Neoliberal Settlement as Violent State Project: West Bank Settlement Homes and Real Estate Occupation

Yael Allweil

Faculty of Architecture and Town Planning, Technion and Israel Institute for Advanced Studies
aryael@technion.ac.il

Abstract

Intense ideological debates over the legal status of West Bank settlements and political campaigns objecting to or demanding their removal largely neglect the underlying capitalist processes that construct these settlements. Building upon the rich scholarship on the interrelations of militarism and capitalism, this study explores the relationship between capitalist and militarist occupation through housing development. Pointing to neoliberalism as central to the ways in which militarism and capitalism have played out in Israeli settlement dynamics since 1967, this paper unpacks the mutual dependency of the Israeli settlement project on real estate capitalism and neoliberal governance. Through historical study of the planning, financing, construction, and architecture of settlement dwellings as real estate, as well as interviews and analysis of settler-produced historiographies, this paper identifies the Occupied Territories (OT) as Israel’s testing ground for neoliberal governance and political economy. It presents a complementary historiography for the settlement project, identifying three distinct periods of settlement as the product of housing real estate: neoliberal experimentation (1967-1994), housing militarization (1994-2005), and “real-estate-ization” (2005-present). Drawing on Maron and Shalev (2017) and Springer (2014), this paper discusses neoliberal settlement as a violent state project, challenging conceptions of neoliberalism as rationalism as well as settlement as a public-housing enterprise.
Keywords
Neoliberalism; real estate; settlement; West Bank; architecture history

Introduction

In February 2017, the settlement outpost of Amona was finally evacuated and removed, after four years of settler attempts to reverse a Supreme Court ruling determining it was illegally built on private Palestinian land (Ofran and Sfard 2017). Intense media coverage of the ideological debates concerning settlement outposts, house demolitions, and settlers’ clashes with military police largely obscured the capitalist, underlying process constructing the outposts and the settlement enterprise at large.

Capitalism’s constant need for growth is often tied with the imperialist need for territorial expansion, executed via militarism as an ideology that regards war as desirable social activity. Yet how do these forces play out against one another in West Bank settlement housing? Has the relationship between them changed over time? How can we account for the fact that while Israel held the OT since 1967, only in 1974 did a popular settlement movement form, mobilizing thousands of citizens and eventually resulting in settlement as a state enterprise?

With the backdrop of the debate over Israeli settlements as military acts in the political conflict over the West Bank (Tzfadia 2014, Weizman 2007), settlements are produced through a well-orchestrated system of illegal construction, based on manipulating capitalist mechanisms of houses as real estate (Comptroller 2013, Sasson 2015). In order to build houses and settlements in practice, the state, market, para-state institutions, and settlers have been disassociating dwelling financing; mortgage and ownership registration; as well as the design, construction, and marketing of houses from their overt ideological and political roles. This article uncovers the history of neoliberal settlement as a violent state project. The state delegates the production of settlements outside its bureaucratic mechanisms, while using settler ideology as justification for the largely undiscovered capitalist structure underlying settlement formation.

Israel’s settlement project has been studied extensively from the significant vantage points of the specters of militarism and Western imperialism. Surprisingly, scant scholarly attention has been given to the settlement project as a capitalist real-estate enterprise, overlooking some important insights on its rationale and mechanisms. While serious scholarship addresses the correlations between the consolidation of rightwing politics in Israel and its labor relations (Grinberg and Shafir 2018), liberalization processes across social spheres (Shafir and Peled 2018), and economic imperatives for settlement growth (Guttwein 2004, Maggor 2015), the
capitalist mechanisms underlying settlement as real-estate enterprise remain understudied.

Moreover, post-colonial theory has paid scant attention to settlements regarding the form of extraction at work by the Israeli occupation. Many scholars and activists, assuming a state planning apparatus in the West Bank, have identified it as a public housing project; that is, housing deeply subsidized by the state in the form of housing projects and estates produced by a benevolent state for its political power base. Nonetheless, while settlers are indeed un-proportionally supported with infrastructure and services compared with citizens in Israel-proper, their housing production operates within a neoliberalized administration that since 1977 has made every effort to relegate housing production to dwellers, making the latter responsible for building their own houses on the market using private companies and resorting to banking finance (Clarno 2017, Maron and Shalov 2017).

The historical development of Israel’s neoliberal economy vis-à-vis the settlement project begs further inquiry. This paper argues that neoliberalism has been central to settlement dynamics since 1967. It examines neoliberalism in relation to militarism, proposing that settlements have served as Israel’s testing ground for neoliberal governance and political economy. This article builds upon the rich scholarship grappling with the inter-relations of militarism and capitalism in three interrelated fields of study: (a) settlement as militarism, (b) the mitigations of capitalism and imperialism, and (c) Zionism as a regime of housing.

**Settlement as Militarism**

Scholarly work on Israel’s settlement project focuses on the overt militarization of the settlement project and the latter’s manipulation of state mechanisms and international law (Newman 2006, Perugini and Gordon 2015, Tzfadia 2014). Israel’s occupation of the West Bank and Gaza was significant for theorizations of militarism and national conflict as a spatial phenomenon, framed by Farmer as “structural violence” (Farmer 1996, 19). Architectural studies on the implications of walls, checkpoints, and barriers to movement by Michael Sorkin, Eyal Weizman, Derek Gregory, and others have shown in detail how military purposes in a violent conflict are achieved by the design and construction of elements of built space (Gregory 2004, Misselwitz and Rieniets 2006, Rotbard 2008, Shoshan 2010, Sorkin 2005, Weizman 2014). These studies have contributed to expanding our purview of militarism and war beyond overt warfare, exposing the violent implications of mundane spatial elements such as roads, houses, gates, and walls. Weizman’s studies significantly demonstrate how the deep entanglement of civilian and military practices in Israeli housing, which produces civilian-cum-military settlements, contributes to the persistence and durability of this military strategy. “Suburban red-roofed single family homes replaced the tank as the basic battle unit,” Weizman contends (Weizman 2014, 1). Studies by Erez Tzfadia, Haim Yacobi and Hadas Shadar, and Oren Yiftachel point to the inherent opacity between the civilian
and the military when it comes to political geography in housing, both within and outside the “green line” (Tzfadia 2014, Yacobi and Shadar 2014, Yiftachel 2009).

