Public Housing, National Resilience, and Neoliberalism: Rethinking Israel’s Public Housing Policy

Ravit Hananel

Abstract

The twenty-first century has seen a revival of public housing construction in many countries around the globe, including some, like Hong Kong, with strong neoliberal economies. How can one explain this in an era of strong neoliberal economies worldwide? And what interests lie behind that revival? Using the conceptual framework of resilience, this study provides a critical examination of changes in public housing policy in Israel during three national crises: the mass immigrations of the 1950s and 1990s, and the country’s largest-ever social protest, in 2011.

The research findings show that in each crisis the government responded differently to establish resilience and to create a new equilibrium. They also shed light on how changes in the dominant political economy affect a policy that benefits disadvantaged people such as public housing tenants. The resilience framework provides a new vantage point for understanding changes in public housing policy in a neoliberal era. The findings reveal the limited impact of legislative arrangements on marginalized groups and the inability of the legislature and judiciary to correct structural and institutional distortions under a neoliberal economy, despite some small successes. Additionally, the findings reveal the limited impact under neoliberalism of social-change
activities and public protests like those of the summer of 2011 on policies benefitting the disadvantaged. Although the study focuses on Israel, it is relevant to other neoliberal societies facing a housing affordability crisis and having to find housing solutions for their most disadvantaged populations.

**Keywords:** public housing, institutional resilience, neoliberal trends, political economy

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Introduction

After many years that saw a global reduction in the inventory of public housing apartments, the new millennium ushered in a reversal of the trend: many countries resumed construction of public housing and updated their public housing policies (Hananel, Krefetz, & Vatury, 2018; Scanlon, Whitehead, & Fernandez, 2014). The revival of public housing construction in the twenty-first century has been most extensive in European countries. France, for example, built 131,500 new public housing units in 2010; the United Kingdom expanded the construction of public housing in 2007–2009, while private housing starts decreased by half (Pittini & Laino, 2012). However, this trend is of increasing interest worldwide, for example, in Latin American countries such as Venezuela (Nieto, 2004), and even in Hong Kong,¹ which has one of the world’s most neoliberal economies (Chiu, 2010; Lee, 2010; Whitehead & Scanlon, 2007, pp. 5–33).

How can one explain the revival of public housing in an era of strong neoliberal political economies worldwide? And what interests lie behind this revival? I will use the popular and conservative conceptual framework of resilience to answer these questions, demonstrating it by examining changes in Israel’s public housing policy in response to major national crises: the mass immigrations of the 1950s and 1990s, and the country’s largest-ever social protest, in 2011.

Resilience is defined as “the capacity of a system to absorb disturbance and reorganize, while undergoing change so as to still retain essentially the same function structure, identity and feedbacks” (Walker, Holling, Carpenter, & Kinzig, 2004, p. 6). Originally, the term was used by physical scientists to denote the characteristics of a spring and to describe the stability of materials and their resistance regarding external shocks (Davoudi, 2012). In recent decades, resilience has become an increasingly popular concept and has begun to be used also by social scientists, economists, and urban planners and in relation to government policy and strategies (Fainstein, 2015; Porter & Davoudi, 2012; Wilkinson, 2012).² Different definitions of the concept have begun to emerge, each rooted in a different worldview and scientific tradition, and some even
potentially contradictory (Alexander, 2013; Davoudi, 2012; Fainstein, 2015). These definitions generally aim to describe the qualities that help communities and individuals overcome natural crises, such as earthquakes and floods, or sociopolitical crises, such as financial calamities, mass immigration, war, peace agreements, and social protests (Barrios, 2014; Davoudi, 2012). The majority of these studies link the popularity of resilience in policy circles to security politics and its reliance on risk management (Fainstein, 2015; Walker & Cooper, 2011).

A resilience framework, hence, is generally a conservative framework, which aspires to preserve existing frameworks and return to normalcy after a crisis. In this paper, however, the concept is used critically to demonstrate how governments manage to extricate themselves from various political, social, and economic crises and preserve their political power.

The study focuses on the Israeli case for three main reasons. First, that country has seen substantial changes in public housing over the years, even in comparison to other countries. Whereas in the 1950s public housing constituted about 70 percent of the housing stock, today it constitutes less than 2.5 percent (Hananel, 2017). Second, since the 1980s, Israel’s dominant political economy has changed from that of a social-democratic welfare state, with a collectivist and centralized structure, to that of a globalized capitalist state dominated by neoliberal rationales, institutions, and practices (Nitzan & Bichler, 2002; Ram, 2008; Schipper, 2015). Third, despite the growing neoliberalism, Israel remains fairly centralized (Eshel & Hananel, 2018), and consequently public housing policy is designed and implemented by the central government.

