

Project Renewal: An Israeli Experiment in Neighbourhood Rehabilitation*

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Deteriorated residential areas are a world-wide urban problem. A deteriorated area is a territorial concentration of households with individual and collective social and/or economic physical problems. It is an area in which there is a high percentage of households with considerably lower social and/or economic and/or physical living conditions than the accepted standards for that society. Since these inferior living conditions frequently disturb the functioning of individuals, families and communities, they are usually defined as 'problematic' and governments frequently initiate remedial programmes for solving the problems of the deteriorated areas.

The new coalition of parties which took over the government of Israel, following the elections of May 1977, found in the files of the Ministry of Housing a list of 160 deteriorated neighbourhoods, accounting for approximately half a million people, about 15% of Israel total population (Ministry of Housing, 1977). Within a few months, the new government declared an ambitious programme for rehabilitating these neighbourhoods under the title of 'Project Renewal'. In its first year Project Renewal encompassed 30 neighbourhoods, 35 were added in the second year, and another 5 in its third year.

There were three kinds of motivations behind this programme:

A social motivation. There is a sincere wish by all parties in Israel to decrease the gap between the 'haves' and 'have-nots'. Some are guided by concern for equality in the society while others, looking at the problem from the point of view of national unity, are worried about the fact that most of the haves are of Western origin (Europe and America) while most of the have-nots are of Eastern origin (Asia and Africa). The result is that all parties are really interested in bettering the living conditions of low-income families.

A political motivation. The new government was widely supported by residents of the slums in the big cities and of the development towns; it thus had a political debt to its voters.

A Jewish motivation. In order to mobilise the Jewish people throughout the world in assisting Israel in dealing with its pressing problems, it was proposed

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that specific Jewish communities abroad would adopt a slum neighbourhood in Israel and contribute to its rehabilitation. The channel through which these contributions flow is the Jewish Agency, the official representative of world Jewry in Israel. Hence, the project also serves to strengthen the bonds between Jewish people in Israel and in other countries.

These motivations are very different from the real motives behind urban renewal in other countries. In the USA, objectives such as the expansion of the economic base of the city, the increase of the real estate tax base, and the rejuvenation of the central business district, played a central role¹ (Rapkin, 1979). In England, concern for the deteriorating housing stock was the main motive (Rose, 1979). None of these motives was particularly important in the Israeli decision-making process concerning the intervention in distressed neighbourhoods. Here, the issues are social and political, and the neighbourhood rehabilitation project, which is currently the main domestic programme of the Government, is actually a huge social experiment for solving the problems of families in distress. There is a strong political commitment by the Government to achieving some successes in this experiment.

This paper analyses the causes of neighbourhood deterioration in Israel, presents the main principles of Project Renewal and the problems in implementing them, and discusses the chances for success.

THE CAUSES OF NEIGHBOURHOOD DETERIORATION

There are three types of causes of neighbourhood deterioration in Israel. First, the basic conditions in the country: demographic, social, economic, and physical characteristics of the population and its living environment. Second, the political ideologies and bureaucratic practice in the field of physical and social planning. And third, dynamic social and economic processes which can be found in most urban situations and which cause the increase of urban slums and deepen their distress.

The basic conditions that created the potential for deterioration

Social conditions. Upon its foundation in 1948, hundreds of thousands of refugees arrived in the State of Israel and the population was doubled within 3 years. About half of the immigrants fled from the holocaust of Europe of the Second World War and the other half were refugees from Arab countries. With the arrival of these masses of newcomers, especially those from the underdeveloped countries of North Africa and the Middle East, illiteracy, unemployment, poverty and accompanying social problems increased significantly.

Physical conditions. The initial housing conditions in the State of Israel were very poor. A survey of the urban population a year before the foundation of the State found an average density of over 3 persons per room (Carmon, 1975). In order to overcome the severe shortage of housing caused by these initial conditions and the mass immigration, the Government played a central role in supplying new apartments and constructed about half of the housing units built during the years 1949–1972 (Haber, 1975). Since the needs were numerous and the resources of the new state very limited, the standards of construction —

¹ Most of the neighbourhoods in Israel are not located on expensive urban land for which there are pressing competitive uses. Neither is there a situation of non-resident landlords who are pressing for more profitable land uses.

building materials, dwelling sizes, infrastructure — were very low in the first years. This was especially so in the transition camps (*ma'abarot*), which were built for the hundreds of thousands of immigrants — who usually arrived at their last refuge without any material property. It was planned that within a few months the temporary shelters would be replaced by solid structures, but the Government could not afford to provide these for many years.