Nonetheless, structural violence is not unique to the Israel-Palestine case, nor is it limited to military violence. Importantly, institutional state and police violence has been the subject of a number of studies looking at spatial elements like gates and walls in urban residential environments. These studies tie structural violence towards racialized, poor urban communities with their high rates of criminalization and incarceration in capitalist conflicts over the city (Caldeira 2001, Carr 2016, Johnson 2016, Massey 2016, Wacquant 2008). These studies show that structural violence is deeply related to processes of capital accumulation and highlight our need to reconsider the role of capitalism in the formation of elements of structural violence in the Israeli settlement project as well. Indeed, studies of Israel along the militarism/de-militarism axes largely neglect the capitalist production of real estate evident in settlement as a housing project (Ben-Ari and Rosenhek 2001, Peri 1996).

Springer challenges the conception of neoliberalism as a “rational,” and therefore non-violent, political framework by discussing “the violence of neoliberalism,” pointing to the many ways in which neoliberalism enables and instigates acceptable forms of violence (Springer 2015, 157). The interplay between neoliberalism and militarism in West Bank settlement housing expands Springer’s argument by identifying the neoliberal mechanisms underpinning this enterprise, often studied as militaristic.

Capitalism and Imperialism

To better understand the role of capitalism in the settlement project, it is worth revisiting the rich scholarship on the mitigations of militarism, capitalism, and imperialism. From a Marxist perspective, “imperialism is what happens when two forms of competition—the economic struggle among capitals and geopolitical rivalries between states—fuse” (Callinicos 2007, 70). In this vein, Lefebvre’s writing on the capitalist production of national space points to the role of territory in capitalist production of space (Brenner and Elden 2009, Kipfer and Goonewardena 2013). Nonetheless, significant scholarship investigates “territorialism” and “capitalism” as two distinct modes of power. Arrighi equates power with the extent and population density of territorial regimes, conceiving wealth/capital as a byproduct of the pursuit of territorial expansion. Capitalist regimes, in contrast, identify power in the extent of their command over resources and consider territorial acquisition a byproduct of the accumulation of capital (Arrighi 1994).

As early as 1913, Rosa Luxemburg pointed to capitalism as the driving force in imperialist militarism. She presented the paradox of capitalism’s strong interest in reducing state expenditure on the military but needs the state to protect its interests against other classes and foreign competitors by military means (Bieler et al. 2016, Luxemburg 1913). Militarism in the form of high military expenditure is fundamental for a capitalist economy (Smith 2016), as well as for diverting the attention of the working class from their exploitation by capital. It is also necessary
for the continued exploitation of peoples of the Third World/Global South (Basham 2016, Gillem 2007). Hardt and Negri argue that capitalism is militaristic beyond nationality, while Gillem examines the military industrial complex as the crux of American capitalist militarism via “America town” military stations worldwide (Gillem 2007, Hardt and Negri 2001, Oakes 2016).

Another dominant approach identifies militarism as a central component of modern society that does not stem from capitalism or industrialization, but from geopolitical processes older than capitalism (Mann 1984, 1987; Shaw 1984). Benedict Anderson’s deeply influential work on the nature of nationalism has emerged from his study of military conflict in South East Asia as transcending solidarity among communist regimes (Anderson 1996, 2006). Scholarly and popular discussions of Zionism and especially Israel’s settlement project largely follow this approach (Ben-Ari and Rosenhek 2001, Peri 1996).

Postcolonial scholarship of Israel’s occupation as imperialist territorialism, for example Gregory’s concept of the “colonial present,” clearly assumes capitalist accumulation underpins this project (Gregory 2004, Lobao et al. 2007). The postcolonial perspective on Israel’s settlement is therefore perplexing since this project involves no resource extraction or goods production, while the metropole invests significant public resources in the colony. Neglecting to show what form of extraction is involved in Israel’s settlement project has been the strongest drawback of postcolonial scholarship.

A useful approach to the capitalist implications of settlements can be found in Gutwein’s study of the settlements in the context of Israel’s neoliberalization since the late 1970s, on par with well-discussed processes in the US and the UK involving deep socio-cultural changes—including public acceptance of reduced government involvement, private property, and individual responsibility for basic needs (Guttwein 2004, 2017; Harvey 2007; Ram 2013). This approach conceptualizes neoliberalism as the privatization of any meaningful social interaction, its relegation to the market and subsequent transformation, to a set of quantifiable measures of productivity and profit (Harvey 2005, Springer 2015). The concept of governmentality articulates the privatization of the responsibility of governance to the realm of the individual, the latter expected to bear the burden of self-providing social services previously cared for by the state (Chatterjee 2004, Gordon 1991, Ong 2006). Housing, which has served as the key element of post-war “benevolent state” social contracts, is where state-desertion has been experienced most broadly by publics worldwide (Brenner et al. 2008, Brenner et al. 2010, Marcuse 1978, Swyngedouw 2005).

The application of neoliberal theory to Israel’s occupation may seem contradictory—since neoliberalism involves reduced governance—when few doubt that West Bank settlement is an Israeli state project. Nonetheless, considering settlement in the context of neoliberalism frames the colonization of the West Bank via citizenry settlement, what Weizman and Segal have termed “civilian
occupation,” as a neoliberal state project rather than a state-socialist or a state-capitalist project (Segal et al. 2003). Scholars have generally discussed Likud right-wing government as state-capitalism that in the 1990s veered to neoliberalism (Ram 2013), however recent scholarship on Israel’s political economy has identified neoliberalism as a state project unfolding since the 1977 regime change (Guttwein 2017, Maron and Shalev 2017). Neoliberalization, understood as reduced state bureaucracy, was a means to undercut the previous regime’s hold on state bureaucracy and executive mechanisms, most notably the Ministry of Housing (Maos et al. 2004, Shadar et al. 2011). The transition from state-socialism to neoliberalism in Israel is assumed to have included a meaningful period of state-capitalism like in other Western countries. Yet the Israeli case seems to challenge one of the core premises of neoliberalism—state disengagement—with the bold proposition that a neoliberal political economy may be largely a state project (Maron and Shalev 2017). This state project meshes capitalist interests in reduced government with political interests in limiting state responsibility for the settlement enterprise, challenging some of the theoretical assumptions regarding neoliberal policy.