The paper offers a new critical perspective on the changes in Israel’s public housing policy through time, and explains who has benefited and who has been harmed by the policy changes that were ostensibly aimed at a return to normalcy. Moreover, since the research findings show that in each crisis the government responded differently, it also shed light on how changes in the dominant political economy affect a policy supposedly meant to benefit disadvantaged people such as public housing tenants. Thus, by using the conceptual framework of resilience, this paper offers a new vantage point for understanding changes in public housing
policy in a neoliberal era. Although the findings focus on Israel, they are relevant to many neoliberal societies facing a housing affordability crisis and having to find housing solutions for their most disadvantaged populations.

The next section of the paper presents the study’s theoretical framework and discusses the relationship between neoliberalism and resilience in general, with regard to public housing in particular. The third and main section uses the resilience framework to analyze changes in public housing policy during three crises. The fourth and last section discusses the research findings and their implications.

Public Housing, Resilience, and Neoliberalism

“Public housing” generally refers to government-owned housing, usually low-cost rental apartments, for people who cannot afford market rents and are even less able to buy an apartment or a house. It is one of the oldest policy tools for increasing the supply of affordable housing, which spread globally after World War II. After the 1980s, public housing’s share of the general housing stock declined substantially in most countries (Hananel, 2017; 2018; Scanlon et al., 2014; Whitehead & Scanlon, 2007). In most countries, the inhabitants of public housing consist of a disproportionate number of single parents, retirees, economically inactive or poor individuals, people with special needs, immigrants, and ethnic minorities (Scanlon et al., 2014, pp. 12–20; Whitehead & Scanlon, 2007, p. 6).

Most public housing units built in the twentieth century were in large urban projects, which rapidly turned into slums and concentrations of poverty (Schwartz, 2014, pp. 125–157; Whitehead & Scanlon, 2007, pp. 5–33). During the last three decades, in many countries, new public housing initiatives have appeared. However, many of these new initiatives have been in urban renewal projects, relying on private developers, instead of on national or local government involvement (Elsinga & Wassenberg, 2014, pp. 37–39; Whitehead, 2014, pp. 118–119).
The concept of resilience was originally used by physical scientists to describe the stability of materials and their resistance to external shocks. During the 1970s, the concept entered the ecology field as a theoretical framework for describing how the ecosystem bounces back from ecological crises (Davoudi, 2012). In recent decades, the use of the concept has expanded to the social sciences, and it has also been used in relation to government policy and strategies (Fainstein, 2015; Porter & Davoudi, 2012; Wilkinson, 2012).

The English word “resilience” comes from the Latin *resilire*, “to spring back”, and in ecology it refers to the ability of the ecological system to *bounce back* and survive natural crises, such as earthquakes and floods. The model of “evolutionary resilience” developed by Holling (1973) was the first to refer to resilience as adaptation or system transformation rather than a return to a pre-crisis state (bouncing back; Fainstein, 2015). Evolutionary resilience refers to the system as a continuous mode that may change over time with or without an external disturbance (Scheffer, 2009). Thus, systems are seen in terms of *bouncing forward*, reacting to crises by changing to a new state that is more sustainable in the current environment (Davoudi, Brooks, & Mehmood, 2013; Shaw, 2012).

During the last decade, the resilience framework has been used as an operational strategy in risk management and has become a term of art in discussions of international finance, economic policy, corporate risk analysis, the psychology of trauma, development policy, urban planning, public health, and national security (Alexander, 2013; Duffield, 2011; O’Malley, 2010; Walker & Cooper, 2011). “The concept [resilience] has been extraordinarily popular”, according to Fainstein (2015, p. 157), who explains that some have even argued that resilience has become just another buzzword, like sustainability, synergy, and social capital.

What makes resilience so popular? What are the relationships between resilience and issues of equality and social justice? Furthermore, are there unique expressions of resilience with respect to housing policy? Various studies have attributed the popularity of resilience to the current need for stability, given the future environmental, economic, political, and social aspects of global instability, as expressed by Walker and Cooper:
Since the 1990s, global financial institutions such as the International Monetary Fund, the World Bank and the Bank for International Settlements have increasingly incorporated strategies of “resilience” into their logistics of crisis management, financial (de)regulation and development economics. With the post-9/11 revolution in “homeland security”, resilience has become a byword among agencies charged with protecting critical infrastructure, and with coordinating security responses to climate change, natural disasters, pandemics, and terrorism (Walker & Cooper, 2011, pp. 143–144).