Thus, many transition camps, together with areas of old structures dating from the pre-state period and neighbourhoods which were quickly and cheaply built by public authorities in the 1950s, deteriorated physically within a few years.

A very rapid increase in the standard of living in recent years. Urban environments which were considered good and adequate according to accepted social welfare standards some twenty — or even ten — years ago, are today considered sub-standard, not because their level of housing and services has dropped but because the level in other urban areas has greatly increased and the inter-neighbourhood gaps have grown. This fits the thesis of Titmuss (1966) who sees the problem of poverty as the social pathology of groups of people which stems from the advancement of other people. According to this thesis, economic activity and technological development have their social costs which are borne by those groups that benefit little, or not at all, from this progress. One of the social costs is the deterioration of the relative position of the poor and their residential areas, caused by the rapid social advancement of the other groups and areas.

Ideologies and practices of executive authorities

Ideologies prevailing among decision-makers and the methods of operation of public authorities contributed to the process of urban neighbourhood deterioration.

Normative preference of rural development over urban development. The future image of Jewish society in the land of Israel, as conceived by the pioneering Zionist leadership in the pre-State and immediate post-State period, is a unique example of a social outlook which aspired to the creation of a modern society based mainly on agriculture, leaving hardly any place for the city in the future image of the society. To be sure, in actual practice and during all the periods of Zionist settlement, some 75% of the Jewish population of Israel lived in urban areas. The negative ideological attitude toward city life remained, however, and left its marks on the urban development for a long time to come: *per capita* allocations of national resources favoured the rural sector, and the older cities and towns were allowed to grow without planning; their functional problems increased and in their centres and on their outskirts distressed neighbourhoods were developing. For a few decades, these problems did not receive any public attention because the government leaders were interested almost exclusively in rural development.

Normative preferences of new development over conservation and rehabilitation of the old. The preference for new development is rooted in a long historical process, which started at the beginning of the modern Jewish settlement in the Land of Israel, when the ideal of 'pioneering' dominated national consciousness. The concept of pioneering meant the conquest of the new and unknown and construction from scratch. The values of pioneering led to the establishment of an institutional structure which served them while neglecting preservation and renewal of the old. In the urban development field, it led to the foundation of some 30 new towns, most of them in remote development areas. Most of the

resources which were allocated to construction in the urban sector were invested in these new development towns, with very little being left for maintenance and rehabilitation of the old cities and towns.

Deficiencies in neighbourhood planning. Some of the publicly-built neighbourhoods suffered heavily from planning deficiencies, which contributed to their deterioration. These included the lack of flexibility and space for changes in the future, inadequate infrastructure facilities, a time lag of years in the provision of accessible social services, and low standards of social services. In several cases whole areas were homogeneously populated with low-income families, thus creating a distressed area from the very first day of a new neighbourhood.

Dynamic social and economic processes in the neighbourhoods

The above conditions, values and practices generated the following dynamic urban processes, thereby increasing the areas of urban blight and deepening the distress of these areas.

Decreasing efficiency of investments in deteriorating neighbourhoods. When a neighbourhood starts to deteriorate, because of one or more of the above conditions, the marginal output of investments in it decreases, and as a consequence, the amount of private investment decreases and is not adequate for the maintenance and the necessary renewal of its systems. As a consequence, the process of decline is sharpened, investments become even less payable and the cycle is repeated (Davis and Whinston, 1961; Nourse, 1966).

Aggravation of social problems which are territorially concentrated. Many social problems such as problems in the functioning of families, problems in child education, problems of social apathy, and problems of crime and delinquency, reflect deviant social norms, as compared to those accepted by the surrounding society. When such problems are geographically concentrated, those who hold these deviant norms get the support they need from the people in their environment (Fischer, 1975). Such social support, especially on a background of social anomie which is typical of groups of immigrants, aggravates the deviance and helps it to spread through the community and from generation to generation.