Zionism as Housing Regime

Zionist nation-building is based on housing as its main strategy for sovereignty, arguably over other much-discussed strategies such as obtaining military superiority or providing a space for Hebrew culture (Cohen 1998, Helman 2002). Housing enabled the gradual accumulation of Zionists as future citizens of the Israeli nation state, state consolidation by naturalizing immigrants as citizens via individual housing, and extending state territory via citizen housing outside state borders since 1967 (Allweil 2017).

Much of the scholarship on Israeli state-building points to state mechanisms, primarily the Ministry of Housing, and to its uses of planning and architecture as main tools (Efrat 2004, Kallus and Law-Yone 2002), together with other well-known examples of state building by instruments of architecture and urban planning, notably Brasilia and Chandigarh (Scott 1998, Swenarton et al. 2014). Israel’s major shift to the political right in the 1977 regime change is historicized as replacing state-socialist nation-building with an overwhelmingly profit-driven capitalist landscape, housing being the most affected realm (Ram 2013). This approach interprets any form of state-supported settlement as a benevolent-state public housing enterprise and considers the formation of Israel’s settlement project as a public housing exception to the state’s neoliberal framework (Handel et al. 2017, Tzfadia and Yacobi 2018).

Nevertheless, the 160-year-long history of Zionist settlement has largely been a history of small-scale housing enterprises initiated by the dwellers themselves, rather than by central planning, including Zionism’s two leading settlement forms: the Kibbutz and the Hebrew city (Gordon 2008, Kahana 2011, Perugini and Gordon 2015, Zertal and Eldar 2014). Moreover, Israel’s much-
discussed 1951 national masterplan (the “Sharon plan”) is still the exception to this norm—whereby the majority of planning efforts, both before and after statehood, occurred at the regional and settlement levels rather than at the state level (Sharon 1951). The Israeli case is exemplary of planning and housing production beyond state initiatives, as discussed in a recent ACME special issue dedicated to revisiting Engels’ “The Housing Question” in view of the contemporary housing crisis (Larsen et al. 2016).

The settlement project was initiated by citizens in manipulation of state mechanisms, operative both before and after the 1977 regime change, unsettling a historiography that distinguished a period of state planning (1948–1977) from a period of market-driven development (1977–present). The Israeli landscape in Israel-proper and the West Bank alike is historically shaped by small-scale production of housing—Zionism’s basic unit of national and urban development—defining a distinct nation-building mechanism differing from master-planning-led development (Handel et al. 2017). The agents producing this built environment included not only leaders, settling agencies, and governing institutions, but also the future dwellers themselves as key figures in initiating, producing, and inhabiting settlements. Much of the political discussion lamenting the lack of state rule over the settlers neglects the fact that housing and settlement by the dwellers themselves have a long, and arguably more important, history than state housing in the Israeli context (Allweil 2017). What follows is a historiography of three distinct periods of West Bank settlement as real-estate, dweller-initiated housing and militarism: (1) experiments with neoliberalism (1967–1994), (2) outpost militarism (1994–2005), and (3) “real-estate-ization” (2005–present).

West Bank Settlement as a Neoliberal Experiment, 1967-1994

The OT have been held by the Israel Defense Forces (IDF) since 1967 through a military governorate, which precluded civilian settlement as illegal according to international law. Militarism and settlement were thus initially two opposing principles for administering the OT (Sasson 2015). The Israeli public seems to have initially accepted this principle: except for two limited requests for resettlement of the Jewish quarter of Hebron and the Gush Ezion Kibbutzim, there was no popular call for civilian settlement in the West Bank upon occupation. Only in 1974 did a popular settlement movement form, mobilizing thousands of citizens in marches and performances of instant settlement, eventually resulting in a governmental concession to small-scale civilian settlement in IDF-held West Bank (Aran 2013). Why did this popular demand for access to the West Bank not form upon Israeli conquest in 1967 but only in 1974?

While it is extremely difficult to study why a certain phenomenon did not occur, the lens of political economy provides a useful entry into this question. The

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1 Arieh Sharon’s masterplan was in statutory effect 1951-2002, when it was finally replaced with Tama35, a national masterplan for Israel 2020.
economic prosperity following 1967 alleviated the dire conditions of post-independence for much of the Israeli public. Israelis enjoyed yearly 8.5 percent per capita growth and 12 percent yearly growth in personal consumption (Migdal 2000). Many Israelis stepped out of post-independence, state-provided mass immigrant housing to seek better dwelling standards on the open market, which prospered with the opening of mortgage banking and availability of cheap Palestinian construction labor. Migdal shows that the 1967 war undid stable labor segmentation and social fragmentation. For Migdal, territorial boundary changes had a great impact on social boundaries. The new borders changed the character of the labor market by adding to the labor force accessible, cheap, unskilled, and un-unionized Palestinians (Grinberg and Shafir 2018, Migdal 2000, Shafir and Peled 2018). For Israel’s politically and ethnically marginalized groups, “the demands higher up on the occupational scale, coupled with the availability of low-skill labor to replace them, resulted in new social and physical mobility. The changing of the internal social boundaries and the external physical boundaries became coupled processes” (Migdal 2000, 194).

One example of change in dwelling standards was the sharp decrease in crowding. While in 1960 only seven percent of families enjoyed a density ratio of one person per room, by 1973, 21.6 percent of families did. The rate of housing construction projects increased by 28 percent yearly between 1978-1971 (Israel Bureau of Statistics, 1972). The share of construction companies in housing grew significantly, popularizing two important dwelling typologies in addition to the mass housing block: the apartment house and the attached private house (Charlap 1973, Elhanani 1988, Golani and von Schwarze 1970). The construction industry itself swelled in response to the growing demand for housing by an influx of immigrants, many of them Jews from affluent countries who chose to purchase dwelling units on the open market (Schori 1991).