Because we are told that these events are unpredictable and unpreventable, Walker and Cooper (2011) explain, the only option we have is to adapt by “building resilience”.

A different and critical explanation of the popularity of resilience in recent years is its close relation with the dominant political economy of neoliberalism (Fainstein, 2014; 2015). Neoliberalism, in general, is characterized by economies dominated by a free market, operating in a deregulated and privatized environment, in which governments reduce their regulation of the private sector; sell state-owned enterprises, goods, and services to private investors; and cut expenditure on public services (England & Ward, 2007; Jessop, 2010; Peck, Theodore, & Brenner, 2009; Peck & Tickell, 2002;). According to Fainstein (2014; 2015), both neoliberal and resilience approaches may be perceived as objective and quite unrelated to the division of power in society. Moreover, both concepts seek to create and preserve normality. What exists is seen as normal, and resilience is commonly defined as the creation of a new normality after a disruption. Within a neoliberal political-economy regime, Fainstein states that:

Normality tends to be what is in the interests of property owners […] What appears “normal” produces ontological security for many, even while exacerbating the insecurity of others – usually the most disadvantaged in society (Fainstein, 2015, p. 163).
In fact, Fainstein argues that resilience is a deceptive term, because:

[It] has been deployed by elite groups to prevent development that encroaches on privileged territories, while at the same time progressive elements regard it as an appealing label under which they can press for more equitable outcomes (Fainstein, 2015, p. 157).

Within the resilience framework, “evolutionary resilience” is particularly illusory, Fainstein (2015) adds. This is because evolutionary resilience is allegedly a progressive approach that looks forward and takes system transformation into account. However, it does so while preserving traditional institutions and maintaining the power relations in society. In fact, studies indicate that the primary goal of many current policies is to achieve “institutional resilience”, which means managing changes while preserving the existing division of power in society. In a neoliberal regime, in many cases, preserving that division of power strengthens the wealthy and the market forces, while ignoring the disadvantaged (Buitelaar & Bregman, 2016; Herrfahrdt-Pahle & Pahl-Wostl, 2012). Fainstein (2014; 2015) concludes by saying that the combination of neoliberalism and resilience could benefit the advantaged within society, but probably worsens the situation of the disadvantaged.

This paper accords with Fainstein’s arguments and further suggests that institutional resilience must be understood as an inherently critical understanding of resilience, because it views resilience as preserving the unbalanced division of power by means of institutional policies.

Howell (2015), too, refers to the relationship between neoliberalism and resilience, emphasizing three central concepts: responsibilization, privatization, and enhancement. According to Howell, “Resilience is a mode of neoliberal governmentality that seeks to shift responsibility from the state to the subject” (Howell, 2015, p. 68). It also seeks to enhance the system. Hence, resilience programs, like many neoliberal reforms, although overtly aimed at enhancing, streamlining, speeding up, and simplifying a system, actually lead to the
privatization of critical infrastructure, the shrinking of government expenditure, and the withdrawal of state responsibility for public services (Duffield, 2011).

Most of the studies mentioned above, like many others that use the resilience framework, deal with national security in the face of international or environmental terrorism. Only recently has reference been made to the concept of resilience as part of urban studies and housing. These studies refer to the resilience of the state, the city, or the neighborhood in overcoming physical destruction caused by environmental disasters (Campanella, 2006; Fainstein, 2015; Mavrogianni, Taylor, Davies, Thoua, & Kolm-Murray, 2015; Van Zandt et al., 2012). However, there is a lack of research that makes critical use of this conservative theoretical concept. Moreover, there is a paucity of research dealing with the relationship between resilience and neoliberalism and the influence of this relationship on housing policy in general and public housing policy in particular. Understanding this relationship and its effects is the challenge of this study. The few studies that do exist emphasize the substantial cuts in social expenditure on budgetary grounds, and particularly the cuts in budget allocations for maintenance of existing public housing units and the production of new units, while huge sums are allocated for the development of mega-projects such as giant stadiums, office complexes, waterfront development, and high-rise luxury housing, all under the auspices of public-private partnerships (Fainstein, 2014; Pendall, Theodos, & Franks, 2012).