Social-ecological segregation: negative selection of residents. A major cause of deterioration of neighbourhoods is the process of spatial separation of socio-economic groups from one another, leaving a residue of weak and problematic families within certain neighbourhoods (HUD, 1975). Voluntary ecological segregation occurs when an individual or a family decides to move away to an area populated by people whose status is more similar to their own or to whose status they aspire. This usually happens when a household is in a state of upward mobility and strives to express its improved condition by residence in an area of higher status. There is evidence of such segregation in all urban residential areas, but its processes are sharpest in urban neighbourhoods whose relative image started to deteriorate as a consequence of one or more of the above factors. 'Strong' households — those with relatively more economic, social and psychological resources — tend to leave these less desirable environments and hence, a voluntary process of segregation begins. On the other hand, involuntary segregation operates when 'weak' households, which cannot afford other choices, are obliged to continue living in the neighbourhood or to enter it because its prices are decreasing. As a result, the social and physical conditions

deteriorate, the area becomes even less desirable and the process of negative selection of residents accelerates.

These conditions, practices and processes resulted in 160 distressed urban neighbourhoods throughout the country; 69 of these have been selected as the target of Project Renewal. The rest of them are waiting for their turn.

PRINCIPLES OF REHABILITATION

Unlike other national programmes of urban renewal, Project Renewal has not been perceived as a means to improve the functioning of cities or renew city centres. It is aimed at improving the living conditions and life chances of the residents of distressed neighbourhoods (see its goals in Carmon and Hill, 1982). In order to achieve this, the following principles for rehabilitation have been developed.

Intensive social and physical rehabilitation

In general, distressed neighbourhoods in Israel tend to obtain a share of public social services which is about in proportion to their part in the total population of the urban areas that they are in. Sometimes the proportion of public investments allocated to schools, health services, community centres and other services in these neighbourhoods, may even exceed that allocated to areas in which the better-off reside. Nevertheless, these sectoral public services are not sufficient in and of themselves to prevent the deterioration and the relative distress of these neighbourhoods.

Since the deterioration of these neighbourhoods is caused, as described in the previous section, by social and physical factors and the interaction between them, and since the traditional uncoordinated sectoral delivery of social services has not solved the problems of their residents, the policy-makers of Project Renewal adopted a different approach: the intensification and integration of social and physical services.

By intensification we mean the concentration of resources in a limited number of neighbourhoods instead of spreading them around many neighbourhoods. The latent assumption is that the intensive treatment will extricate the neighbourhood from the cycle of distress and bring it to the point of take-off when Project Renewal can cease its support and move in to another distressed neighbourhood. It thus assumed that by this positive discrimination it will be possible to bring the people and their neighbourhood to a level when they will eventually be able to fend for themselves.

Integration in this context means simultaneous and coordinated treatment of the social and physical problems in the neighbourhood. In addition to building activities related to housing, physical infrastructure and social services, Project Renewal is also concerned, as mentioned before, with health problems, educational problems, unemployment, poverty and economic dependence, problems of family structure and functioning, violence and crime. The experience that has been gathered in Israel and other countries indicates that focusing only on treatment of the physical problems of the neighbourhood is not enough (Gans, 1968; Yuchtman-Yaar *et al.*, 1979). Project Renewal is based on the assumption that simultaneous treatment of all the various problems will bear results which none of the selected services could hope to achieve on its own.

Allocation of funds on the basis of neighbourhood needs

Twentieth Century states provide their citizens with a few universal services and

a number of selective services and payments on the basis of individual and family need. However, since this usual allocation of funds and services was not sufficient to prevent distress, an intermediate form of allocation (between universal and selective) is added by Project Renewal. The provision of assistance is according to neighbourhood need, *i.e.* the neighbourhoods in need are selected and defined and then all the residents of these neighbourhoods are entitled to the special assistance of the project, regardless of their individual economic situation.

Such a service delivery system avoids the problems of personal means tests and the personal stigma which is related to selective services. The strongest argument in favour of this principle, however, is based on an analysis of the causes of deterioration. This has shown that the negative selection of residents in a neighbourhood, *i.e.* the exodus of its stronger elements, is the crucial behavioural factor that may lead it to further deterioration and total abandonment (Carmon and Hill, 1979). Hence, if one wants to stop the process of deterioration, this exodus should be halted by providing opportunities which will enable the stronger households to realise their aspirations for social mobility within the neighbourhood. If this is not done, and they leave the area, the neighbourhood may still deteriorate, even if heavy inputs are provided, because services provided solely for a poor population are usually poor services.

