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Neighborhood Rehabilitation Without Relocation or Gentrification

Naomi Carmon and Moshe (Morris) Hill

Project Renewal, Israel’s program for social and physical rehabilitation of distressed neighborhoods, is based on lessons from American experience with neighborhood programs in general and with the Model Cities program in particular. A five-year evaluation found that the project has helped to improve living conditions of residents and to prevent deterioration in its target areas, but that those improvements were not enough to overcome the low social and economic status of the neighborhoods and their populations. The major factors that led to the qualified success of Project Renewal were extensive political support, selection of “appropriate” neighborhoods, the opening of some middle class opportunities to lower income populations, and a strategy of public–individual partnership.

The “urban condition” (Duhl 1963) has lost the place it had in the 1960s as a central public issue, but urban decline has not stopped. Despite promising starts of the back-to-the-city movement (Laska and Spain 1980), many big cities continue to lose population. Bradbury, Downs, and Small (1982: 259) call neighborhood concentrations of poor families and individuals “the most serious aspect of city decline.” Hence, what has changed is not the definition of the problem, but the innocent belief of the 1960s that we can overcome the difficulties by applying reason and energy in a setting of good will. The change is a consequence of penetrating criticisms of government-initiated neighborhood renewal and rehabilitation programs, published not only by outside scholars such as Gans (1965), but also by those who had a part in developing the programs (for example, McFarland 1977; Frieden and Kaplan 1975). Lowry’s up-to-date summary of “what we have learned” says that the United States government has practically accomplished its agenda for improving the dwellings of the poor but has not solved the persistent problem of “neighborhood social environments that endanger the residents’ lives and property and handicap their children.” He charges that “we lack the institutional tools and probably the sociological knowledge needed to reform neighborhoods” (Lowry 1987: 106).

This article tells the story of Israel’s Project Renewal, which aims at improving living conditions for disadvantaged populations and saving their neighborhoods from urban decline. The planning and implementation of the project were based largely on American experience with neighborhood programs, particularly with Urban Renewal and Model Cities. The results of the Israeli program may interest planners concerned with the viability of the ideas that were implemented in the American programs.

Israel is a small, centralized welfare state with a semiplanned economy, and thus it is different from the United States’ federal system. Although Project Renewal neighborhoods differ from the worst central city neighborhoods in the United States, which have heavy unemployment and large numbers of single-parent families, they have much in common with the large areas of working poor found in most cities. Most project neighborhoods are relatively new, but of poor quality because they were hastily constructed using cheap materials. Many of them started as public housing projects; however a considerable portion of the available housing today is privately owned since about half the residents have purchased their apartments. Moreover, although many observers consider Israel’s Jewish society a culturally cohesive community, the distressed neighborhoods are inhabited by ethnic
groups of immigrants; these people—both adults and children—are far from feeling integrated into Israeli society. Thus, when judging the transferability of our conclusions about neighborhood rehabilitation to other social and political systems, we should bear in mind both the similarities and the differences between the Israeli situation and the situations in other countries.

Project Renewal: Goals and principles of operation

Project Renewal, established in 1976 by Israel’s Labor party, flourished from 1977 to 1984 under the Likud (rightist) government, and continues under the present “national unity” government. The project began in 11 sites, grew to encompass 70 neighborhoods with some 500,000 persons (about 13 percent of Israel’s citizens) for most of that period, and currently includes 90 designated residential areas (see Alterman 1988: Figure 1). Alterman (1988: 454–69) discusses the planning and implementation processes of Project Renewal. In this article we focus on the products of the planning: the goals of the project and their level of achievement.

Since the government passed no new legislation for Project Renewal, we base the following presentation of the project’s goals on the reading of hundreds of documents and on discussions with those who planned it and those who benefited from it. The first major goal of the project is to reduce social disparities between the haves and the have-nots in Israeli society by improving physical and social living conditions in the project neighborhoods; improving the residents’ chances for individual social mobility without encouraging out-migration; and providing the residents with increased opportunities for control over their lives in the neighborhoods. The second major goal is to improve the image of the project neighborhoods and prevent their future deterioration. Thus, unlike American urban renewal efforts, Project Renewal from its inception did not aim at a more productive use of urban land, but at social goals. Social improvement, however, was to take place in the designated neighborhoods. It aimed at simultaneously upgrading conditions of people and places. To achieve both goals, the project’s founders developed a few principles of operation, which we present along with the rationale for enacting them.

Avoiding relocation of residents and demolition of buildings

Project Renewal selected only residential neighborhoods; it did not include typical central city areas in which a considerable portion of the land is used for business or entertainment. Within the selected areas, the project sought to aid the existing populations and improve existing homes.

Efforts focused on residents of the city rather than on the city itself. The project avoided demolition, not to preserve historic sites or interesting architecture—most of Israel’s distressed neighborhoods were relatively new public housing projects and did not have such features to save—but to apply the lessons of urban renewal efforts in many locations around the world. Many researchers have analyzed the heavy costs, especially social costs, of forced relocation (Fried 1963; Hartman 1964; 1971; 1980; Perlman 1976; Hazan and Ilan 1970; 1976). They found that the positive social features of old neighborhoods, such as extended families and religious congregations, disappeared when residents were relocated; and the destruction of those traditional institutions and support networks aggravated existing social problems. Moreover, the relocation of slum populations usually meant additional transportation costs and greater travel time to previously accessible jobs and shopping areas. In spite of the high costs (including higher rents) imposed on relocated residents, their new living conditions often turned out to be worse than the old ones. The planners of Project Renewal therefore opted to enable residents to continue living in their own physical and social surroundings. In the debate between social upgrading through movement and upgrading in place (Downs 1979), Israeli planners preferred the latter.

