in housing prices and a widening of income gaps and poverty.

The social, economic and political environment of the new government elected in 2013 – facing huge budget deficit and statements of social equity, social justice, partial implementation of Trachtenberg Committee recommendations, sectorial housing solutions, housing policy focused on central Israel and neglect of the periphery and a neo-liberal economy – caused great uncertainty. The accumulation of all these negative factors may produce a "**social explosive bomb**" at the national level.

There is no a clear answer to the question posed above. On the one hand, the sale operations of public housing by the government benefited many families with significant improvements in their quality of life, but on the other hand, it did not stop the social and physical deterioration due to population composition changes, critical budget limitations on Project Renewal activities, privatization of housing policy and the instability of the government housing policy over the course of many years.

Our conclusion is that the government must take responsibility for public housing policy through effective measurements of the economic, social, political and budget aspects of this policy. Public housing policy must be carried out according to a new model to provide a suitable standard of living to poor population groups by continuing to build public housing, to integrate social and public housing in new neighborhoods, to enable redevelopments on national land, to build affordable housing in Project Renewal neighborhoods, to update criteria for eligible citizens to public housing and to implement the Trachtenberg Committee recommendations.