This implies that success in rehabilitation of a neighbourhood depends on its having such strong elements — people with relatively greater economic, social and psychological resources — among its residents. Empirical evidence shows that in most of the distressed neighbourhoods in Israel, 'strong' households constitute a considerable portion of the population, but they tend to leave as soon as they can afford it (Churchman and Carmon, 1980). Project Renewal intends to halt this tendency by providing these people with opportunities which they cannot obtain elsewhere. It enables them to extensively enlarge their housing unit by putting special grants and loans at their disposal. (It has been found empirically (Carmon and Oxman, 1981) that such enlargements keep residents from moving.) It also provides special social and cultural services for all ages in the neighbourhood, and opens channels to participation in local leadership for those interested in it.

At the same time, public assistance to the weaker household is continued according to the standard eligibility criteria and strengthened by the special Project Renewal neighbourhood plans for the disadvantaged. This is considered necessary, firstly because it is unjust to help those better off and neglect those worse off, even if this direct assistance to the stronger people indirectly also helps the weaker ones. Secondly, there is a pragmatic argument: if the gap between the living conditions of the more affluent and the poorer segments of the population in the neighbourhood is too great, no incentives will keep the former in physical proximity to the latter. Hence, Project Renewal is trying to meet both the aspirations of the 'strong' and the needs of the 'weak' sections of the population in the neighbourhood.

Avoiding relocation of residents and demolition of the older buildings

Project Renewal was established toward the end of the 1970s as a substitute for the 'Authority for the Clearance and Construction of Rehabilitation Areas' that came into being in 1965. The Authority's activity, like Urban Renewal programmes in the USA, was based on demolition and relocation. However, the heavy costs of this strategy were gradually exposed (Fried, 1963; Hartman, 1964, 1971, 1980; Perlman, 1976; Hazani and Ilan, 1970, 1976), especially the social costs. Positive social features of the slum neighbourhoods such as the supportive

extended family structure, and community facilities like the small houses of worship whose congregations were composed of people coming from the same area in the old country, disappeared when the slum residents were relocated. The destruction of these institutions aggravated the social problems of the young, as well as of the elderly people. Moreover, the relocation of the slum population usually imposed additional transport costs and greater travel time in getting to previously easily accessible job opportunities and traditional shopping areas such as open air markets, thus making their economic situation more difficult. The result was that in spite of the high costs (including higher rents) which were imposed on the relocatees, their living conditions were usually worse than before the relocation. When new neighbourhoods were built for them, they rapidly deteriorated; and where they were introduced into established residential areas, their neighbours dissociated themselves from them and the social image of these neighbourhoods gradually decreased. Hence, it was decided that the new programme should enable the residents to go on living in the physical and social environment to which they had become accustomed.

Resident participation

A far-reaching innovation in the Israeli context is the principle of resident participation in the planning and implementation of Project Renewal. Although it is recognised that resident participation will both complicate and prolong the process, it is considered as both a goal and a means of Project Renewal (Churchman *et al.* 1980). It is intended to make the process not only more democratic but also more effective, by enabling better matching between the residents' needs and preferences and the project's activities. Another objective is to break the psychological state of dependence, whereby residents tend to depend on various government agencies to do things for them without their taking the initiative, other than make demands for more assistance.

The involvement of the residents is expressed in different ways and at various stages of the rehabilitation process.

Resident participation in the overall decision-making in each neighbourhood is achieved by setting up Local Steering Committees in which their representatives share equally with representatives of local and central governments. The steering committees are assisted by sub-committees of residents and specialists, usually chaired by residents, who are responsible for preparing specific programmes for selected aspects.

Financial participation is limited mainly to partial participation in the improvement of owner-occupied housing units. In addition, residents are often required to pay for social and cultural services, but they usually pay only a fraction of the real cost.

Voluntary work by residents — adults, youths and children — is encouraged, especially for jobs such as cleaning, painting and gardening, or assistance of the aged and disabled.

Participation in implementation, *i.e.* employment of neighbourhood residents by Project Renewal, was initially achieved mainly by reserving 40% of new jobs for para-professionals, the greater majority of whom are local residents. In addition, whenever it is possible to recruit residents for skilled (mainly physical improvements) and professional work, they have priority over other applicants. Thus, Project Renewal is trying to overcome the problem of many social programmes for the disadvantaged, which serve the middle-class by providing jobs to teachers, physicians, community workers *etc.*, rather than increase the employment opportunities for their low-class target population.