In the next section, using the resilience framework, I critically examine changes in the Israeli government’s attitude toward public housing policy during three national crises: the mass immigrations of the 1950s and 1990s and the social protest of 2011. With regard to each crisis I ask: Resilience for whom? Whose interests are best served by “system collapse” or “dynamic transformation” (Porter & Davoudi, 2012)? The conclusive section returns to these theoretical questions in an attempt to understand how in a different political economy governments react differently to public housing policies.
Resilience and Public Housing in Israel

Israel’s public housing policy has changed fundamentally in the seven decades of the state’s existence. Whereas in the 1950s it was a major policy applying to the majority of the population, today it is marginal, applying to less than 2.5 percent of the population, mainly in the lowest three deciles of all households in the country (Hananel, 2017). In the 1960s, when the population numbered about 2,598,400, the public housing stock consisted of 206,000 units (Carmon, 2001, p. 183). In 2015 there were 8,345,000 people in Israel and only 58,879 public housing units. That is, over the past 50 years, while the population grew by about 221 percent, the number of public housing units dropped to less than 29 percent of its level in 1960 (Hananel, 2017).

Using the resilience framework, the analysis attempts to explain the substantial decline in the total public housing stock despite increased demand, and the changed attitude of Israeli governments to public housing and its tenants. The analysis is divided into three periods: (1) from the 1950s to the 1970s; (2) from the 1980s to the 2010s; (3) from 2011 to the present. In each period Israel underwent a major crisis that affected the attitudes of policy makers toward public housing policy and its tenants.

First Period: 1950s to 1970s – The Mass Immigration of the 1950s

Israel was established in 1948 as a social-democratic state with a progressive welfare policy. According to the literature, this definition was relevant to Israel’s first three decades (1950s to 1970s), when the Labor Party headed the government. Immediately after the state’s establishment, a massive wave of immigration doubled the Jewish population within three years, from 650,000 to more than 1.5 million (Sleifer, 1979). This created a pressing need for the young state to house the immigrants. Public housing was created to address this need for Jewish immigration absorption and to populate areas of the country remote from where most of the Jewish population already lived.
Israel’s first public housing was built in 1949, immediately after the War of Independence, to achieve national goals of nation-building, territorial settlement, Jewish immigrant absorption, and decent standards of living (Carmon, 2001, p. 182). Thus, it can be said that from the outset, public housing has been a National-Zionist consideration, intended for Jews only.

For national security considerations, in order to disperse the Jews throughout the state and to limit the dispersal of the settlement of the Arab population in the area, most public housing units were built in peripheral areas (in the Negev in the south or in the Galilee in the north) that were relatively isolated physically, socially, and culturally (Kallus & Law-Yone, 2002; Sleifer, 1979). Unlike many public housing programs elsewhere, public housing in Israel has always been shaped by a specific, ethno-national logic of control – expanding “spatial Judaization” to frontier regions abutting on an Arab majority (Schipper, 2015; Tzfadia, 2006).

The national settlement and national security roles of the public housing policy were stated explicitly in Israel’s first strategic plan in 1952. During the 1950s, dozens of new municipalities, called development towns, were created. As part of the government’s immigrant absorption policy, most immigrants who arrived during that time, mainly from North Africa and Asia, were sent directly to development towns (Hananel, 2009; Tzfadia, 2006; Yiftachel, 2000), where most public housing units were built.

This spatial-geographic dispersal of public housing still exists. Whereas public housing comprises less than 2.5 percent of all housing units in Israel, in the development towns the percentage is much higher (Hananel, 2017). Given the high percentage of public housing units in development towns, it is significant that since the 1990s many development towns have been locked in a financial crisis. They have been unable to pay salaries and to provide public services such as suitable education, health, culture, and welfare systems to their residents, many of whom are public housing tenants (Hananel, 2009).

Moreover, to meet the housing needs of hundreds of thousands of immigrants, public housing was built quickly and to a very low standard (Sleifer, 1979). Nevertheless, it was not necessarily cheaper to build than private housing. In
many cases, units built in distant peripheral areas were more expensive because of the higher costs of transporting materials and skilled workers and of creating new infrastructures. As a result, disadvantaged immigrants brought to development areas, whose average wage was about half that of workers in the center of the country, paid higher rent for poorer quality apartments. In retrospect, one may say that public housing projects created and reproduced the class structure, increasing ethnic and economic gaps between groups in Israeli society that have even worsened over the years (Kallus & Law-Yone, 2002).

