



Lauder School of Government, Diplomacy and Strategy
Institute for Policy and Strategy

The Herzliya Conference Series

on

The Balance of Israel's National Security



The Negev Development - A National Challenge Project Report

The session "The Negev Development - A National Challenge"
is sponsored by Keren Kayemet LeIsrael, (Jewish National Fund)

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December 13-16, 2004

The papers included in the report reflect the opinions
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DEVELOPMENT OF THE NEGEV: A NATIONAL CHALLENGE

Project Progress Report

During his visit to New York in February 2004, Dr. Uzi Arad, head of the Institute for Policy and Strategy at the Interdisciplinary Center in Herzliya, met with Mr. Russell Robinson, CEO of the Jewish National Fund (JNF) headquartered in the United States. Motivated by former Ambassador Ron Lauder, President of the JNF, it was decided during this meeting to implement a joint project between the Institute and the JNF/KKL regarding the development of the Negev. (Mr. Lauder's vision of this subject was spelled out during the JNF General Assembly that took place in Los Angeles October 17-18 of this year. See Appendix C.) The highlight of the project will be a special session during the Fifth Herzliya Conference (December 2004) devoted to the national challenge of developing the Negev. The idea was warmly welcomed and supported by Professor Uriel Riechman, President of the Interdisciplinary Center, who considers this a national project of major proportions.

In May 2004, it was formally agreed that the Institute for Policy and Strategy would hold, with the support of the JNF/KKL, a meeting of "stakeholders" for the purpose of updating each other and coordinating future activities concerning the operative aspects of the Negev project. A delegation from the JNF/KKL, headed by Russell Robinson, made a working visit to the Institute in June 2004, and during a meeting with Institute representatives led by Dr. Uzi Arad, details of a one-day seminar for the "stakeholders" were decided upon, as was the subject of the representation of the

JNF/KKL during the Conference session devoted to the Negev. It was decided that former Ambassador Daniel Mokady of the Institute for Policy and Strategy would head the project.

In preparation for the seminar, Daniel Mokady met with many of the “stakeholders” representing the various sectors dealing with developing the Negev. In August 2004, he met in New York with Mr. Russell Robinson, CEO of the JNF, to clarify the details, substance, and the participants in the planned Negev seminar. Representatives of the Institute, headed by Dr. Arad, also met with the KKL leadership – Board Chairmen Yehiel Leket and Ezra Benyamini, CEO Izhak Elyashive, and their assistants – to coordinate joint activities leading up to the Herzliya Conference. Mr. Leket suggested inviting Herzliya Conference participants on a conducted tour of KKL projects in the Negev, to take place on December 12, 2004. About 150 participants accepted the invitation.

The seminar took place on October 25, 2004, at the Institute for Policy and Strategy at the Interdisciplinary Center Herzliya, with the participation of about forty of the “stakeholders” representing the government, municipal, public, private-commercial, and voluntary sectors, as well as World Jewry. The meeting was opened with words from Professor Reichman, President of the Interdisciplinary Center; Russell Robinson, CEO of the JNF; and Yehiel Levet, KKL World Chairman. Later, representatives of the various sectors outlined their activities for developing the Negev, accompanied by presentations and slides, and representatives from American organizations spoke of their interest in being part of the development of the Negev (see summary of the seminar in Appendix A).

The highlight of the project: a session entitled “The Negev Development – A National Challenge” during the Fifth Herzliya Conference, December 16, 2004. Chair of the session is Ambassador Ron Lauder, President of the JNF. Participants are Yehiel Leket, World Chairman of the KKL; Professor Avishay Braverman, President, Ben-Gurion University of the Negev; Moshe Leon, Chairman of the Board, Israel Railways; Shai Hermesh, Treasurer of the Jewish Agency; Shmuel Rifman, Head of the Regional Councils of the Negev; Talal Alkrinawi, Mayor of Rahat; and Haim Blumenblat, CEO "*Daroma – Negev Future*".

A planning group which has been dealing with the development of the Negev for over two years, with the support of the Jewish Agency and other operative bodies in the Negev, has made available to the Herzliya Conference a working document which presents the operative planning aspects of developing the Negev, with a view for the future (Appendix B).

The Herzliya Conference believes that the development of the Negev is a national challenge. The special session is meant to broach the issue of the Negev and combine it with other national strategic issues that are facing Israeli decision-makers.

Daniel Mokady

Appendix A

**The Interdisciplinary Center Herzliya
Lauder School of Government, Diplomacy and Strategy
The Institute for Policy and Strategy**

The Challenge of Developing the Negev

Seminar Summary

**October 25, 2004
Herzliya, Israel**

The Negev Development Session at the Herzliya Conference

- **The Herzliya Conference forms an opportunity for conveying the need for a redistribution of the state's budget, in order to create a new national agenda.**
- It is suggested to change the session's name to "The Development and Preservation of the Negev".