Organisational principles

Decentralised new planning procedure;
 building on existing administration for implementation;
 partnership with Jewish *diaspora* communities.

Compared to most Western democracies, Israel has a very centralised decision-making system (Akzin and Dror, 1966; Hill, 1980). Local governments have few independent financial resources, and most of the important decisions are made for them and not by them. In contrast to other governmental programmes, Project Renewal "emphasises the central role and responsibility of the local authority" (Deputy Prime Minister's Office, 1981). Planning is given over to the local steering committee, whose chairman is the head of the local authority and most of its members are local officials and neighbourhood residents.

As for implementation, it was decided not to establish a new bureaucratic structure for Project Renewal, nor to strengthen the local authorities by giving them all the additional resources of Project Renewal. Rather, implementation was to be administered mainly through the existing central administration, *i.e.*, the various ministries.

The principle of avoiding a new bureaucracy expresses not only the immediate desire to save expenses, but also reflects longer term thinking. Project Renewal is in its nature a temporary enterprise which will only survive for a limited period of time, but most of the services which are to be established are intended to continue for many years. By their establishment under the auspices of existing organisations, it is intended to ensure their continued provision as part of the national and local system of social and physical services, independent of Project Renewal.

A new social project of the scope of Project Renewal is likely to be considered as beyond the current means of the government. In many countries such projects are partly financed by the World Bank (for example: Egypt, see Nadin *et al.*, 1980). Israel was able to enlist the help of Jewish communities in other countries, and it was decided that Project Renewal would be mutually funded (50:50) by the Israeli government and the Jewish Agency representing Jews throughout the world. It was left unclear whether the communities' participation was mainly a means to enable neighbourhood rehabilitation at a time of very limited resources, or whether it was a goal on its own, because it stressed the partnership of the Jewish people around the world.

THE PRINCIPLES IN PRACTICE

Project Renewal has entered its fourth year of operation. Off to a slow start, it has now initiated the process of rehabilitation in 69 neighbourhoods scattered throughout the country. How has the project, as it is developing, been standing up to the principles according to which it was conceived? In the section that follows, we shall attempt to identify the problems involved in the implementation of these principles, and the courses of action that have been developed to cope with these problems.

Intensive social and physical rehabilitation

Problem. Coordination between the large number of organisations which are responsible for the various aspects of the intensive social and physical rehabilitation at both the central and the local government levels.

Course of action. Coordinating bodies were established at the central government level. An Inter-Ministerial Coordinating Committee was set up,

composed of the Ministers of Housing, Labour and Welfare, Education, Interior and Police, Health and Finance. Later on, the Jewish Agency also joined this committee, the major duty of which is to approve local plans and to determine which of the above bodies would finance and implement each programme. At the local level, steering committees were organised in each neighbourhood. These steering committees have about 25 members, half of them being neighbourhood residents and most of the others being representatives of the various local and regional institutions which are involved in the implementation of Project Renewal.

Problem. Short-term budgetary perspective — the comprehensive approach calls for a multiyear perspective, since the effectiveness of a programme in a particular sector may be dependent on the preceding or subsequent implementation of programmes in other sectors. Unfortunately, in Israel, particularly in this period of very high inflation, budgets are only prepared and allocated for the current financial year.

Course of action. After a long period of prevarication about this matter the Inter-Ministerial Coordinating Committee determined the following procedures.

In its first budgetary year the local steering committee prepares a pre-programme: a list of projects proposed for immediate implementation that answer particular pressing problems and are not likely to conflict with any long-term plan. The Inter-Ministerial Coordinating Committee confirms such programmes in order to enable the start of work in the field and in order to generate the confidence of the residents by demonstrating that there are concrete benefits, not just talk.

Towards the second budgetary year the local steering committee prepares a comprehensive neighbourhood rehabilitation plan with a 4–5 year horizon. The plan reflects the integration of social and physical rehabilitation activities and points to the order of preference for their implementation.

The Inter-Ministerial Coordinating Committee determines a budgetary ceiling for each neighbourhood for each year in accordance with the total Project Renewal budget of that year and in accordance with the scale of problems demanding solution in the neighbourhood. Among the criteria which determine annual social expenditures are the following: neighbourhood population size; the relative distance from existing urban services; and indices of relative deprivation according to an analysis of the last census' data. The allocation for physical improvements reflects housing conditions, the state of the infrastructure and the availability of public services in relation to the size of the neighbourhood.