Another still-existing indication of the national-Zionist role of public housing policy in Israel is the marginal percentage of national minorities among public housing tenants. Hananel (2017) shows that although public housing tenants are perceived as one of the most disadvantaged populations in society, only 15 percent of public housing units are located in the poorest municipalities (at the lowest levels, 1–4 on the socioeconomic scale). Hananel (2017) explains this by the fact that most municipalities at socioeconomic levels below 4 are populated by national minorities (Bedouins, Arabs, Druze, and Circassians), who were not part of the policy’s target population. Such absence of national minorities and migrants from public housing units differs from the situation in most Western countries, where these populations are over-represented in public housing (Scanlon et al., 2014, pp. 12–20; Whitehead & Scanlon, 2007, p. 6).

In the 1950s and 1960s, public housing units constituted more than 70 percent of all residential units (Carmon, 2001, p. 183; Schipper, 2015). Some were built directly by the housing branch of the Ministry of Labor and some by public housing companies that operated under government supervision with government funding, such as Shikun, Amidar, and Rassco (Feivish, 2006).

In the 1970s, when immigration declined substantially, public housing construction decreased to an estimated 30 percent of all building starts. Government policy then changed from supporting the construction of housing units (supply side) to mainly providing financial assistance for housing ownership through subsidized mortgages (demand side; Feivish, 2006). Thus, one may say that public housing was the new state’s way of establishing social, national, and economic resilience,
by providing homes and employment for the mass of Jewish immigrants. During that period, the location and size of public housing units, construction quality, and rental price were all set by the central government to meet national needs. At the time, Israel was a social-democratic state with a progressive welfare policy, so solutions to the crisis of housing shortage were in this spirit, though focused on the Jewish population only. The state accepted responsibility for housing Jewish immigrants and built them public housing according to the state’s needs. However, the state’s willingness to accept that responsibility changed substantially over the years, as shown below.

Second Period: 1980s to 2010s – The Mass Immigration of the 1990s

In the 1980s, Israel’s general political ideology changed from that of a social-democratic welfare state, with a collectivist and centralized structure, to that of a globalized capitalist state dominated by neoliberal rationalities, institutions, and practices (Schipper, 2015). This shift to a neoliberal economy was accompanied by privatizing public companies, curbing organized labor, implementing fiscal austerity mechanisms, retrenching the welfare state, and concentrating economic ownership in the hands of a relatively small group of private asset holders (Nitzan & Bichler, 2002; Ram, 2008), changes tangibly expressed with regard to Israel’s public housing policy (Schipper, 2015).

In the mid-1980s, the Construction and Housing Ministry (CHM) began encouraging public housing tenants to purchase their units at substantial discounts of 48 to 60 percent, depending on family size and location, with preference given to outlying development towns (Feivish, 2006; Feldman, 2011). This initiative began the privatization of the public housing stock, a trend that has increased over the years.5

An exception to the privatization trends occurred in the early 1990s, when nearly one million people from the former Soviet Union immigrated to Israel and created an urgent need for more housing. Alterman (2002, pp. 7–19) refers to the two waves of mass immigration to Israel, in the 1950s and the 1990s,
as national crises that significantly influenced Israel’s housing policy. The challenge, Alterman explains, was to supply housing, physical infrastructure, social, educational, and health services, and increased employment opportunities. Although mass immigration from less affluent to more affluent countries occurs worldwide, these waves of immigration were exceptional because of Israel’s relatively small size and the high ratio of immigrants to inhabitants (Alterman, 2002, pp. 7–19).

However, in the 1990s the government responded differently. At first, the CHM began reducing apartment sales to tenants, and the government seemed to be reverting to the old solution of public housing: In 1991, 61,730 units were built, compared to only 3,490 in 1989 (Benchetrit, 2014). However, as Fainstein (2015) notes, this was a temporary anomaly. The normal situation within the neoliberal economy is a reduction of government intervention in the housing market in general and in the extent of public housing in particular. Indeed, immediately after the initial shock the government stopped new construction and returned to privatizing public housing.

Moreover, during that time, the government not only bounced back to the pre-crisis equilibrium, but also “bounced forward” and took another step in the privatization process, with the decision made in 1997 (No. 1543, January 29, 1997) to privatize the management of public housing and to transfer it to private companies.

In the late 1990s, maintaining public housing became a real problem, because the government had neglected the maintenance of these units. This neglect, coupled with normal wear and tear and weather damage, took its toll. Year after year, the state comptroller’s reports documented the rundown condition and poor repair of most public housing and consistently stated that many apartments were below standard in life-threatening ways (Feldman, 2012).

