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**A Vision for Jerusalem:
Plan for Revitalizing Jerusalem,
the Capital of Israel**
The Main Issues

Gur Ofer and the team of “A Vision for Jerusalem”

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A Vision for Jerusalem: Plan for Revitalizing Jerusalem, the Capital of Israel¹

Gur Ofer and the team of “A Vision for Jerusalem”

Abstract

Jerusalem, the capital of Israel and of the Jewish people, encompasses within its borders precious assets and sites of world heritage, including historical, cultural and religious places holy to Jews, Christians, and Muslims. The Hebrew University and other major medical centers have created an agglomeration of top institutions of higher education, scientific research, and learning in all fields. The concentration of most government bodies of Israel and of the Jewish people adds to the centrality and economic status of the city. Yet despite all this, we have been witness to a process of serious deterioration in the social and economic standing of Jerusalem, and with them its image and status.

In recent years Jerusalem has been ranked among the cities of Israel with the lowest level of income per capita. Having been almost equal to Tel Aviv back in 1980, it is now down to 60 percent of Tel Aviv's level. According to a socioeconomic index compiled by the Central Bureau of Statistics, since 1995 Jerusalem deteriorated from the 59th to 111th place among towns in Israel leaving above it former development towns like Dimona and Beit Shean. Over the last three decades the flow out of the city of young and financially sound populations

¹ This publication is the first chapter of a wider study of an independent working group on ways to rejuvenate Jerusalem. The chapter includes a summary of findings, a discussion of the main issues, and recommendations. The full study, including seven additional chapters that deal in detail with various aspects of the program, will be published shortly.

The authors of the chapters, in alphabetical order, are: Nir Ben-Aharon, Raz Efron, David Galor, Dan Givon, Maya Halevi, Emil Israel, Joram Mayshar, Eran Razin, Eli Sagi, Hadar Samuel, Oren Shafir, Naomi Solomon, and Assaf Zimring.

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has grown and the number of new immigrants choosing to settle in Jerusalem has dwindled.

A primary cause of the retreat of Jerusalem is its special demographic structure and its dynamics over time. The re-unification of Jerusalem in 1967 incorporated into it a large Palestinian population that has since grown rapidly both because of a high fertility rate and inward migration from the West Bank. At the same time there has been a dramatic increase in the proportions of the Ultra-Orthodox (“*Haredi*”) population, also due to very high fertility rates. Today, more than half of the residents of Jerusalem are either not Jewish or *Haredi*. In addition to having large families, the level of income of these two population groups, and of the city, is further diminished by their low rate of participation in the labor force (mostly of women among the Palestinians, and of men among the *Haredim*) and low earning potential.

The poverty of the population results in a poor city and municipality, hence low tax revenue, poor services and an eroded economic base; these, in turn, bring about a chain reaction that includes the departure of families with higher income and socioeconomic status — as well as a concomitant high tax burden — out to surrounding metropolitan areas or even further away.

A careful analysis of trends over the last decade shows that the increase in the proportion of the Palestinian population contributed only about 10 percent to the deterioration of income and rise in poverty in Jerusalem; all the rest is explained by developments among the Jewish majority, most of it by the rise in the proportion of the *Haredi* population and the decline in its income level. The outward migration of strong elements within the non-*Haredi*, general, population, contributes to the decline in the socioeconomic level of this group too.

If current demographic, work habits and migration trends continue, by 2020 the *Haredi* population will become a majority of the Jewish population and the present economic trends will only accelerate. This future image can already be observed: in 2005 children attending *Haredi* schools in grades 1-6 comprised 56% of all Jewish children attending school in the city (though they accounted for only 15% back in 1975).

In addition to the demographic developments, one can attribute part of the deterioration in the status of Jerusalem to the neglect and deterioration of the city

center. This is to some extent a result of the intensive development of satellite neighborhoods at its outskirts and in part attributable to the ongoing precarious security situation in the city (which has improved somewhat only recently) and the general political uncertainty in the region. On top of all these, there is a dearth of housing and employment opportunities. The general picture is one of a city in decline – an image that itself exacerbates the negative trends.

In light of the aforementioned, immediate and intensive effort is required to halt and reverse the declining trends; otherwise Jerusalem will continue to sink into poverty and its status as the capital of Israel and of the Jewish people will be threatened.