Preserving and Enlarging the Negev Population

- Attracting population to the Negev can be done by relocating governmental functions, higher education institutes and research centers to the Negev.
- The population of the Negev must increase by a factor of 2 (from a current population of 600,000 to approximately 1.2 million). In order to create a critical mass of taxation and political clout.
- High school graduates from the Negev tend to leave the Negev and settle down in more central areas of the country. This situation needs to be changed by the creation of attractive employment opportunities for local residents, by improving community services and creating proper housing.
- Religious Zionism perceives the Negev as an alternative for Jewish settlement in Judea, Samaria and Gaza.
- "Training Centers City" – relocating military training camps in the Negev, as planned, is likely to draw military people and their families to the area. This is conditioned upon the improvement of housing, education and social facilities.
- The lowering or canceling of capitalization fees may significantly improve conditions for Negev residents, while the cost for the state will be insignificant.
- Populating the Negev is likely to benefit the Bedouins as well, since it would increase employment rates for all Negev residents.

Changing Public and Governmental Agendas

- A major problem in the Negev is the lack of a central coordinating apparatus that would allow for the desired change.
- The unchallenged dominance of central Israel negatively influences decision-making and implementation in the Negev. Therefore, the Negev should be placed higher on the government's agenda. The reorganization of national priorities, during the year of 2005, provides an opportunity for change.

- A fruitful way of promoting the Negev issue is by presenting the development of the Negev as an urgent mission, which, if postponed, would inflict higher financial costs than are currently required for its development.
- Further discussions must include top representatives from the Ministry of Finance. Otherwise, no agenda is likely to take effect.
- Currently, the State does not exercise its property right in the Negev. Rather, the State controls or guards the area, without fully taking advantage of its own territory.
- The Negev constitutes 60% of the State's territory but is allocated less than 15% of the budget. This unreasonable distribution needs changing if the Negev is to be saved from perennial unemployment and migration.
- The Ministry of Industry, Trade and Labor considers the Negev to be a national priority and recognizes the problems of employment. The Ministry offers both short and long-term solutions that would encourage growth.
- The Ministry of Industry, Trade and Labor suggests the concept of a "round table" that would consist of representatives from local authorities, non-profit organizations, IDF, the government and the industry.
- Legislation is required, in order to enforce:
 1. Municipal responsibility – to be achieved by distributing budgets to local authorities.
 2. Promoting the understanding among the public, private and non profit sectors, that cooperation is vital.

Business / Industrial Aspect

- Most businesses in the Negev are managed from elsewhere. It is preferable that corporate headquarters be moved to the Negev, in order to attract professional population to the area, as well as keep local professionals around.
- "Amdocs" – a high tech company that runs a development center in the Negev – experienced technical and logistic difficulties. It is necessary to address these issues and resolve them, in order to encourage further growth in the area.

Negev Resources

- The Be'er-Sheva Stream should be purified. This, according to the KKL, can bring about considerable change to the area.
- Planning in the Negev should not compensate Negev residents for their inferior conditions but rather strive to ensure equal conditions for all areas.
- Existing natural resources, e.g. brackish water and agriculture should be taken advantage of.
- The problem of Ramat-Hovav needs solving. Similarly, the energy infrastructure overload needs addressing and power stations based on natural gas need to be given higher priority.
- The Negev may be promoted as a center for “different tourism” – ecological / desert tourism.

The Development of the Negev and the Diaspora

- “Architectural Diversity” may help in community planning (based on its experience in the Irvine community in California).
- The Diaspora must be involved in financing and entrepreneurial initiatives.

Negev Development Seminar – Schedule
October 25, 2004

- 09:30-10:00 Registration
- 10:00-10:10 Opening Remarks- Daniel Mokady,
Institute for Policy and Strategy, IDC
- 10:10-10:40 Introduction- Mr. Russell F. Robinson, C.E.O.,
Jewish National Fund (JNF)
- Mr. Yehiel Leket, World Chairman, Keren Kayemet Le'Israel (kkl)
- 10:40-11:00 Integrated Presentation
- 10:15-13:00 Open Discussion
- 13:00-13:30 Light Lunch
- 13:30-15:30 Open Discussion
- 15:30-16:00 Conclusion

Appendix B

The Negev in the Center

A National Plan for the Development of the Negev

The Team:

The Jewish Agency for Israel

Nili Shchori

Be'eri Holtzman

Ben Gurion University of the Negev

Nehemia Hassid

“Daroma – Negev Future”

Haim Blumenblat

The Institute for Policy and Strategy

Daniel Mokady

Abstract

Since the establishment of the State of Israel, planning and population authorities have unsuccessfully tried to achieve a balance in population between the center of the country and outlying districts. Natural tendencies of economic and population growth that have concentrated in Tel Aviv and the country's center have resulted in the under-development of the Negev. This is true even though throughout most of the history of the State the peripheral areas have been named "Areas of National Priority," entitling them to special allocations of resources. As a result Israel, especially the central region where land resources are rapidly dwindling, is one of the most densely populated countries in the developed world. Against this background, developing the Negev to become the option of choice for those searching for a high quality of life has become important to the national interest of the country as a way to increase land development, attract and keep positive sectors of the population in the Negev, and narrow the gap and decrease the social polarization that exists between the country's center and its outlying districts.