Integrated social and physical rehabilitation

Foreign visitors to Israel’s distressed neighborhoods often missed the problems. Houses were not elegant, but usually looked decent; all the children went to school, and there were clinics, community centers, and other necessary facilities. However, compared to living conditions in other neighborhoods in Israel in the 1980s, many residents of the designated neighborhoods did suffer. Leaking pipes and overcrowded apartments were common physical problems. Illiteracy (of adults who were raised in the less developed countries), low income (due to low-paying jobs rather than unemployment), low achievement in schools, and juvenile delinquency were among the social problems. To alleviate the multitude of social and physical disadvantages those residents faced required comprehensive planning and coordinated implementation of programs related to physical infrastructure, housing, education, social and cultural programs, community work, health services, and employment (Alexander 1980–1981).

The rationale for Project Renewal’s integrated approach came from two arguments. One was that since neighborhood deterioration was caused by both social and physical factors and by the interaction among those factors, alleviating the problems should involve social as well as physical measures (Carmon et al. 1979). The second argument was that accumulated experience had demonstrated the failure of efforts focused mainly on physical rehabilitation, in Israel.
Area-targeted programs: Allocating resources according to neighborhood needs

Most services that modern welfare states provide are one of two types: universal, designed for all citizens in a particular social category irrespective of their economic situation (e.g., free public education for all children), or selective, provided only for the economically deprived (e.g., maintenance allowances). Each type has drawbacks (Hoshino 1969; Garfinkel 1982). Universal services are very expensive and selective services often fail to reach the neediest, stigmatize recipients, and create tensions and a credibility gap between citizen and government. Project Renewal offered another alternative: it selected entire communities, through a “neighborhood means test,” rather than seeking individuals or households on the basis of income. Project administrators used a list of 160 distressed neighborhoods (Ministry of Construction and Housing 1977) to determine possible target neighborhoods and chose those with the most serious problems as indicated by such population characteristics as age, education, occupation, and housing conditions. Within the selected neighborhoods all residents were eligible for the project’s services, regardless of income level.

Programs designed for needy areas rather than needy households avoid many of the drawbacks inherent in programs of either universal or selective services, but they may have their own problems (Carmon et al. 1979). Some critics claim that instead of stigmatizing the individual, area-based programs stigmatize the entire neighborhood. Others charge that neighborhood-targeted programs tend to ignore the surrounding urban environment, creating superfluous expenditures when the same services are available in a nearby area. Moreover erecting community institutions for the exclusive use of residents in the selected neighborhood increases social disintegration. Some economists say that such programs are inefficient because they deliver public resources to non-needy households as well as to needy ones. A related criticism focuses on the dilemma of equity: well-to-do residents in area-targeted programs receive public assistance not provided to poor citizens who happen to live in other poor neighborhoods.

Such arguments are difficult to counter, but the neighborhood programs nonetheless offer elements that can outweigh the criticisms. They provide an opportunity for area residents to participate in the planning and implementation process, making the government more sensitive to their special needs and preferences (Fainstein 1987). Another advantage of assisting all the inhabitants of a selected area, regardless of income, lies in the prospect of reversing the process of “negative selection” by neighborhood residents, that is, the tendency of more affluent residents to leave the neighborhood and less affluent ones to move in. Project Renewal planners opted to include more affluent residents as well, to make it worthwhile for them to remain. Thus, although considerable special assistance does go to less needy households, those most in need, who have no choice but to stay, also gain. They benefit both directly and from the positive externalities of incentives provided to the less poor. In addition, if the project succeeds in halting the exodus of the stronger households, the less affluent will benefit also from what may be the only chance to save their environment.

Decentralization and resident participation

Decentralization—delegating to the neighborhoods some of the responsibility and authority for making the project decisions—was a major innovation in Israeli public management. An interorganizational committee headquartered in Jerusalem and comprised of representatives of the ministries of housing, education, welfare, labor, health, and finance, and representatives of the Jewish Agency oversaw the project, established general operating and management principles, and determined the budget for each neighborhood. The neighborhood steering committees prepared both long- and short-term neighborhood programs. Those local committees were headed by the mayor and included representatives of both national and local agencies; 50 percent of their voting members were neighborhood residents, and residents usually headed the subcommittees. Regional offices of the various ministries, local authorities, and public housing companies carried out most of the implementation. Project managers and up to five assistants were recruited in each neighborhood and they carried the burden of coordinating implementation (see Alterman 1988 for an analysis of the decentralization process as it operated in Project Renewal).

In addition to their role in the general neighborhood planning, the residents participated in decision making and financing, where those things concerned renovation of their own apartments and surroundings. They took part in implementation as well, both by doing voluntary work such as cleaning and gardening and by paid employment. Forty percent of the jobs Project Renewal established were designed for paraprofessionals, the great majority of whom were women residents. When the neighborhoods needed skilled labor or when professional positions opened up (including that of project manager), residents’ applications usually received priority over those of other applicants.