This economic boom came to an abrupt stop with the 1973 Yom Kippur War. The global oil crisis of 1973, which was directly related to this war, led to a deep recession in the Israeli economy. The market for private construction of dwellings nearly shut down, and public expenditures on infrastructure through the Ministry of Housing was reduced, leaving many contractors unemployed (Carmon and Chemanski 1990, Efrat 2004). The political crisis halted the influx of immigrants and funds into Israel and marked the beginning of an economic depression. The most devastating factor was rapid inflation—from 20 percent in 1973 to 40 percent in 1978, to 100 percent in 1984—which made long-term financial commitments like mortgages extremely precarious, affecting contractors’ financial planning and citizens’ capacity to purchase dwelling units (Maron and Shalev 2017). Capital therefore sought new avenues for growth. The West Bank presented an opportunity for extending real estate construction at a short distance from employment hubs in central Israel, an opportunity for cheap dwellings that would break the housing deadlock for young families and the construction industry (Matz 1986).

Arguably, the economic crisis in the wake of the 1973 war shaped the early phase of settlement more than the dramatic political turn to the right often associated...
with it. Having failed to produce settlement beyond limited “return” since 1967, the Gush-Emunim ideological group set to demonstrate its relevance for the general public. In addition to framing the West Bank as the Biblical homeland for the Jewish people and as the home for the returnees to Hebron and Gush Ezion, Gush-Emunim activists harnessed the public’s demands for affordable housing by marking the West Bank as Israel’s natural sphere for development facing the public’s needs. Gush-Emunim’s attempt to revert IDF domination in decision making regarding the West Bank to the political system revolved around consolidating a popular movement for civilian settlement. Gush-Emunim presented the West Bank as the solution for the affordable housing problem and organized well-orchestrated performative “ascends” to Samaria’s old Ottoman train station, by the site of Biblical Samaria, as manifestations of the public’s right and demand to settle there (Aran 2013). Performative settlement attempts included public marches and instant-settlements, supported by a number of private and semi-private agents, including contractors and Kibbutz communities that contributed trucks for transportation and building parts (Allweil, 2016). Politicians quickly identified Gush-Emunim’s success in harnessing the public in the Sebastia marches. They framed the political opportunity as meeting public demands for housing and capital’s demand for expansion—using Gush-Emunim ideological frameworks to justify settlement (Handel et al. 2017, Maggor 2015, Newman 2017).

An understudied element of the “ascends” to Sebastia in Samaria is the significant role of the construction industry, which points to capital as an important sub-state mechanism for transforming a military-held area into a civilian one. Avner Erlich, a Tel Avivian contractor head of the Contractors’ Association and former member of the militant anti-British Stern Gang, personifies the militaristic-capitalist envelope engulfing the ideological group of Gush-Emunim, utilizing its ideology for business opportunity. Erlich’s support was ideological, while at the same time business oriented. He supported settlement in this potential new territory, representing the construction industry as a whole while proposing a potential shift in the agents involved in housing, motivated by ideological as well as real estate goals (Shchori 1991). This approach is premised on the legacy of private-capital Zionist settlement initiatives since the 1900s, which defined economic independence as political independence including the Hebrew City of Tel Aviv and certain agricultural farms (Katz 1994). Erlich supported ascends to Sebastia by providing trucks loaded with equipment, especially prefabricated elements for structures to be assembled on site (Shafat 1995).

The immediate outcome of the Sebastia popular ascends was a governmental concession allowing a small group of settlers to stay at the Kedum army camp, leading to a concession granted to this small group in 1975 to form the first settlement of Kedumim on state land by the Kedum camp. Now celebrated by ideologues and historians alike as the first act of civilian settlement, it was nonetheless a failure in producing the largescale settlement movement that Gush-Emunim aspired for. The 1977 dramatic regime change to the right, which brought the Likud party to power,
marked the transformation of the Gush-Emunim movement from an activist, citizen-based initiative to state policy. Yet, unlike Israel’s founding Labour regime, which relied heavily on planning as a state apparatus (Efrat 2005), PM Menachem Begin, who openly supported the movement, did not apply the strong tool of state planning towards a masterplan for West Bank settlement. Settlers’ demands “for parliament to issue a law excluding land in Eretz-Israel from categories of ‘occupied,' 'foreign,' 'temporary' that can only be used for 'military purposes' . . . to allow for civilian purchase of land . . . for Jewish settlement” were unmet (Gal et al. 1979, 4).

Begin’s lack of state planning for settlement was in fact a reflection of the new regime’s failure to implement policy via planning. Likud did aspire to implement government policy through the strong arm of planning, evident in the importance assigned to the Ministry of Housing entrusted by popular minister David Levi. Levi’s planning policies set to correct the planning-borne wrongdoings of the former regime, including the Neighborhood Rehabilitation Program and the Build Your Own House Program (Carmon and Chemanski 1990, Maggor 2015, Shadar, 2000). Yet the professional strata of the Ministry of Housing, politically dominated by the former regime, did not comply with planning civilian settlements on occupied land. In response, rather than replacing state-socialism with state-capitalism, Begin’s regime worked to abolish state-socialism by undercutting and bypassing mechanisms of governance and relegating their responsibilities to the market and the public. He purposely dismantled the former regime’s hold on state planning mechanisms, thus producing a de-facto experiment in neoliberalism (Maos et al. 2004, Maron and Shalev 2017). The settlements served the Begin administration as a neoliberal testing ground for three related processes bypassing state mechanisms, relying on historical, pre-independence mechanisms that have eventually deepened to neoliberalism.

First, Begin employed the important precedent set by PM Levi Eshkol in 1967, excluding land in the OT from the liabilities of proper state governance, by delegating its administration to two para-state organizations: the Jewish Agency (JA) and World Zionist Organization (WZO). These Zionist organizations had a historical role in transforming Zionism from a political idea to a sovereign state via settlement since 1908, yet they largely lost their role with statehood, causing friction with the Israeli government (Greicer and Gonen 2009). Begin used this mechanism to bypass the state planning bureaucracy in order to implement settlement via JA and WZO para-state bodies.