Thus, this step forward in privatization not only preserved the inferior status of the public housing tenants, who were already severely marginalized in Israeli society; it weakened them even more. These findings are consistent with Feinstein’s criticism (2015) of the resilience framework within the dominant neoliberal
political economy. Furthermore, it exemplifies a government policy of retreating from its responsibility to provide residents with basic public infrastructure and of steadily reducing public expenditure on social housing, as Howell (2015) and Duffield (2011) argue. These trends, as we shall see, intensified in the new millennium.

The decision to transfer public housing management to private companies aroused some social protest. In 1998, a coalition of social change organizations and public housing tenants joined forces with a group of Knesset (Israeli parliament) members headed by Ran Cohen, of Meretz, a left-wing party, who proposed a new law. Its primary aim was to enable tenants to buy their apartments with discounts of up to 85 percent. To maintain the supply of public housing, the law’s Clause 10 stipulated that all sales proceeds be used to construct new public housing (Hananel, 2017).

In October 1998, despite government opposition, the law passed (49 to 43). Although it was a great victory for public housing tenants, the celebration proved premature. The Public Housing Law of 1998 was never implemented but rather suspended immediately for two years, then again every two years, enabling the government to delay its implementation. Between 1999 and 2011, 37,500 apartments were sold, but hardly anything was built, despite the fact that the total revenue from the sale of the apartments was NIS 2.75 billion (~ $700 million; Feldman, 2011).

In response to the rising demand for public housing, decision makers raised the already strict and complicated eligibility criteria. The combination of the shrinking supply and the rising eligibility bar enabled the government to keep waiting lists stable for years despite rising demand (Feldman, 2011). Consequently, the government saw no need to update its public housing policy. The structure and forms of public housing ownership and funding never changed, and until most recently there were no new initiatives or involvement of the private sector or public-private partnerships, as in other countries (Houard, 2011; Scanlon et al., 2014). Nothing changed until the housing crisis of the last decade.
Third Period: 2011 to the Present –
The 2011 Social Protest and the Housing Crisis

During the summer of 2011, demonstrations and protests were held throughout Israel, sparked by concerns about the high cost of living and especially the high cost of housing and the lack of affordable housing (Alfasi & Fenster, 2014; Eshel & Hananel, 2018; Hananel et al., 2018).

From an international perspective, Israel’s social protest in the summer of 2011 could be seen as part of the spontaneous social-political protests that began in many countries following the global economic crisis of 2007–2008. These protests, called occupy-type movements, differed from place to place. Generally speaking, however, they were all against social inequality and the lack of “real democracy”, their primary goal being to promote social and economic justice.11

The 2015 State Comptroller’s Report that was devoted to the housing crisis indicates that between 2008 and 2013 the real price of housing in Israel, both new and secondhand, increased by 55 percent in the center of the country and by 68 percent in peripheral districts (State Comptroller’s Report, 2015, pp. 25–30). Moreover, the general crisis was expressed not only in increased housing cost, but first and foremost in growing inequality in Israeli society, especially between the center and the periphery (Bank of Israel report of 2013). Because today most of the remaining public housing stock (70 percent) is in peripheral northern and southern districts, the general crisis was more serious for most public housing tenants and for those on waiting lists.

The social protest and the housing crisis forced the Israeli government, like many others, to respond in order to quell the unrest and recreate stability. As a result, after the summer of 2011, housing issues moved to the top of the public and political agenda. In fact, housing problems came to be perceived as national problems that might harm the economic and social resilience of the state (State Comptroller’s Report, 2015, pp. 18–30). Since the summer of 2011, the Israeli government has made a series of policy decisions to deal with the housing crisis. These include government intervention on behalf of the target population by transferring the rights to public lands to developers so as to lower the price of housing units using CHM
special initiatives (such as Target Price and Resident’s Price); establishing a National Housing Committee to speed up planning procedures; setting up a government-owned company to build housing for long-term rental; and signing an “umbrella agreement” between the government and local authorities to rapidly increase the supply of housing units (Eshel & Hananel, 2018).

The 2011 Israeli protest, like most of the worldwide social-political protests at that time, had no clearly defined goals beyond voicing dissatisfaction with high living costs and inequality, though some argue that the lack of specific political demands allowed the movement to grow and relate to most sectors of the population, especially to the middle class. And indeed, most new government initiatives were designed mainly to solve the housing problems of the middle class by increasing the supply of affordable housing and ignored those of the disadvantaged populations, including public housing tenants (Schipper, 2015).