The rationale for decentralization was mainly pragmatic—to obtain local cooperation to ease implementation of the programs. Resident participation was based on both ideological and practical arguments
neighborhood in Tel Aviv, British Jewry with a neighborhood in Ashkelon. The Jewish Agency—an umbrella organization of Jewish communities in many countries—represented the Diaspora communities in Israel (Alterman 1988: 454–69). Beyond the financial aspect, both sides desired to strengthen ties between Israeli neighborhoods and other Jewish communities (Elazar, King, and Hacohen 1983).

The evaluation

The International Committee for the Evaluation of Project Renewal, which the project management established, commissioned the evaluation. We developed a unique integrated approach that combined several evaluation traditions, including the ex-post methods behavioral scientists use for the appraisal of outcomes and impact assessment (Weiss 1972; Rossi and Freeman 1986), economists’ and urban planners’ ex-ante evaluation (Hill 1968; 1973; Lichfield, Kettle, and Whitbread 1975), the process approach of the political scientists and policy implementation analysts (Weiss and Rein 1970; Palumbo and Harder 1981), and the strategic monitoring that managers commonly apply (Wedgewood-Oppenheim, Hael, and Cobley 1976). The rationale, components, and advantages of the integrated evaluation approach are detailed elsewhere (Carmon, Hill, and Alterman 1980; Alterman, Carmon, and Hill, 1984).

We conducted the study between 1982 and 1986, using a sample of ten of the 70 project neighborhoods then participating in the project. The principal investigators and various consultants planned the evaluation and analyzed the data at the research center; ten research associates (graduate students) spent several hours twice a week, each in an assigned neighborhood. They used a variety of methods and tools: interviews of local informants, usually with semistructured and sometimes with fully structured questionnaires (research associates approached each informant several times), systematic observations, analysis of available documents and surveys, a school survey, and a general household survey conducted in the homes of a representative sample of 160 families in each of the ten neighborhoods. Thus we had both qualitative and quantitative information for each of the evaluation components.

The populations of the study neighborhoods ranged from 2,000 to 15,000, with an average of 3.9 persons per household; 25 percent were large families with 6 or more members, and 20 percent were elderly households. Seventy-five percent were “Oriental” Jews (either they or their parents came from Asian or North-African countries). About 20 percent were functionally illiterate; 75 percent of those employed were blue-collar workers and the income per family (1972) was 30 percent less than the national average. Char-
Characteristics included a high rate of dependence on welfare, a large number of "alienated" youths, and much juvenile delinquency and crime. Nine of the ten neighborhoods were public housing projects and most were built in the 1950s and 1960s. The common residences were concrete, two-story buildings with two to four families, or three- to four-story, multifamily walk-ups with several entrances. Each family had its own apartment with at least one bedroom, a living room, a kitchen (or kitchenette), bathroom with running water, and electricity. Most of the apartments were small (about half were originally up to 55 square meters, or 600 square feet) and poorly maintained. There were deficiencies in the amount of public utilities, a lack of such facilities as gardens and sports areas, and a low level of social services.

Input, output, and distribution of benefits

The budget allocation for Project Renewal was about $600 million between 1979 and 1985. Some $400 million came from the Israeli government, the rest from Jewish communities around the world through the Jewish Agency. Nearly half was invested in housing, physical infrastructure, and environment improvements; the rest went for social services: 20 percent for construction and renovation of public buildings for the services and 30 percent for operating them. Through those years, the Project Renewal budget accounted for an addition of only 3 to 4 percent of Israel's social budget (the combined budgets of all the interior and social ministries). However, the annual addition to the social budget per person in the designated neighborhoods was a significant 22 to 34 percent. The project invested about $600 a year per neighborhood household. Only a small portion of that amount reached the families directly in the form of housing loans or scholarships. Most of it was channeled through building contractors, teachers, and others who provided services to the residents.

Project Renewal sponsored dozens of programs in many areas of operation. In each of the research neighborhoods, there were an average of 17 programs for housing and physical infrastructure, 26 for education, 8 for community services, 4 for the elderly and 1 each for health and employment (Alterman and Frenkel 1985). Several programs were new but most were either already existing in the neighborhoods, reorganized with additional funds from the project, or had been implemented elsewhere in Israel and were brought to the neighborhoods by Project Renewal. I shall describe a few of the popular programs here.

Selling public housing units to tenants. Most Project Renewal neighborhoods, including nine of the ten research neighborhoods, were public housing projects, management of which went to public holding companies when construction was completed. Tenants could purchase the units they occupied, while a public agency retained ownership of the land (the land is "leased" for 99 years). Forty-six percent of the apartments were owner-occupied when the project began in the ten neighborhoods (the average in Israel is 70 percent).

In 1982 the project announced a campaign to sell more of the units to their tenants. The price was only 20 to 40 percent of market value; before Project Renewal such units had cost 40 to 60 percent of market value (Lerman, Borukhov, and Evron 1985). The campaign was quite successful in a few places—ownership in three years increased from 32 percent to 50 percent in the Cna'an area of Safed and from 56 percent to 72 percent in the Givat Olga neighborhood of Haifa; in other neighborhoods ownership grew far less—from 63 percent to 68 percent in Ir Ganim, Jerusalem, from 69 percent to 75 percent in East Akko.

On average, the percentage of home ownership grew by 9 percent. Generally, the success was greater where the starting percentage was lower. There seems to be an upper limit to the potential percentage of home owners in distressed areas. An investigation of selected neighborhoods showed the potential to be about three-fourths of the households; another 16 percent were chronic welfare recipients and 10 percent were poor elderly households (Ministry of Construction and Housing 1983). Other explanations of the differential are related to type of housing: tenants in one- and two-story buildings tended more often to purchase their apartments than did those in the three- and four-story walk-ups. Since only owners may obtain permission to enlarge their apartments, the possibility of expansion was another incentive to buy.