In accordance with the multi-year comprehensive plan, and the budgetary ceiling for the year, the projects which are to be implemented in that year are to be determined.

Problem. Budget displacement — the principle of intensive rehabilitation requires large investments that will constitute a significant addition to the resources that normally reach each neighbourhood. However, since the government has pursued a policy of budget-cutting in order to control inflation, the situation has been ripe for budgetary displacement, *i.e.*, Project Renewal funds are frequently used as a substitute for normal investments in the neighbourhood services and their maintenance.

Course of action. The severity of the problem is increasingly recognised and there has been much criticism voiced in the neighbourhoods about this

phenomenon. Local and national newspapers have condemned this practice but, in the meantime, there are no established procedures for preventing it.

Allocation of funds on the basis of neighbourhood needs

Problem. Equity — by applying the allocations on a neighbourhood basis all residents in the rehabilitation neighbourhood receive additional public resources, even if their economic situation is much better than that of other people who are not living in a rehabilitation neighbourhood and therefore are not entitled to the same assistance.

Course of action. The system does not provide a fair answer to this problem. Whereas a promise exists in principle that Project Renewal will gradually expand to encompass most of those in need, at present there is no solution for those individuals who are relatively deprived, but who do not reside in rehabilitation areas. Those who defend this principle contend that, despite the severe problem of inequity, this is the most effective way of aiding the needy, including those most in need. The latter, they contend, are usually the victims of the departure of the stronger elements from their neighbourhood, and the new principle of allocation is intended to stop this exodus and thus establish a balanced community.

Problem. There is conflict between eligibility on the basis of residence in the neighbourhood and between the general eligibility criteria for public aid in the country which are based on personal means tests. For example, the Ministry of Housing states that only poor families living in overcrowded conditions are entitled to subsidised loans for the purpose of building on to their apartment, whereas in the rehabilitation neighbourhoods all households are entitled to such loans.

Course of action. As above, the system does not provide an adequate solution to this problem, apart from the hope that in the future most of the needy in Israel will enjoy the preferential treatment accorded by Project Renewal.

Problem. Disregard of the overall urban perspective — this may lead to several undesirable consequences including waste of resources resulting from the provision of separate services, inability to provide adequate choice and variety resulting from an insufficient clientele, and isolation rather than integration of different groups of citizens.

Course of action. Two factors operate to counter this tendency. At the local level, the mayor and several of the local officials participate in the local steering committee and care about city-wide interests. At the central level, that of the Inter-Ministerial Coordinating Committee, there is some kind of professional review of the plans submitted by the local steering committee. Part of the professional evaluation relates to the extent to which the plan fits into the broader urban context.

Problem. Stigmatisation. The focus on the neighbourhood results in the substitution of universal services by selective services according to residential location. Such selection may stigmatise those neighbourhoods which have been designated for rehabilitation.

Course of action. This seems to be more of a problem of those who are observing the project from the outside than those who are directly involved in it.

Neighbourhood residents in almost all cases express their satisfaction that their neighbourhood is included in the list of sites for rehabilitation. Moreover, residents of many other neighbourhoods have demanded that they be included in this list. In a few places where the project has progressed well, there has been, in fact, an increased demand for dwelling units and the relative cost of apartments in the neighbourhoods has increased, thus contradicting the allegations of stigma.

Avoiding relocation of residents and demolition of older buildings

Problem. Substandard housing units are a problem, particularly with respect to their size.

Course of action. Project Renewal has set in motion a process of housing improvement, especially the expansion of housing in older buildings. Most of the units in the Project Renewal neighbourhoods are public housing which was built up 20–30 years ago. Almost all the buildings are permanent structures and the units have the basic services: each has its own kitchen, bathroom and toilet and all have hot and cold running water and electricity. The number of rooms is small (usually one bedroom with almost none having more than two) with a minimal area, while household sizes of six or more persons are quite common. Many of these small units are being enlarged by adding bedrooms and other spaces. Most of the expansions are in one to two-storey buildings, but in the past year there have been several hundred expansions of apartments in three and four-storey buildings. Apparently, it has been possible to solve both problems of construction and organisation in enlarging apartments in these taller buildings.

Problem. There are pressures for the demolition of older buildings in areas where the land might be more efficiently used.

Course of action. In the very few neighbourhoods where this problem had arisen they were not included in Project Renewal and market forces were thus given free play. In general, this is not a severe problem in Israel, since most distressed neighbourhoods are not in the transitional areas close to the Central Business District (CBD) but at the periphery of the larger and intermediate size towns.