And indeed, for years the country's leaders have put forward the development of the Negev and reinforcement of the southern periphery as a national objective. This task has been translated by the various authorities into a series of local and national programs, though none of them have been effective in making changes to the existing script – "business as usual" remains the watchword. It is precisely these many programs handled by a myriad of authorities with no one commander firmly at the helm that has caused these efforts to be spread thin. Problems of poor image and distance from the financial and business centers of development and from the educational and political heartland have intensified the physical, environmental, economic, and social erosion of the Negev. As a consequence, it is clear that the Negev is at a problematic meeting point of three ever worsening issues: geographic-spatial, socio-economic, and the multi-cultural and multi-ethnic character of the State of Israel.

The concrete significance of these processes is manifested partly in negative immigration to the Negev as residents, especially those from the stronger sectors of society, leave the area, and the consequent inability of the area to attract that type of resident from other regions. The main factors leading to this situation are a "limited range of options" for quality public services, especially in education, culture, employment, and business and technological initiatives; the poor state of housing; and the fabric of the society.

Programs that have dealt with attracting these strong populations to choose the Negev (both veteran Israelis and newcomers), have faced a dilemma when deciding which of the above factors should be emphasized as the main attraction for potential emigrants, and which of the "range of options" should receive preferential treatment in order to jump-start the change process. The correct rationale, however, is not to be found in giving preference to one option over the others, but in **enabling combinations and synchronization of wide-ranging efforts in a central national plan** – one that will not deal with what can be achieved, but rather in **how to achieve**, one that will take up the challenge in the face of the present "window of opportunity" of regional and national geopolitical changes. It must **put forward a vision, and translate both new ideas and those based on past programs into one master national plan composed**

of a series of detailed programs, stages of implementation, priorities, and steps backed by mechanisms, resources, coordination and balance between the participants, as well as long-range commitment.

When discussing the Negev and other peripheral areas, commercial interests looking for immediate returns who reject long-term investment are not relevant. **Developing the Negev requires a new paradigm based on a “national vision and policy” that sees the Negev as an asset rather than a burden, even if the benefits can be seen only beyond the horizon;** one that sees the dependence of the country’s central region on the open spaces of the Negev as a resource, its reserves of land as quality living space, and its open territories and green landscapes as a drawing point for vacationers and recreation. This paradigm must examine needs and business opportunities from the perspective of vision and national interest, and allow existing “levers of development” together with program-backed investments to bridge the gap between attracting economically viable investments and the fleeting “failed markets” of the periphery.

In order to be able to create a “gravitational pull” to the Negev, the plan must have an understanding of some of the obstacles standing in the way of development, such as

- **Policy, politics, and governmental procedures** that focus on economic dependence instead of developing independence and the initiatives of the local Negev governments.
- **The difficulty in developing attractive public services** against the background of the economic and functional limitations of the local governments, the economic crisis in the rural and urban sectors, the economic reasons that prevent many residents from using public services, and the absence of a population large enough to precipitate the creation of high quality services.
- **The difficulty in forming associations and cooperative efforts between the local governments and overcoming mutually opposing interests for the sake of a regional perspective.**
- **Land policies** that are an obstacle to the preparation of a comprehensive nationwide policy for land use which would include the Negev, and take into account the potential for development there.
- **Cultural, ideological, and principle-based obstacles** that are represented mainly in the negative image of the Negev, but also in the general attitude that separates the center from the periphery.
- **Obstacles caused by the gap between setting policy and implementing the national plan for the Negev.**
- **Economic obstacles** resulting from the extent of the investment required to implement a national program using a regional approach, from rules of the game that change over time, from absence of conditions that would attract investment from the private sector, and from the physical conditions that occasionally prevent creative development in the peripheral areas of the country.
- **Statutory and planning obstacles that are especially felt in the absence of a comprehensive approach to planning; in Negev standards similar to those for the center of the country** that do not take into account the need to compensate or create unique attractive conditions or provide preferential treatment; and in the handling of the under-developed Bedouin sector in general, and the Bedouin lands, unrecognized villages, and lack of enforcement regarding illegal construction, in particular.