Exterior renovation. Forty to 80 percent of the buildings in each neighborhood suffered from deterioration and poor appearance. Renovations included such projects as tarring roofs, insulating the building facades and stairwells, repairing window shutters, installing doors to close off entrances, landscaping, and in some places replacement of plumbing. In the beginning, the public holding companies did most of the work, with little tenant participation in planning, financing, or completion of the renovations. Most of the beneficiaries were renters. In 1982, Project Renewal introduced a do-it-yourself external renovation program and encouraged residents to obtain materials from the local project manager and do their own work (which they seldom did), or to plan and choose a contractor, sharing the costs equally with the project. During the study period, one-third of the households in the ten research neighborhoods benefited from project-assisted exterior renovation; one-third of those were in the do-it-yourself program (the number of do-it-yourselfers increased in later years).
We evaluated the success of the renovation program based primarily on the use of durable materials and on how good the finished product looked. We rated one neighborhood low, three high, and the other six medium (Carmon 1985a). Sixty-two percent of the residents whose buildings were renovated were satisfied with the condition of the building and staircase, compared with 40 percent of those whose houses were not renovated.

**Self-help expansions by owner occupants.** About half of the dwelling units in the research neighborhoods were originally 55 square meters or less, and very few were more than 90 square meters. Large families were overcrowded, of course, but many small households also wanted to enlarge their living space. Since the average size of a new apartment unit in Israel is 120 square meters, many people living in units half that size felt deprived. The project expanded the apartments of a few hundred renters and offered loans on attractive repayment terms to thousands of home owners who were interested in self-help enlargements. Expansions added 15 to 115 percent to the apartment sizes. The most extensive enlargements were in one- and two-story buildings, but gradually increasing administrative and technical assistance from Project Renewal allowed larger additions to apartments in three- and four-story buildings. The improvements were designated “self-help” expansions because owner occupants initiated them, planned or helped plan the changes, financed them with the help of Project Renewal loans (not grants), and continued living in the apartments during the renovations and inspecting every step of the work. Usually, however, the residents did not do any of the work themselves. The self-help program was beneficial for the expanders, who enjoyed bigger residences, increased family property, and experience with a self-managed economic project. The neighbors and the neighborhoods also benefited because apartments gained in value in “expansion areas” more than similar apartments in nonexpansion areas. The self-help program succeeded in stopping the exodus of more affluent households from the neighborhoods; only 4 percent of the expanders reported that they planned to move in the near future, compared with 27 percent of those who did not expand their homes (Carmon and Oxman 1986).

When we conducted the household survey in 1983, we found that only 7 percent of the households in the ten research neighborhoods had enlarged their units with Project Renewal assistance; another 20 percent had submitted requests for loans or planned to do so in the next few months. The latter group included low income families who could finally afford to do the work under the new terms of the project. Seventy percent of those who had expanded were satisfied with their apartments, compared with 41 percent of those whose units were not enlarged (Carmon 1985a).

**HIPPY.** Residents and project planners alike were concerned about the low degree of readiness for school among neighborhood children. Therefore Project Renewal targeted many programs at very young children. HIPPY (ETGAR in Hebrew, the initials for Guidance for Mothers of the Young Age) was a three-year, home-based program, which aimed to increase the mother's confidence in her ability to contribute to the intellectual development of her child and to prepare the child for school. The mother received a weekly package of activity materials and instructions for daily use from a paraprofessional aide, usually a pretrained mother from the same neighborhood. The material was designed to help the child improve verbal communication, develop good work and study habits, improve sensory discrimination skills, and increase the ability to use logical thinking and problem-solving skills. First and second graders who had participated in HIPPY consistently did better in mathematics and Hebrew than nonparticipants (Adler and Melzer-Druker 1983: 15). Eight of the ten research neighborhoods used project funds to start or increase a HIPPY program.

A MILO center (the Hebrew initials stand for Children's Center for Art and Literature) was established in each of the ten neighborhoods, and the director of the center was responsible for scheduling group visits for all kindergarten children in the community. The program helped the children to develop their artistic, literary, and linguistic skills; it provided the kindergarten teachers with special training in literature and arts; and it enhanced self-help at the community level. Because almost 90 percent of all children aged three to five in Israel attend kindergartens (preschools in American usage), the MILO program reached most of the children in that age group in the neighborhoods.

TOAM stands for the Hebrew initials of computer-aided exercise and testing. The Center for Educational Technology at Tel-Aviv University designed the system for elementary schools with a high percentage of educationally deprived students. Project Renewal introduced computers into two-thirds of its neighborhoods' schools; TOAM started with an effective program in arithmetic (Osin 1981; Adler and Melzer-Druker 1983) and later added programs in Hebrew spelling and reading comprehension and in English. The program gave the neighborhood children an early acquaintance with computers, a learning opportunity that had not been available previously for poorer children.

There were a large number of other programs, as
well. On average, 44 social and physical programs operated simultaneously in each of the ten research neighborhoods. Table 1 shows the distribution of budget and beneficiaries by areas of operation.