Second, the seemingly unbiased and apolitical rationale of capitalist real estate development served Begin’s administration (and succeeding rightwing administrations) in bracketing open-market settlement finance and development as a major mechanism for recruiting settlers, producing de facto settlement acts and masking state involvement in settlement as a political enterprise. The state's financial and institutional support of the settlements was intended to address problems of capital accumulation by opening an opportunity for capital growth, producing cheap dwellings that would break the housing deadlock for young families and the construction industry. The state set out to address the economic interests of the real
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The estate sector and families in need of affordable housing, as well macro-economic imperatives like high inflation rates (Maggor 2015).

The third process involved deploying the ideology of Gush-Emunim settlers to justify a capitalist project contrary to International Law. Settlers’ reliance on the legacy of pre-state Zionist settlement, in defiance of Ottoman and British rule, using capitalist processes suggested that settlement may contribute to future Israeli sovereignty over the West Bank (Aran 2013, Raanan 1980, Shafat 1995). Settlers’ success in exploring architectural and urban prototypes for the “communal settlement” typology marked the state’s ongoing reliance on the governmentality of settler-initiated built environments. These three processes play out clearly in the planning initiatives for the West Bank in 1978.

Figure 1: Kedumim, a trailer home. Photography: Asher Koralik.

Planning

Seeking to expand the relegation of power from state mechanisms to para-state institutions, the market, and citizens, Begin let settlers continue acting on the ground with no planning and little institutional support in infrastructure or services as an experiment in executing his policy without governmental actions (Shafat 1995). Figure 1 shows the first trailer homes constituting permanent housing in Kedumim in 1975. The structures and their transportation to the site were donated by the public sector and JA, and laid out on site by Kedumim settlers. The absence of a proper plan for the approved settlement marked the absence of state involvement, leaving room for the settlers to act on the ground.

Disappointed by the Begin government, in 1978 Gush-Emunim published a vision for regional planning for the West Bank, including cities, towns, “garden cities,” “communal settlements,” and rural settlements across Judea and Samaria (Figure 2). The schematic plan disregards the green line and fills the military-held WB with key elements of civilian settlement: towns, villages, roads and industrial
zones. The schematic plan includes a list of required settlement entities in Samaria and Southern Judea. In Samaria, the list includes “a large city” located at the junction of two arterial roads, two towns, 18 “garden cities” on the West-East axis stretching from the Tel Aviv metropolitan center and Jerusalem, and 20 clusters of “communal settlements,” three to six settlements in each. At the center of each cluster, a regional center with industrial, commercial and educational facilities. The clusters of communal settlements are laid out to surround the towns and city (Gush-Emunim, 1977). This plan thus clearly connects the settlement enterprise with Israel-proper, as the sphere for housing development for Israeli citizens.

The JA, as official administrator of the land, took up this “civilian initiative” and produced the “Gush-Emunim master plan” of 1978, also known as the Drobles plan after the head of the WZO settlement department (Figure 3). The Drobles plan outlines a five-year plan for settling 27,000 families in 46 new settlements, in addition to 38 existing settlements. The plan makes no distinction between settlements in Israel-proper versus the occupied West Bank, reflecting a view of both as homeland. The JA WZO plan focuses on the WB, north and south of Jerusalem, and does not tie itself explicitly to Tel Aviv. It extends the Gush-Emunim plan’s verbal proposal of settlement clusters and outlines territorial locations for them (Segal et al. 2003).

The most important aspect of the JA Drobles plan was its 5-year timeframe and budget, marking this ambitious plan as an operative one. The plan’s budget—“based on the addition of families who would occupy Judea and Samaria,” namely based on the family as its unit of expansion (Drobles 1978, 12)—was broken down into items including infrastructure, temporary housing, permanent housing including public institutions, water, means of production and “other.” The allocation of development funds in this plan betrays its economic—rather than military—nature. The backdrop for this plan was the deep crisis in Israel’s new market economy, with extremely high inflation rates and fear that the Israeli public would revert back to the Labour party. Facing the accelerating financial crisis, the Israeli public demanded the expansion of the opportunity for below-market housing solutions in the West Bank. In November 1979, as inflation rates reached 80 percent, the Israeli government issued decision no. 145 to expand settlements in Judea and Samaria, Gaza, the Golan, and the Jordan Valley on state land managed by the JA (Kenesset.gov 2017).
Figure 2: Gush Emunim 1977 Regional Settlement Plan for the West Bank. Source: Raanan, 1980.

To produce these new settlements—by conducting formal planning, issuing building permits, developing infrastructure, and providing public services against international law—the government had to bypass its own civilian planning mechanisms. Thus, in 1979 the Israeli government signed another covenant with the WZO and JA, reaffirming their role in “development and settlement of rural areas” and distinguishing between the Ministry of Housing’s responsibility for urban settlements and its responsibility for settlement in the rural sector now administered by the Settlement Department of WZO. Relying on the JA and WZO as settling agencies with a long track record of developing rural settlements enabled the new regime to establish a reliable mechanism for the rural sector, where new settlements are formed. Moreover, Begin and Levi bracketed the dominance of civil servants loyal to the former regime by forming the Authority for Rural Construction within the Ministry of Housing, in charge of land allocation and planning of new settlements (Carmon and Chemanski 1990, Maos et al. 2004). Hence, while Begin’s regime did not meet settlers’ demands for proper planning, it implemented a mechanism for
settlement development using intermediary, para-state institutions to execute the regime’s civilian initiatives.

One should note that Likud flagship programs like the Neighborhood Rehabilitation Program were administered via proper mechanisms of the Ministry of Housing. Receding state administration was therefore not yet an overarching rightwing ideology; but one articulated for, and experimented upon, specifically by the settlement project. The settlement project can therefore be considered a catalyst in the neoliberalization and privatization of Israeli state rule, premised on encouraging citizenry and para-state circumventions of state power. This can be seen as experimentations with neoliberalism, while the literature identifies the full implementation of neoliberalism in Israel/Palestine with Netanyahu’s actions of 1994, some three decades later (Clarno 2017).