- **Environmental obstacles that prevent development** as a result of the northern Negev being used as a storehouse for a wide range of environmental nuisances – industrial (especially chemical), technological, as well as the ecologically problematic use of land in places such as the Ramat Hovav industrial area, the Dudaim garbage dump, the chemical industry at the Atomic Research Center, the Rotem plateau, Ramat Beka (Israel Military Industries), and IDF live-fire training areas.

But the Negev is not only composed of obstacles; it is also possible to discern there a **launching pad containing infrastructure to create opportunities for development**, which finds expression in:

- **Strength during times of crisis**
- New **leadership** characterized by initiative
- **Communities that provide a high quality of life**
- **Institutes for higher learning, for research and development, and for medicine**
- **Industrial areas and hi-tech employment opportunities**, and
- **Existing IDF bases**, with more to be transferred from other parts of the country.

The conditions required to implement a long-term inter-ministerial national plan call for cooperation and coalitions between the national, municipal, public, private-business, voluntary, and Diaspora sectors. To some extent it is **the private sector that controls the momentum** that can make development possible, because of the relative advantage that it brings to the partnership:

- **Participation in infrastructure projects** such as roads, railways, construction, an international airport and projects using the B.O.T. and P.F.I. methods
- **Developing general as well as technologically-based industries**
- **Small businesses and initiatives**

In general, the execution of the plan and areas of development depend on **private-sector initiatives being granted special incentives by the government**, though actual implementation will depend in part on **fulfillment of the program by other groups, especially the Israeli government**. For this reason it is recommended that the government adopt a modus operandi that will concentrate on several channels:

- **Implementation:** the government will invest its resources in a national plan for the development of the Negev.
- **Physical:** the government will give priority to activities and settlement in the Negev through tax benefits and other mechanisms.
- **Direct aid:** to residents and investors who choose to come to the periphery, through incentives for investment in the area.
- **Administrative decisions:** that will give priority (at no cost) to businesses that will operate in the peripheral areas.
- **International investments:** incentives that will divert investment from other developing countries (such as Ireland) to the Negev, by focusing on the Jewish and international business world.

The focus of operational areas also takes into consideration the need to cope with new geopolitical challenges and defines three districts (see map on page 28): the main focus of operations is centered in Greater Beer-Sheva and its surrounding urban and rural communities; the two secondary areas of operation are Mitzpe Ramon and its environs, and the Dead Sea area. A special area of operations is located in the western

Negev, centered at Sderot and including the local rural governments surrounding the Gaza Strip.

The Vision of the Program

To make the Negev the focus of Israel's national interests, and the paramount challenge for the State of Israel. Development of the Negev, its advancement, and its transformation into an area capable of attracting residents who choose to live there as a way of improving their comprehensive quality of life. The development of diverse communities through strengthening the social, economic, and ethnic fabric of the Negev through broad consensus.

From a preliminary review, including analysis and identification of failures, obstacles, opportunities, platforms for development, and the conditions required, the plan will deal with developmental policies and creation of a multi-disciplinary operative draft including the following:

- Physical infrastructure
- Education
- Industry and sources of employment
- Building a community and cultivation of local professional leadership
- Solutions to housing and quality of life

Regarding the Bedouin population, programs will be prepared that will relate to the unique issues that need to be addressed in this sector, in addition to their being included in the main areas of the master plan, including improvement of their quality of life and integration into the workforce, education system, and other parts of community life.

The plan will allow conditions for development on the basis of:

- Recognition by governmental bodies of the importance of action, and declaration that the development strategy is a national plan of massive proportions, inter-ministerial, and long-term.
- Mobilization of all the bodies involved in the development process and creation of wide coalitions committed to the aspects of the plan that include the orientation of development, providing resources necessary to set the process in motion, and securing its continuity.
- The creation of attractive and competitive conditions in housing and employment and a wide range of opportunities, especially as a factor in drawing residents, investors, industry and commercial interests to the area.
- Development of educational services unique in content, providing opportunities for both the existing and new population, as well as strengthening the education system in the Bedouin sector as a supportive tool to advance the process of change and integration of this population in the region.
- Development of a transportation infrastructure that will shorten distances, and if necessary, support dependence on the employment infrastructure existing in the center of the country during the initial stages of development.

When faced with limited resources in the short run, against the wide range of the issues that need to be addressed, what is needed is a funneling of long-term geographical and multi-level/multi-disciplinary efforts. Most important, however, is a definition of a national plan characterized by:

- Placing the Negev at the top of the nation's list of priorities
- Having a critical mass of resources and accomplishments
- Continuity and long-term activity
- Concentration of efforts concurrently in all fields and insuring synchronization and compatibility between them
- Comprehensive areas of action and means of implementation

The plan will be implementing within its framework changes in policy in a number of areas including: land, planning, demography, preservation of open spaces, construction of physical infrastructure, and giving priority and stimulus to development. The outcome: creation of an atmosphere of mission, a setting of national objectives, and allocation of the required resources.