Even after the 2011 protest, and despite the growing demand for public housing, the government continues to tighten eligibility criteria. Since 2007, the affordability crisis has been so deep that despite tighter eligibility criteria it has resulted in a 23 percent increase in public housing waiting lists, from 2,150 in 2007 to 2,788 in 2015 (Bosso, 2015a). At the same time, during that period the government continued to cut public expenditure on housing in general, investing almost nothing in public housing (Benchetrit, 2014).

An exception to that was the Periphery Bloc Forum (PBF), established in August 2011 during the great protest, demanding a return to public housing construction. The PBF continued its demands even after the protest subsided. Nevertheless, not until 2014 did the government and the housing companies understand that change was necessary. As a first step, in January the government started implementing the Public Housing Act for the first time, 15 years after it was enacted. But that happened only after an amendment allowed the use of sales proceeds for rental assistance and repair of existing housing, contravening the law’s purpose – to allow proceeds of apartment sales to increase the supply of public housing. Thus the amended law too can be seen as another step toward privatization by the decision makers (bouncing forward), worsening the situation of the disadvantaged population on the waiting
list. In Fainstein’s (2015) words, this amendment can even be seen as a delusion. In fact, after the law was applied, the public housing stock reached a historic low of 58,879 units, while demand for it continued to rise (Bosso, 2015b).

In March 2015, a national election gave rise to a new government. Although again headed by Benjamin Netanyahu of the Likud, a conservative right-wing party, and similar to its predecessor, its attitude toward public housing changed. Upon taking office, Construction and Housing Minister Yoav Galant announced a five-point plan for resolving the crisis:

1. Earmarking for public housing five percent of all units built on public land (93 percent of all the land in Israel).
2. Flexible criteria for immediate occupancy of 500 vacant units.
3. Urban renewal projects by Amidar (a public housing company) in buildings where most units are public housing, and transfer of apartments to entitled tenants.
4. Urban renewal projects by another such company, Amigur; construction of small apartments up to 55 square meters for entitled applicants.
5. A substantial increase in renovating existing units.13

On the theoretical level, the change can be seen as an institutional resilience response. In other words, it was the government’s reaction to an extreme situation that threatened the existing political, social, and economic resilience in Israel. To reestablish institutional stability (or equilibrium) and avoid social and political protests that could undermine the existing political order, the government initiated a progressive policy aimed at quelling the protests.

After a long time the government seems to be resuming some responsibility for public housing. However, this is still a neoliberal, market oriented program, and as Fainstein (2014) argues, it is all under the auspices of public-private partnerships. According to the Galant Plan, most new housing units are attainable through urban renewal projects, administered by the Amidar and Amigur companies, whose aim is to generate profits. The state and the housing companies, then, are to benefit. It
is still too soon to evaluate the program’s contribution to the most disadvantaged: the current public housing tenants and those still on waiting lists.

Conclusions

Using the conceptual framework of resilience, this study provides a critical examination of changes in public housing policy in Israel during three national crises: the mass immigrations of the 1950s and 1990s, and the country’s largest ever social protest, in 2011. The research findings show that in each crisis the government used a different public housing policy to establish resilience and create a new equilibrium, as summarized in Table 1:

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<th>Crisis</th>
<th>Public housing policy</th>
<th>Resilience and Public housing</th>
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<tr>
<td>1950s Massive Jewish immigration</td>
<td>Mass production of public housing (public housing constitutes 70 percent of total residential stock)</td>
<td>Public housing as the newly established social-democratic state’s way of providing housing and employment for the wave of immigrants and thereby establishing national, economic, and social resilience</td>
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<tr>
<td>1990s Massive Jewish immigration</td>
<td>Temporary return to the construction of public housing, followed immediately by continued privatization of public housing units and tightening of eligibility criteria</td>
<td>Eliminating public housing stock as the neoliberal state’s way of decreasing public expenditure and intervention in housing policy, and thus establishing economic resilience</td>
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<tr>
<td>2011 Social protest and housing affordability crisis</td>
<td>First, ignoring public housing issues; later, new, market-based initiatives (PPT) aimed at increasing the supply of public housing</td>
<td>Reshaping market-based public housing policy as the state’s way of calming the social unrest and thereby reestablishing political, social, and economic resilience</td>
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</tbody>
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As shown in the table above, whereas in the 1950s the social-democratic state ideology led to mass production of public housing for the wave of Jewish immigrants, in the 1990s a neoliberal trend led to privatization and the desire to eliminate public housing stock despite rising demand. These findings relate to Porter and Davoudi’s (2012) requirement of examining basic critical questions when using the resilience framework in the social sciences. These questions are, among others: resilience from what and for whom? Who benefits from preserving stability and who gets hurt?