As the table shows, the rate of beneficiaries from the various programs was high, and the benefits were distributed among various groups of residents. About 50 percent of households benefited from at least one housing program (the categories in the table are not mutually exclusive). Among them were the less advantaged residents, renters who constituted a majority in the exterior renovation program, and close to half of those in the interior renovation program. Along with them, the better-off residents of the neighborhoods benefited from the housing programs, especially from the heavily subsidized loans for home improvement and enlargement.

Since almost all elementary school students and preschoolers were exposed to project-supported programs, the project’s educational programs reached children of all socioeconomic groups in the neighborhood. In contrast, only about 20 percent of the adults took advantage of the adult-oriented cultural and social programs and there was some bias in favor of the better educated and more affluent residents. About one-third of the elderly—many of whom were disadvantaged—participated in a variety of social activities and a few health-related programs.

The project contributed very little to personal welfare services, neighborhood health clinics, or employment service. Project decision makers in Jerusalem considered personal welfare mostly beyond the project’s scope, and since health-related services in Israel are more equally distributed across population groups and neighborhoods than other social services, the project opted to leave them out. A great deal was said about employment in the early years of Project Renewal, but very little was accomplished. Later on, the project partly corrected that fault.

In sum, Project Renewal did not take care of all the problems of all the residents, but it did have a significant impact on the living conditions of many dwellers in its target areas. It improved housing, children’s education, and cultural and community services for adults and especially for the elderly, in all participating neighborhoods.

**Impact on neighborhoods**

To measure the impact of Project Renewal on neighborhood change, we made before-and-after comparisons of several indicators of neighborhood quality. The indicators included apartment prices; private investments; incidents of vandalism, delinquency, and crime; residents’ attitudes toward their neighborhoods; and migration balance.

An important indicator of perceived neighborhood quality is apartment prices. Prices (in American dollars) rose considerably in all the neighborhoods we studied, as did apartment prices throughout Israel. However, the price of an apartment in a project neighborhood remained approximately half that of a similar apartment in a middle income neighborhood in the same city, and the gap closed slightly in only about half the communities. But prices in the research neighborhoods rose faster—sometimes substantially so—than prices for similar apartments in comparable nonproject neighborhoods in the same city (Table 2).

Private investments did not increase in Project Renewal neighborhoods. Although owner-occupants invested much of their savings to renovate their homes, no new businesses opened and private contractors did not initiate new construction. Success in business depends on the purchasing power of local residents, and the policy to avoid displacement did not change that. Private, nonresident builders did not invest in some project neighborhoods because there was no more land available for construction of residences, and other neighborhoods apparently did not gain enough strength to attract contractors.

Like deteriorated neighborhoods throughout the world, our research neighborhoods suffered from vandalism, delinquency, and crime. Compared with dis-

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Table 1. Budget distribution in research neighborhoods

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning and administration</td>
<td>7</td>
<td>9%</td>
</tr>
<tr>
<td>Housing</td>
<td>27</td>
<td>7% (15% renters)</td>
</tr>
<tr>
<td>Encouraging private ownership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing enlargements</td>
<td>11</td>
<td>15% (45% renters)</td>
</tr>
<tr>
<td>Interior renovation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior renovation</td>
<td></td>
<td>34% (mostly renters)</td>
</tr>
<tr>
<td>Physical infrastructure</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Community services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultural and social activities</td>
<td>20</td>
<td>20%</td>
</tr>
<tr>
<td>Community organization</td>
<td>0.2</td>
<td>minor</td>
</tr>
<tr>
<td>Education</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Toddlers</td>
<td></td>
<td>2%</td>
</tr>
<tr>
<td>Kindergarten age</td>
<td></td>
<td>75%</td>
</tr>
<tr>
<td>Elementary school age</td>
<td></td>
<td>90%</td>
</tr>
<tr>
<td>High school age</td>
<td></td>
<td>40%</td>
</tr>
<tr>
<td>Elderly</td>
<td>3.5</td>
<td>35%</td>
</tr>
<tr>
<td>Health</td>
<td>2.5</td>
<td>minor</td>
</tr>
<tr>
<td>Personal welfare</td>
<td>3.0</td>
<td>minor</td>
</tr>
<tr>
<td>Employment</td>
<td>0.5</td>
<td>minor</td>
</tr>
</tbody>
</table>

a. Percent of total number of households who benefited from a project-assisted program, 1979-1984; n = 20,000 in the ten neighborhoods.
In residents' attitudes about their neighborhood.

We found that being a beneficiary slightly during the project period, and that improvement was credited to the project. Moreover, in half noticeable reduction in the crime rate.

Informants attributed it partially to Project Renewal. Toward it were significant in explaining the variance of Project Renewal and having a positive attitude presence of the project made local authorities turn with their neighborhood and encourage preservation of public and private property, and local attention to the selected neighborhoods and stimulated more active law enforcement. Intensification of police operations resulted in the apprehension and imprisonment of some criminals in the area and caused a noticeable reduction in the crime rate.

In our household survey of residents' attitudes toward their neighborhoods, 57 percent said they were satisfied with their neighborhood and 76 percent said that they intended to continue living there. Using multiple regression analysis, we found that being a beneficiary of Project Renewal and having a positive attitude toward it were significant in explaining the variance in residents' attitudes about their neighborhood.

The residents' image of their neighborhood improved slightly during the project period, and that improvement was credited to the project. Moreover, in half the cases some residents of comparable nonproject neighborhoods in the same city also changed their image of the project neighborhoods for the better.