The Communal Settlement: Individual Family Homes, Collective Land

Land status was a detriment to setting the terms and nature of settlements in the OT. Gush-Emunim settlement actions involved sub-state initiatives under the precarious condition of occupied land with undetermined status. Settlers can only gain access to state land as a collective, a principle set by the first allocation of land to Kedumim settlers in 1975, extending the early-Zionist principle that “national land” cannot be privatized but can only be held by collective communities that cultivate and manage it per national interests. Land is therefore the most distinct communal aspect of settlements. Settlement thus conflicts rightwing settlers with collective hold of land, which has consequences for private landownership, a principle that non-socialist settlers had to succumb to (Raanan 1980).

Collective land held by OT settlers serves defining the status of land as occupied and temporarily held by the Israeli state via the IDF and Civilian Administration. Therefore, any land development involves an intermediary, conditional status granted by the state as landowner, the “authorized permit holder” status, permitting changes to the land by a certain holder. The “permit holder” status is formulated in Israeli land laws for the purposes of land betterment by intermediary holders who have no future stakes in the property, such as contractors permitted to enter into and act on the property in service of its owner. The “authorized permit” holder does not hold any form of right to the property but only the authorization to enter and alter it per the aims commissioned by the landowner. Thus, when the landowner revokes this authorization, the former permit holder’s status becomes that of a trespasser required to leave. Settlers, as holders of “authorized permits” therefore have no concrete registration of their rights to land in the West Bank, and are given access to state land for the purpose of its betterment.

This process involves manipulating a loophole in Israel’s land ownership laws, by which homes and settlements—permanent end-products in other sections of the real estate market—are financed and constructed as/by interim “permit holders.” As holders of “authorized permits,” settlers have been issued financial loans and mortgages against the land in order to construct houses and infrastructure (Attorney
2017). This loophole is mostly misunderstood by the financial system and the settlers themselves, who many times believe that they have proper ownership of their houses and land (Lewinson 2013).

While sharing communal hold of the land, rightwing settlers were not interested in the collectivist society model of the Kibbutz, whose minimal unit is the individual member, nor in the collectivist Moshav model, which is based on the family as the basic unit of agricultural production and social fabric. Rather, as early as Kedumim of 1975, settlers have developed the “communal settlement” model. Based on the single-family home as the nuclear unit of expandability, the communal settlement relies on the dweller-owner as investor-stakeholder, producing both territorial and capitalist expansion. The single-family home, rather than the family or the community of settlers as the social unit, is therefore the basic cell shaping the “communal settlement” typology (Allweil 2019).

The first settlement of Kedumim was founded in 1975 in several prefabricated concrete houses and mobile homes supplied by the JA, laid on the hilly terrain. Kedumim settlers, left to determine their own settlement principles and layout, experimented with the first iteration of what we now know as the “communal settlement” typology. By 1977, Kedumim settlers had already developed an array of mechanisms for settlement, defying the state and military, shaping their own settlement and housing forms rather than molding themselves into state-shaped dwellings. These mechanisms included manipulations of national companies providing infrastructure and public services, like postal services and public transportation, and relied on pro bono healthcare personnel and equipment donations by the private sector (Raanan 1980, Shafat 1995).

Kedumim settlers insisted on replacing mobile homes with more permanent structures, to mark permanent settlement that cannot be moved or removed. The construction of the first permanent houses in 1982 involved the first formal allocation of Kedumim land to house plots, in which settlers were very involved. The preferred layout, compatible with “build-your-own-house” neighborhoods founded at that time across Israel, is a curvilinear suburban layout (Kedumim masterplan, 1983). Much discussion is devoted to communal settlements’ suburban political economy, a form of “good life modernism” based on commuting to the Tel Aviv and Jerusalem metropolises rather than ideological strongholds (Newman 2006, 2017). Yet the communal settlement typology is distinct from an ordinary suburb, since it serves as the nucleus of future towns destined to be populated by large numbers of settlers. Marked by the family housing unit as its key element and unit of expansion, the communal settlement forms a dwelling-based landscape, independent from scale restrictions, capable of sustaining a small one-hundred-family settlement like Itamar or a town of thousands like Efrat (Allweil 2019).

In practice, settlers form a “communal association” of families wishing to settle together approach the WZO Settlement Department (SD) asking for “use permission” of a certain “land square.” The SD then approaches the custodian of
state lands asking to rent out this land square for the purpose of a new settlement. The custodian issues a land survey to determine that the certain land is indeed “state land” and administers “use permissions” to it as public national land. In addition, the custodian grants the SD or local authority the capacity to conduct planning for the land plot. Planning is thus conducted by parties that do not hold the property rights to it (Attorney 2017).

Figure 5: Land parcellation for the first ‘build-your-own-house’ neighborhood of Kedumim, 1983. Source: State Archive, file ISA-moch-CentralRegion-000sx6r.

Figure 6: Kedumim, first permanent homes. Photography: Avraham Zaslavski. Source: National photo collection.
Outpost Strategy (1994-2005): The Militarization of Settlement

As shown above, the initial period of settlement in the OT was orchestrated by three actors: state, ideologues, and para-state institutions who—while in various conflicts with one another—assumed complementing parts in the enterprise. By 1994, the Israeli state seemed to be pulling out of the settlement enterprise. Israel had signed two peace treaties with former enemies, Egypt and Jordan, and an agreement with the Palestinians premised on ending the conflict, which gained recognition from other parts of the Arab world. This de-militarization process was accompanied by a drastic decline in Israel’s defense expenditure, dropping from 40 percent of the national budget in the 1980s to 16 percent in 1995 (Cohen and Sollomon 1995). The year 1994 marked a significant transformation of OT administration, per the Oslo Accords agreements between Israel and the Palestinian Authority, towards Palestinian civilian control. Prime Minister Yitzhak Rabin imposed a settlement halt on Judea and Samaria, reflecting a view of settlement as militarized, thus contrary to the peace process.
As Rabin’s regime was pulling out of the settlement project, ideological settlers overtly responded by attempting to pull the state back in. They re-defined settlements as battle posts in a territorial conflict, relying on historical rhetoric of pre-statehood settlements and on military and para-state support. In practice, settlers developed the settlement outpost strategy to evade Rabin’s settlement ban: small-scale settlements formed in strategic locations that gradually accumulated to full-fledged settlements based on additional single-family dwellings. The decisive act was Kedumim’s rejection of the peace process by mounting a trailer home to the hill facing their settlement across arterial Road 55, suggesting future settlement there. The declarative act militarized settler rhetoric for the first time. The strategic hill was part of Ariel Sharon’s much-discussed hilltop or “star” plan, which framed settlements as military outposts, to the initial dismay of Kedumim settlers (Weizman 2014). Nevertheless, settlers did not trust Rabin’s administration to hold onto the strategic hill, stating “the dismantling of many military posts in that period raised our concern that this site might be deserted as well” (Haeitan 2003). Namely, the settlers mistrusted IDF’s capacity to hold on to strategic defensive locations against Rabin’s government decision to transfer sovereignty over the West Bank to the Palestinians. In a sense, the settlers assumed the role of the military. Starting in the mid-1990s the settlers re-narrated their dwellings as the frontline of a violent conflict with Palestinians over the West Bank as national homeland. In so doing, they redefined their homes as militarized objects of warfare (Perugini and Gordon 2015, Sasson 2015, Zertal and Eldar 2014), a surprising reversal of their own original insistence on civilian settlement and the demilitarization of Judea and Samaria (Aran 2013).