Problem. Prevention of relocation and subsequent gentrification in the improved residential areas in which housing values have significantly increased.

Course of action. Several steps are taken:

(a) Institutionalised relocation of households is prevented in the framework of Project Renewal. There are a few exceptions, of course, such as when a building is in danger of falling or when it is necessary to combine two apartments in order to serve the needs of a very large family. But, as a rule, the 'no relocation' principle is observed.

(b) Tenants of the public holding companies (one to two-thirds of the population in most of the neighbourhoods) are encouraged to purchase their housing units with the help of special grants and loans.

(c) In several neighbourhoods the public housing companies are building a few new buildings. Most of them are intended for young couples from within the neighbourhoods, who can buy them or rent them under special terms.

Resident participation

Problem. Bypassing the requirement of citizen participation in planning and implementation of Project Renewal by the involvement of a small number of 'yes-men' as representatives of the public.

Course of action. Intensive community work has generated greater consciousness among residents about their rights to participate in Project Renewal. In many neighbourhoods there have been elections in the community of representatives for the local committees. Some of these representatives are very militant and ensure that the residents elected to the local steering committees and sub-committees effectively participate in the planning and implementation processes.

Problem. Participation in the financing of the rehabilitation project relates primarily to the improvement of dwellings which the households will continue to occupy. This is problematic for two reasons: first, many of the households in the distressed neighbourhoods do not have the additional resources to increase their allocation to housing; secondly, many of the residents in the distressed neighbourhoods are public housing tenants and it is legally almost impossible to oblige them to pay for improvements to their dwellings.

Course of action. One can distinguish between three major types of housing improvements which are being carried out as part of the rehabilitation programme: the expansion of households' residential space, the execution of essential external improvements and the execution of desirable, but not essential, external improvements. For the purpose of increasing residential living space, owner-occupiers use mainly their own resources but they are also able to acquire loans at low rates of interest (which are, in practice, partly grants) and according to liberal criteria for assistance. The expansion of the living space in public housing units is subject to much more rigid criteria (defective housing, very high density) in order to justify public assistance which requires virtually no financial participation by the residents. External improvements that are considered to be essential, such as the replacement of external plaster, prevention of flooding or sewage over-flow, are carried out at the expense of the rehabilitation authorities with apartment owners being required to pay 5% of the costs, tenants being exempted from financial participation. External improvements which are desirable but not essential, such as the installation of solar water heaters, central TV antennae, and discreet laundry-hanging facilities — all of which have become standard equipment for currently-built public housing — require 50% participation from owners and tenants, with severe welfare cases exempted.

Problem. Lack of experience in the participation of residents in implementation.

Course of action. There are attempts to involve the residents in the physical and social tasks of rehabilitation, both as volunteers and as employees. On the social side: in addition to the encouragement of voluntary activities, there is in each neighbourhood, a special budget (usually a third of the allocation to salaries in the social field) for local paraprofessionals who receive limited vocational training and assist professionals in health, education and community organisation work. On the physical side: environmental designers are employed by the project and they recruit volunteers for work involving cleaning, painting, gardening and other environmental improvements. In several neighbourhoods,

contracts were awarded on condition that contractors employed local youths and gave them the requisite vocational training. There have also been attempts to establish neighbourhood cooperatives which are able to compete for contracts but, up to now, very few such ventures have gained momentum.

Organisational principles

Problem. There are complaints about deprofessionalisation of planning procedures. As a result of the greater authority that was given to the local steering committee for the preparation of plans, these were frequently submitted without consultation with professionals — neither urban planners nor professional experts from the fields of education, health *etc.* As a result, plans were not able to stand up to professional scrutiny.

Course of action. Recently, the Inter-Ministerial Coordinating Committee has required all neighbourhoods to consult with professional planners funded by the committee.

Problem. There is conflict between attempts to innovate and the dependence on the existing bureaucratic structure which is by nature conservative.

Course of action. The problem has not been fundamentally solved and, as a result, there have been very few really innovative programmes introduced under the auspices of Project Renewal. The project usually provides well-tried social and physical programmes which have previously been made available to disadvantaged populations. The difference is in the increased scale and their availability to more neighbourhoods and consequently, more people.

Problem. There are complications arising from working along existing administrative channels which have now to bear responsibility for many additional activities.