A most important indicator of neighborhood change is its migration balance. The research neighborhoods were stable during the project period; the number of households in the ten areas studied changed very little (an increase of only 1.5 percent). The project did not include any relocation programs, but some turnover did occur. Both in-migrants and out-migrants tended to be younger and to have had more years of schooling than nonmigrant residents (Table 3). However, recent in-migrants, those who came during the first three years of the project, were younger and had slightly higher education, occupation, and income status compared not only to longer-term residents but also to those who entered the neighborhoods during the three years before the project began and compared to those who said that they intended to leave their neighborhood in the next two or three years. Those are signs of neighborhood improvement but not of gentrification. The in-migrants do not belong to a different and higher social group. Rather, they resemble the more affluent segments of the existing population and therefore caused only a slight rise in the average socioeconomic status of the neighborhood residents.

The major outcome in terms of neighborhood change has been a halt in deterioration. The moderate absolute improvement in apartment prices, in curbing vandalism, in improving the attitude of the residents toward their neighborhood, and in attracting young and better educated in-migrants were sufficient to preserve the relative status of the designated areas. Only in a few places were the changes extensive enough to improve not only the absolute condition of the treated area, but its relative position among other city neighborhoods as well.

Stabilization and halt of deterioration were more than pessimists predicted for Project Renewal, but far less than the great hopes of some optimists. Pessimists

Table 2. Change in apartment prices, Neighborhood "A"*

<table>
<thead>
<tr>
<th>Building type</th>
<th>No. rooms</th>
<th>Project neighborhood</th>
<th></th>
<th></th>
<th>Price in neighborhood as percent of price in nonproject, lower class neighborhood in same city</th>
<th>Price in neighborhood as percent of price in middle class neighborhood in same city</th>
</tr>
</thead>
<tbody>
<tr>
<td>One story, 1-2 apartments</td>
<td>1.5</td>
<td>15</td>
<td>50-60</td>
<td>367</td>
<td>40</td>
<td>130</td>
</tr>
<tr>
<td>Two story, 4 apartments</td>
<td>2</td>
<td>25</td>
<td>35-40</td>
<td>150</td>
<td>80</td>
<td>90</td>
</tr>
<tr>
<td>3-4 story, multiple apartments</td>
<td>3</td>
<td>23</td>
<td>30-32</td>
<td>135</td>
<td>60</td>
<td>80</td>
</tr>
</tbody>
</table>

Source: Local newspapers and a survey of real estate agents.

* This report is from only one neighborhood, "A," the only neighborhood for which we had such a full report on prices.

Tressed areas in other countries, however, the situation in Israel is not bad; Israel has fewer major crimes such as manslaughter and murder, and in most places residents are not afraid to walk in the streets. Eighty percent of the residents we interviewed stated that they felt safe in their streets; only 11 percent reported that they did not usually or often feel safe.

Project Renewal allocated almost no funds directly for prevention of vandalism, delinquency, and crime. However, one could expect that the combination of project efforts to reduce crowding, provide leisure activities for children and youth, improve street lighting, and encourage preservation of public and private property would reduce vandalism and delinquency indirectly. Nine of the ten neighborhoods did have a reduction in damage to public property, and local informants attributed it partially to Project Renewal. In contrast, only four of the ten neighborhoods had a drop in crime rate, and in three of them the decrease was attributed to project activity. The impact of the project was indirect in those neighborhoods. The presence of the project made local authorities turn attention to the selected neighborhoods and stimulated more active law enforcement. Intensification of police operations resulted in the apprehension and imprisonment of some criminals in the area and caused a noticeable reduction in the crime rate.

In our household survey of residents' attitudes toward their neighborhoods, 57 percent said they were satisfied with their neighborhood and 76 percent said that they intended to continue living there. Using multiple regression analysis, we found that being a beneficiary of Project Renewal and having a positive attitude toward it were significant in explaining the variance in residents' attitudes about their neighborhood.

The residents' image of their neighborhood improved slightly during the project period, and that improvement was credited to the project. Moreover, in half the cases some residents of comparable nonproject neighborhoods in the same city also changed their image of the project neighborhoods for the better.

A most important indicator of neighborhood change is its migration balance. The research neighborhoods were stable during the project period; the number of households in the ten areas studied changed very little (an increase of only 1.5 percent). The project did not include any relocation programs, but some turnover did occur. Both in-migrants and out-migrants tended to be younger and to have had more years of schooling than nonmigrant residents (Table 3). However, recent in-migrants, those who came during the first three years of the project, were younger and had slightly higher education, occupation, and income status compared not only to longer-term residents but also to those who entered the neighborhoods during the three years before the project began and compared to those who said that they intended to leave their neighborhood in the next two or three years. Those are signs of neighborhood improvement but not of gentrification. The in-migrants do not belong to a different and higher social group. Rather, they resemble the more affluent segments of the existing population and therefore caused only a slight rise in the average socioeconomic status of the neighborhood residents.

The major outcome in terms of neighborhood change has been a halt in deterioration. The moderate absolute improvement in apartment prices, in curbing vandalism, in improving the attitude of the residents toward their neighborhood, and in attracting young and better educated in-migrants were sufficient to preserve the relative status of the designated areas. Only in a few places were the changes extensive enough to improve not only the absolute condition of the treated area, but its relative position among other city neighborhoods as well.