The Kedumim outpost location controls Road 55 linking Qalqilya to Nablus, a major throughway for the Palestinian population. Named after a local war hero, Lieutenant Yishai Sechter, who was killed in combat along the Lebanese border, Kedumim demonstrates the role assigned to this outpost in “defending the homeland.” Mizpe Yishai—literally, Yishai overlook—transforms Road 55 into an internal road within Kedumim, blocked during escalations of violence “for the security” of Kedumim residents. Kedumim settlers used Mizpe-Yishai to defy territorial resolution, preferring militarized Israeli hold of the West Bank to civilian Palestinian administration. The purpose of settlement thus departed from a means to declare Judea and Samaria part of the Jewish homeland to perpetuating violence and maintaining the conflict.

While the militarization of settlement since the mid-1990s has been thoroughly discussed, the underlying financial consequences of this process beg further elaboration. The peace treaty had clear and immediate implications for settlers’ capacity to hold on to their properties, implied by revoking state sovereignty over the OT and with it their “authorized permit” status, marking them trespassers in their own homes. In response, settlers redirected their settlement actions: militarist rhetoric was employed to prevent settlement removal, while outpost expansion involved developing market modes of construction, planning, and finance.
Construction of Mizpe-Yishai houses was the product of a capitalist venture initiated by contractor Nahman Zoldan, head of the Kedumim 3000 construction company. The video “Mizpe-Yishai—History,” commissioned by the community, narrates the formal history of the outpost (Haeitan 2003). The 12-minute video includes historical images and footage collected from the individual settlers involved, interspersed between interviews with leaders and activists who recount the strategies they employed in materializing the outpost. The video characterizes Zoldan construction as “a firm which makes sure not to cross the green line—on its eastern border of course.” For Nahman Zoldan, the outpost was clearly a high-risk capitalist venture on multiple levels: with the ban on settlement, the new neighborhood seemed like the last chance for construction in the West Bank, thus a struggle over his very livelihood, since construction companies produce settlement growth, or they do not exist. Zoldan’s decision to start construction before having any buyers was too financially risky. In order to mitigate this financial risk, Zoldan needed security in the form of bank financing, made available only to construction ventures for which construction permits are issued.

In the video, Zoldan claims developing a new practice of bypassing formal planning in the context of Rabin’s settlement halt by fostering collaboration between commercial developers and local leaders (Haeitan 2003). “Once the army announced it would be removing the trailer and taking over this site, I approached Daniella [Weiss, council chairperson] for her permit to start construction here,” says Zoldan. The hill is included within “the square” of Kedumim administrative territory. Weiss’s willingness to issue Zoldan with the meaningless “permit pending on Civilian Administration approval” for construction of the new outpost granted Zoldan the appearance of a legitimate construction project, to be financed through the banking system as any other.

For Weiss, Zoldan’s market initiative proposed a mechanism that made her aspirations for Kedumim expansion possible. Weiss assigns housing units a key role in marking the new settlement-stronghold as offensive action in the national struggle over the homeland. In interview, Weiss states, “this neighborhood, Mizpe-Yishai, is not only the houses—30 houses, 50 houses, or 100 houses—it is part of a plan for 500 housing units that would extend with God’s help to 5,000, reaching Havat-Gilad not far from us” (Haeitan 2003).

Upon obtaining Weiss’ administrative permit and securing a financial loan, Zoldan further explains, “we came here...as you see without a plan. We built seven houses—plainly laid on the landscape, one tall, one low...We then looked for the first seven lunatics who would buy the houses.” Zoldan marketed the houses as a unique business and dwelling opportunity contravening the state-imposed construction freeze. In the video, the first buyers recount in interview how Zoldan encouraged them to purchase their house as a last-minute real estate opportunity, to find out years later that they were the first to sign on a house in Mizpe-Yishai. A young couple from Kfar-Saba within the green line, self-identifying as not die-hard ideologues, states that they did not know the area well and found it an opportunity
for buying a home of their own, joking about their naiveté facing Zoldan’s marketing strategy (Haeitan 2003).

The militarization of settlement served local settlement leaders and regional planning authorities as the ideological pretext for issuing “permits pending approval by the CA,” namely permits “pending on due process” (Attorney 2017, 7 and 23-29). Local and regional planning authorities therefore issued these “permits” in order to finance house construction, though construction was not yet permitted, and these were accepted by the banking system as a legitimate documents.

Upon Benjamin Netanyahu’s election to Prime Minister following Rabin’s assassination, he worked to bolster the neoliberal experiment initiated by Begin. Like Begin, Netanyahu’s neoliberalization strategy formally accepted the Oslo agreements, while privatizing the initiative of new settlement strongholds so that settlers and the private construction sector could continue development. A key example is Government Decision 150 of 1996, which subjected all planning processes for new settlements in the OT to initial state decision (Kenesset.gov 2017). While this decision excluded settlement initiative to the political system only, it was effectively bypassed, at no governmental cost, by letting the settlers develop and perfect mechanisms for financing, marketing, constructing, and servicing unauthorized settlements via the open market (Sasson 2005, Weizman 2007).