As the research findings indicate, the combination of a resilience conceptual framework and a housing context demonstrates how under a neoliberal political economy the housing benefits for the most disadvantaged population – that is, public housing tenants – are substantially reduced, although ostensibly there is a revival of public housing.

The findings also answer the questions as to how one can explain the revival of public housing in an era of a strong neoliberal political economy worldwide, and what interests lie behind this revival. As we have seen, after the 2011 protest, the government initiated a progressive, market-oriented policy aimed at quelling unrest that threatened the existing political order and reestablishing political, social, and economic resilience.

Although the findings focus on Israel, they can be applied to issues relevant to almost every country with a neoliberal political economy. First and foremost, the research findings reveal the problematic relations between neoliberal trends and resilience with regard to housing solutions for society’s most disadvantaged. Whereas in the first period, resilience as nation-building provided public housing for this group among the Jewish population, since the 1980s, in the neoliberal era, that has stopped.

Additionally, the findings also reveal the limited impact of legislative arrangements, like the Housing Act of 1998, on marginalized groups and the inability of the legislature and judiciary to correct structural and institutional distortion under a neoliberal economy, despite some small successes. Lastly, the research findings reveal the limited impact under neoliberalism of social-
change activities and public protests like those of the summer of 2011 on policies
benefitting the disadvantaged.

Nevertheless, paradoxically, following the economic and housing crisis of the
last decade and a period with a dominant neoliberal economy that is globally
characterized by economic and social instability and unrest, the need to preserve
the existing political order may, after a long period, bring about change in the
form of a more progressive policy, albeit limited and market-oriented, regarding
society’s most disadvantaged people.

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Endnotes

1 Officially: The Hong Kong Special Administrative Region of the People’s Republic of China.

2 Fainstein (2015, p. 157) argues that “resilience has become so popular that some even see it as another buzzword, like sustainability, synergy or social capital”.

3 Also called the Jewish Dispersal Plan or the Sharon Plan, named for its architect, Arieh Sharon, not for the late Prime Minister Ariel Sharon.

4 Lod (163 of 1,096) and Acre (222 of 1,069) have the highest percentage of minorities living in Amidar’s public housing. In Ramla, 20 of 760 units are inhabited by minorities.

5 During the 1990s, the number of public housing units sold to their tenants
declined from 6,000 per year to a mere 370 in 1998, because the remaining tenants were disadvantaged households unable to buy their apartments even when heavily discounted (Schipper, 2015).

6 In 1977, an attempt to help these neglected neighborhoods was made by Prime Minister Menachem Begin (Likud Party), as part of what was called the Renewal Project (see: Carmon, 1996).


8 Housing unit sales under the various programs were: “My house”, known as the Shitreet method (1999–2000), 3,800 units; “Buy your house” (2000–2004), 16,070 units; “My home is here” (2005–2010), 10,030 units; and “My own apartment” (2008–2010), 3,500 units. Approximately 4,100 units were sold on the free market (Feivish, 2006; Feldman, 2011).

9 Prospective tenants must register and have their eligibility examined by officials from the CHM, other ministries and a detective agency. Eligibility, continually checked, is limited to people who do not or have not owned a housing unit and whose income is below a certain level. Applicants must also meet additional criteria, including marital status, family size, children’s ages, and health status. Eligibility, once granted, is for two years. See: www.moch.gov.il/siyua_bediyr/shikun_tziburi/Pages/shikun_tziburi.aspx (Accessed September 5, 2015).

10 Information on changes in the eligibility criteria for public housing is unavailable (Feldman, 2011).

11 Occupy Wall Street (OWS) is the name given to a protest movement that began on September 17, 2011, in Zuccotti Park in New York’s Wall Street financial district, receiving global attention and spawning the movement against economic inequality worldwide; see: http://occupywallst.org/about/

12 Based on an interview with Yael Ben Yefet, director-general of the MDR, and a founder of the PBF (December, 2015).

13 5-point plan to resolve the public housing crisis. www.moch.gov.il/SiteCollectionDocuments/spokesman/spokesman_14072015.pdf
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