Stabilization and halt of deterioration were more than pessimists predicted for Project Renewal, but far less than the great hopes of some optimists. Pessimists
Table 3. Characteristics of longer-term residents, in-migrants, and potential out-migrants in the ten research neighborhoods*

<table>
<thead>
<tr>
<th></th>
<th>Total population</th>
<th>Veteran residents</th>
<th>In-migrants before project (1977–1979)</th>
<th>In-migrants in project years (1980–1983)</th>
<th>Potential out-migrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young families(^a)</td>
<td>31</td>
<td>36</td>
<td>20</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>Old families(^a)</td>
<td>27</td>
<td>17</td>
<td>51</td>
<td>70</td>
<td>45</td>
</tr>
<tr>
<td>Large families(^a)</td>
<td>13</td>
<td>15</td>
<td>4</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Head of household-no schooling</td>
<td>17</td>
<td>20</td>
<td>9</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Head of household-secondary educ.'</td>
<td>43</td>
<td>37</td>
<td>82</td>
<td>83</td>
<td>81</td>
</tr>
<tr>
<td>Man employed</td>
<td>74</td>
<td>71</td>
<td>82</td>
<td>83</td>
<td>81</td>
</tr>
<tr>
<td>Woman employed</td>
<td>30</td>
<td>28</td>
<td>34</td>
<td>35</td>
<td>38</td>
</tr>
<tr>
<td>Very low income families(^c)</td>
<td>37</td>
<td>39</td>
<td>29</td>
<td>35</td>
<td>28</td>
</tr>
<tr>
<td>Middle income families(^d)</td>
<td>19</td>
<td>18</td>
<td>16</td>
<td>25</td>
<td>27</td>
</tr>
<tr>
<td>Total households in each group</td>
<td>1606</td>
<td>1260</td>
<td>132</td>
<td>214</td>
<td>128</td>
</tr>
<tr>
<td>Percent households in each group</td>
<td>100</td>
<td>78</td>
<td>9</td>
<td>13</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: household survey, 1983.

* In percent.
\(^a\) Migrated into the neighborhood before 1977.
\(^b\) In response to a question answered that they intend to leave the neighborhood within two to three years.
\(^c\) Head of household 20–34 years old.
\(^d\) Head of household at least 65 years old.
\(^e\) At least six members in the family.
\(^f\) Head of household had 9–12 years of schooling.
\(^g\) Less than half the average income per salaried employee in Israel.
\(^h\) At least equal to the average income per salaried employee in Israel.

feared that a neighborhood formally labeled as a “distressed area” would be even more stigmatized. That did not happen, probably because the designated neighborhoods had so little prestige that they had nothing to lose and much to gain from inclusion in the project. But hopes for significant improvement in the neighborhoods’ image also failed to materialize. Actually, there was no reason to expect such an outcome from a project that worked with the existing low status populations and avoided relocation.

**Explaining the qualified success**

The evaluation pointed out weaknesses in Project Renewal. Among them are budget displacement (supporting programs that the government probably would have funded anyway), disregard of the urban environment instead of attempts to integrate the neighborhoods into it, and under-allocation to employment services even though unemployment and employment in unstable and low paying jobs were major problems for many neighborhood households. Nevertheless, the project’s achievements have outweighed its faults.

Unlike many programs for deliberate social change (Gibson and Prathes 1977), Project Renewal was implemented and almost all of its investments went to the populations of the designated neighborhoods. Both of its major goals were considerably advanced: living conditions did improve for a large proportion of households and individuals, and the status of the neighborhoods at least stabilized and sometimes improved. Ten years after its inception, the project is still alive and beginning operations in new neighborhoods.

In addition—and again unlike other programs—Project Renewal intentionally avoided relocation and the rehabilitation process did not force the incumbent poor residents out of the neighborhoods, so no gentrification occurred. A study of a project neighborhood surrounded by more affluent residential areas of a Tel Aviv suburb, a “natural” place for gentrification, showed that turnover was generally low, and middle income “outsiders” bought only a few units (Beker 1984).

To be able to utilize and improve upon the Israeli experience in other places and at later times, we have to explore the factors that facilitated the program’s qualified success.

**Recruiting political support**

Project renewal gained political support by appearing on the scene at the right time and using concepts that were popular as slogans. The timing was right for tackling major domestic problems in the late 1970s and early 1980s because the national borders were relatively quiet and there was relative economic prosperity with high employment. That eased the way for recruiting resources required for the renewal effort.

A central slogan of Project Renewal was reduction of social disparities in Israeli society. For the leftist parties, that was in line with their socialistic ideas. But it was the right wing that developed the project...
and promoted it for several years, probably because the rightists looked at reducing disparities as necessary for building a strong and united nation, a major goal especially after the war of 1973.

A second major slogan of the project—rehabilitation of old urban neighborhoods—was also appropriate, in both substance and timing, for inspiring a high degree of political commitment. In the early days after Israel’s founding, the government stressed a normative preference for the rural over the urban, for “pioneering” and new development—conquest of the desert, construction of development towns, and the like—over preservation of the existing or the old. Both priorities showed up clearly in the allocation of economic resources and in the institutions the young state created (Alexander 1979). Decades passed before the public and the leaders began to recognize the needs of the urban settlements. That recognition included acceptance of the world-wide trend to protect the environment, including giving special attention to older neighborhoods. Project Renewal was a part of that trend.