“A Vision for Jerusalem” is the name of a plan for the revitalizing and rejuvenation of Jerusalem. The initiative for the plan came from a group of funds active in Jerusalem, and the work was undertaken by an independent group of researchers relying on the ideas and extensive efforts invested in the plans for renewal in the city, such as the new master plans prepared for the city and the region, the work of the coalition for a Sustainable Jerusalem, and more.² The project, “A Vision for Jerusalem” implements models developed in recent decades for the renewal and re-building of decaying cities around the world, of “Creative City”, “City of Wisdom”, and “Consumer City”³, while preserving and taking advantage of the cultural traditions, historical assets, and modern human infrastructure of human capital existing in Jerusalem. These assets are particularly appropriate for the implementation of these renewal models.

The “Vision for Jerusalem” concentrates mostly on the development of Israeli Jerusalem. It assumes, realistically or not, that the development of most of the parts of the city inhabited by Palestinians will eventually be undertaken by a Palestinian entity, and the work devotes a chapter to such an eventuality.

² Cohen, M. (with the team he directed), Local Master Plan for Jerusalem 2000, Reports 1-4. The Jerusalem Municipality 2001-2004; Regional Master Plan; Choshen, M., Hasson, I., and Kimhi, I., (eds.), *Sustainable Jerusalem*, The Jerusalem Institute for Israel Studies, 2004 [in Hebrew].

³ See for example: Clark, Terry N. (ed.). *The City as an Entertainment Machine. Research in Urban Policy*, Vol 9. Amsterdam: Elsevier-JAI Press, 2004. Florida, R. *The Rise of the Creative Class*. New York: Basic Books, 2004. Glaeser, E. L. et al. "Consumer City", *Journal of Economic Geography*, Vol. 1 2001, pp. 27–50. Glaeser, E. and A. Saiz, "The Rise of the Skilled City." Brookings-Wharton Papers on Urban Affairs, 2004. [Hamutal, please add here Porter, 2000]

This approach allows the group involved to concentrate on what is realistically doable in the Jewish parts of the city, and is also based on the assumption that only a significant improvement in the security and political situation surrounding Jerusalem can make the project feasible and realistic.

The target of the project is, by 2020, to increase the non-*Haredi* population of Jerusalem by about 100,000 people, consisting mostly of ‘strong’ and ‘creative’ families of high socioeconomic status and human capital; to draw another 100,000 of similar population into the surrounding metropolitan area; and to create in the city about 60,000-70,000 high level ‘creative’ new jobs in the private and the public sectors. The additional strong population will come from the outside, through the upgrading of the level of non-*Haredi* families in the city and by the increase in the number of *Haredim* who seek professional and high education and high level positions.

While the project deals with improvements in all aspects of life in the city — education, culture, urban physical infrastructure, especially in its center, and services, housing, new high level work opportunities, including in IT and tourism, all necessary for achieving the goals, it specifically concentrates on three elements that serve as the main drivers of the renewal process.

The first push will be provided by doubling the capacity of the higher education and research sectors, based on the strong foundation of the Hebrew University campuses and the major medical centers. This will directly create high level jobs, will give new momentum to the development of new high-end industries, and will bring to Jerusalem additional thousands of students who will enliven its urban and cultural life and become potential candidates for taking up permanent residence in the city.

The second key element of the project is the creation of inter-sectoral networks of mutual support: high education and research to industry, to the public sector, to the lifting of the education level in the city, to its culture; student involvement in education, in cultural life, as interns in the new industries etc.

Finally, the third key element is the assignment of the implementation of the project to a high level task-force composed of representatives of the government, the municipality, Jewish organizations worldwide, philanthropic institutions and foundations, and the business community. The task force will be in charge of

designing the project, providing its budget and overseeing its implementation. Actual implementation will be in the hands of an “Authority for the Development of Jerusalem” an upgraded version of an existing one (*HARLY*) that will act under the guidance of the task-force rather than that of the municipality. It is the conviction of the participants in this project that the municipal government of Jerusalem itself is not up to fulfilling the task and that only a wide coalition of all interested groups can raise the resources required, financial and otherwise. The composition of the population and the resulting political structure of the city and municipality are obstacles to the renovation project; they are unable to guarantee the pluralistic and balanced composition of Jerusalem, or to faithfully represent the aspirations of the Israeli and Jewish people that look up to Jerusalem as their national, spiritual and cultural capital and center.

Under conditions of a political settlement, there will be a radical change in the status of Palestinian Jerusalem. Its successful development will present an additional challenge to the need to change direction in Israeli Jerusalem but will also contribute to it a great deal. The development of the Palestinian city will be driven by its status as a capital city, the flow of international funding, and its proximity to and cooperation with its Israeli counterpart.