Course of action. Contrary to the declared principle of avoiding the creation of new administrative structures for the implementation of the project, such institutions are in practice being created. The Ministry of Construction and Housing has established a special department for dealing with physical rehabilitation which works directly with the local project managers. The Jewish Agency has established local public companies to ensure the efficient flow of funds and oversee the provision of various social services.

Problem. The division of labour between the government and the Jewish Agency, as a delegate of the Jewish *diaspora* communities is problematic.

Course of action. Representatives of the Jewish Agency were appointed to the Inter-Ministerial Coordinating Committee at an early stage. In the course of time they also joined the local steering committees. As the project has progressed, there has been a continual dialogue between the government and the Agency in order to divide authority and determine areas of responsibility.

DISCUSSION

For social, economic, ecological, aesthetic and other reasons, an increasing number of planners are today engaged in the rehabilitation of older portions of cities rather than in the development of new towns or new neighbourhoods. The

population living in these older areas generally belongs to the weaker or less affluent social groups of the society. A great deal of resources were allocated to the improvement of such areas. However, it is unclear whether the number of distressed neighbourhoods or the number of people living in distress has decreased appreciably as a result of these efforts. The question arises: is it reasonable to hope that Project Renewal will succeed where other programmes with greater resources have failed?

We define success in this context as a change in the direction of the dynamic processes in the neighbourhood: increasing instead of decreasing efficiency of investments, alleviation instead of deterioration of social problems, positive instead of negative selection of residents. Let us discuss the likelihood of success, based on the special characteristics of the problem in Israel and of the selected solution, *i.e.*, Project Renewal.

A large proportion (about 15%) of the population of Israel reside in areas which have been designated as distressed neighbourhoods. The living conditions in these areas are below acceptable Israeli standards and higher-status oriented households tend to leave them. The typical characteristics of such areas (based on empirical studies such as Carmon and Oxman, 1980; Carmon and Hill, 1982) are:

Physically. Most of the dwelling units are small, dense and/or neglected, but are structurally sound and have basic facilities like private indoor kitchen, toilet, bathroom with cold and hot running water and electricity.

Socially. Although there are many welfare dependents and multiple-problem families in the neighbourhoods, the majority of the households are 'strong' ones: stable whole families (mother, father and children), with at least one breadwinner with a permanent job (usually blue-collar occupations, either skilled or unskilled) and frequently with some property (one to two-thirds in each neighbourhood own their dwelling units). The level of education of the adults may be very low, but all the children go to school and parents have high levels of aspirations regarding their children's future. In many neighbourhoods there is some local leadership. Juvenile delinquency is common, but serious crime is a problem only in a few places. Hence, these are not 'culture or poverty' areas, but mostly of the low-income working class, who are capable of using the 'better chances in life' which Project Renewal aims at providing.

The principles of Project Renewal are based on the experience of both physical rehabilitation and social services delivery which has been accumulated in Israel as well as in other countries. The emphasis on both social and physical rehabilitation seems to fit the causes of the deterioration and the current nature of the problems. The neighbourhood focus may contribute to success from the economic point of view, because of accompanying positive external influences. The principle of allocation by neighbourhood need may also assist from the social point of view, by providing services to the disadvantaged without stigmatising them (without individual means tests), and by halting the exodus of the 'strong' families of the neighbourhoods and thus maintaining more 'balanced' social communities, for the benefit of the weaker groups.

According to previous experience, especially in the USA, by avoiding relocation Project Renewal may have found an essential element for success. As for citizen participation the increased citizen awareness of their own problems and their participation in the formulation and implementation of solutions to these problems is the most salient achievement of Project Renewal in its first three years. It should make the process not only more democratic, but also more effective and with a wide range of positive impacts. But since the dynamics of citizen participation are unpredictable, let alone controllable, the future influence on the neighbourhood is yet to be observed.

Last, but not least, is the question of sustainability. This is expected to be solved by the organisational principle of building on existing administration. According to this concept, Project Renewal is primarily a catalytic agent that is intent on bringing together the relevant and permanent bodies in order to encourage them to move in the right direction. It is hoped that they will continue in the same direction on their own after Project Renewal disappears from the scene. The first signs from the field indicate that where the project starts to withdraw the municipalities tend to take over its responsibilities. The continuation of such tendencies is a necessary condition for a long-range impact of Project Renewal.

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