Selecting ‘appropriate’ target neighborhoods

The selected neighborhoods were good targets for the rehabilitation effort because they had not yet reached extreme deterioration; they still had heterogeneous populations, not only the most disadvantaged people. Project intervention began before spontaneous within-city migration completed the segregation of the poorest groups and before physical conditions could deteriorate beyond repair. That does not mean that the project selected only easy cases from among the poor neighborhoods. On the contrary, a new study, based on preproject census data of the Jewish population, shows that the average populations in the 70 project neighborhoods were more severely disadvantaged than any similar-sized group in Israel (Baron, Ben-Zion, and Carmon, in press).

In each of the neighborhoods studied, there were many severely impoverished households, but they lived among working class and even some lower-middle income residents. Considerable segments of that population were able to take advantage of the opportunities the project provided, obtaining loans on good terms for housing renovation and encouraging their children to participate in extracurricular activities. Beneficiaries belonged both to the stronger and the more disadvantaged sectors. Hence, because planners of social services tend to agree with Titmuss (1966) that “services for the poor [only] are poor services,” selecting somewhat socially heterogeneous populations as target groups seems an important condition for program success. In addition to its substantive importance, such a selection may have a tactical advantage in that it is likely to arouse sympathy and support from a wider public.

Opening middle class opportunities to disadvantaged residents

The poor often get blamed for not adhering to middle class ethics, such as working hard and postponing satisfactions. Anthropologists from the Oscar Lewis school of “culture of poverty” say that the poor were raised differently and there is no reason to expect them, nor any way to teach them, to accept middle class norms. We support another approach, according to which the poor are quite familiar with society’s mainstream norms and willing to follow them, given the chance, that is, if middle class opportunities are open to them (Carmon 1985b). If parents have access to primary-market jobs and habitable residential areas with reasonable schools, their children will take advantage of enriched educational programs as middle-class children do (Gans 1976). When delinquent youth, clever and sophisticated in spite of being school drop-outs, are directed to secondary-market occupations—a common practice in programs for “alienated” young people—such programs, predictably, fail. In fact, the only program in Israel with some impressive successes was one that took especially “hard cases” of young, intelligent recidivist offenders through a series of academic studies that enabled them to enter Haifa University as regular students (Gottlieb 1985).

Owning one’s home is a typical middle class norm. In many places around the world, poor people can only dream about it. Israel’s policy and program to sell public housing units to their tenants enabled disadvantaged residents to materialize the dream. Project Renewal helped strengthen that policy. The objections of planners and others to such programs in the United States and Britain are well known. Critics are right, in the sense that operating such programs requires supportive mechanisms to help low and moderate income households keep up with purchase payments and at the same time to have sufficient resources to maintain their new property. In addition, such a policy must assume a supply of new public housing for poor people of the future. Those prerequisites exist in Israel, though not in full.

Public-individual partnership

Reports that the poor are increasingly dependent on the government to give them aid, and that many dependent people do not become productive members of society (Murray 1984), have gained public attention in recent years. Conservative economists have recommended limiting direct assistance to the poor and extending indirect aid through “public–private partnerships,” e.g., subsidies to big companies for investments in housing and creation of jobs in distressed neighborhoods. In contrast to that trend, Project Renewal did extend direct aid. In some of its efforts, such as the housing programs, a strategy of “public–
individual partnership” grew, not between public investors and private capitalists, as in the United States, but between the state and each individual helped. The advantages of such programs include not only direct transfers of subsidies to the people in need, but also an enhancement of the chances of preserving the results of programs in which the residents have a large stake. Furthermore, we found that the strategy increased personal motivation to work (especially by women, as second bread winners) and to improve living conditions, which may reduce dependence on the state.

Building on present trends, institutions, and programs

Critics frequently classified Project Renewal as “more of the same.” It was, in fact, largely built on existing trends and forces. It strengthened the social integration of Jews from Middle Eastern countries and thus was part of a major national mission started in the 1950s; it supported decentralization processes that started in Israel in the mid-1970s. That was true not only of trends, but also of specific programs (Carmon, in press). In addition, the project operated mostly through existing state and local institutions. Doing so took time and effort and may have slowed the process, but it has helped prevent power conflicts and increased the chances of continuation once the temporary project is over in a neighborhood.

Rather than working against current trends, as planners often do, project leaders identified and worked within existing movements that were consistent with the project’s aims. The hypothesis we suggest is that the identification of spontaneous developments that incorporate desirable attributes and the investment of deliberate efforts to reinforce them are highly preferred—if not necessary—conditions for success in promoting planned changes in a democratic country.

Conclusions

Can neighborhood rehabilitation be achieved without relocation or gentrification? Scholars and practitioners in urban planning have worked through several decades to analyze and test various answers to that question. Lots of good will and billions of dollars have been invested in neighborhood programs, but the results have been poor to very poor according to most American planners who, like Chester Rapkin and Amnon Frenkel as a research coordinator. The study was funded by the Samuel Neaman Institute for Advanced Studies in Science and Technology and by The International Committee for the Evaluation of Project Renewal established by the Government of Israel and the Jewish Agency. We would like to thank the institutions for their generous support and our colleagues for all that we learned from them through our work together. Thanks are due also to Raymond J. Burby, co-editor of JAPA, for his constructive criticism, to three anonymous referees who provided us with useful comments, to Norman Sperber, our English language editor, and to Marion Zeiger, managing editor of JAPA.

Notes

1. The sources of inspiration and learning from mistakes were Urban Renewal and Model Cities. More recent American programs, such as the Community Development Block Grants and Neighborhood Housing Services, were unfamiliar to the Israeli decision makers when they shaped Project Renewal.

2. Carmon (1985a: 18) discusses the selection criteria.

References