In 2004, Prime Minister Sharon commissioned lawyer Talia Sasson of the Comptroller’s Office to issue a report on unauthorized settlement outposts, of which there was little institutional and public knowledge (Sasson 2005). “This is how it is done,” writes Sasson,

the stronghold is labeled ‘neighborhood’ of an existing settlement, thus ‘permitted.’ If the stronghold-disguised-as-neighborhood is included in the work plan for a government office, it can subsequently receive a monthly budget from the Ministry of the Interior and a special budget for construction by the Ministry of Housing. (Sasson, 2015, 43)

This creeping process, whose architecture and geography are the subject of extensive academic work, is initially justified by security needs like Migron’s tele-communication antenna, but soon comes to include dwellings and ends up as a de facto settlement (Sasson 2015, Tzfadia 2014, Weizman 2007, Yiftachel 2009). This process was largely possible by existing outside proper governance, therefore leaving little documented information behind.

Sasson’s official report of the “way it is done” was a wakeup call for many Israelis. The settlers’ militarization strategy proved to be a double-edged sword, as settlements were declared the main barrier for peace, paving the road for popular legitimacy of PM Sharon’s plan for “disengagement” from Gaza, echoing Tzfadia and Yacobi’s discussion of the duality of periphery/frontier (Tzfadia and Yacobi 2011). Settlers understood the evacuation of the Gaza strip as society’s disengagement from the settler movement and ethos (Efrati 2005).
The 2005 disengagement from the Gaza strip involved removing all Israeli settlements and tearing down all their structures to prevent settlers from attempting to go back to their homes (Efrat 2006, Li 2006, Rynhold and Waxman 2008). The fiercest battles between settlers and evacuating forces involved residential homes, rather than symbolic structures of synagogues and government buildings. Settlers barricaded themselves into their homes to prevent evacuation and destruction. While they were monetarily compensated and provided with new houses, the loss of private homes became the settler narrative regarding the disengagement (Hadad 2011).

**Figure 8:** First trailer home of Mizpe-Yishai. Image from 'Mizpe-Yishai – History', 2011.

**“Real-estate-ization,” 2005-present**

The capitalist processes underlying settlement, nascent in the “heroic” ideological “outpost period” discussed above, have come to the forefront after the state’s political and territorial withdrawal from Gaza and from settler ideology with the 2005 Disengagement from Gaza. Sasson’s report and the disengagement deemed militarization a problematic strategy, whose consequences are de-legitimization, loss of public support, and potential loss of home. Post-disengagement settlers have therefore developed a strategy of “real-estate-ization” of settler homes, discussing houses as real estate to disconnect the militarism of settlement from housing construction as a rational and legitimate real estate venture. Real-estate-izations masks settler houses as regular homes in order to garner public support, recruit settler families, and obtain bank financing.

The Kedumim 3000 construction company, now renamed “Zoldan Initiating and Constructing,” epitomizes the present disconnect of housing real estate from settler ideology and militarization. On its website, the company describes its Mizpe-
Yishai initiative as “one of the most sought-after neighborhoods in Kedumim”.2 The website includes contemporary pictures depicting the buildings and landscape of a well-established, upscale built environment (rather than ideological outpost) described using commercial rhetoric:

[O]ur professional standards are expressed in careful architectural design, use of quality materials and high standards, [improved] service department…for the customer. Our commitment and investment in the houses we construct have gained us respect among apartment buyers and professionals in the construction industry. Hundreds of families enjoy an extraordinary dwelling experience and service even after delivering the keys. Our projects attract quality young families who integrate in settlement life and create young, bubbly communities… (ibid).

Real-estate-ization is a strategy for bypassing constraints and for encouraging families to buy cheap, good houses in settlement strongholds while expanding the settlement enterprise. This process enabled such rolling “mistakes” as the construction of the Amona outpost of Ofra on land privately owned by Palestinians, which was eventually removed by the military police in February 2017. Houses in Amona, Migron, Itamar, and other outposts were constructed using bank financing against the mortgaging of the land—manipulating the capitalist framework of dwellings as real estate, the main mechanism in Israel since the 1980s—to finance construction of houses where no town planning scheme exists (and therefore no permit can be issued) and on land whose mortgage holders are not the land’s registered owners. This real estate fraud, supported by members of the West Bank municipal and regional planning authorities, has been the primary mechanism producing unapproved, dwelling-based outposts and settlement expansions, which are then supported with services like transportation and education (Ofran and Sfard 2017, Perugini and Gordon 2015, Sasson 2015, Weizman 2007).

Zoldan’s commercial projects manage to attract buyers since they offer significantly cheaper housing prices than the open market within Israel-proper (Handel et al. 2017). The causes for low housing prices in Samaria compared to the rest of the market has not been fully studied due to the lack of data. Many scholars and activists, assuming a state planning apparatus in the West Bank, have identified it as a public housing project, namely as housing deeply subsidized by the state in the form of housing projects and estates produced by a benevolent state for its political power base. Nonetheless, while settlers are indeed un-proportionally supported with infrastructure and services compared with citizens in Israel-proper, their housing production operates within a neoliberalized administration that has since 1977 made every effort to relegate housing production to dwellers, who are responsible for building their own houses using private companies and relying on banking finance (Clarno 2017, Maron and Shalev 2017).

2 http://zoldan.co.il/ProjectID.aspx?MainPageId=14&pageID=1
Recent appeals to the Supreme Court in demand of transparency in the planning and construction of settlements—by NGOs like Peace Now, Bimkom Planners for Planning Rights, Yesh Din, and others—have generated a number of official state response reports based on data largely inaccessible to the public. These constitute the first official accounts of settlement construction mechanisms. Most importantly, the 2013 State Comptroller report on construction in the settlements was the first to point to land costs as the main determinant of the price disparities among houses and apartments in the OT versus Israel-proper. The Comptroller has shown that the SD, entrusted with state land in the OT, does not charge settlers for the land at all (Comptroller 2013). While the cost of land for housing units within Israel amounts to a median of 250,000 NIS, charged by the Israeli Land Administration Authority, in the OT no land costs are added to housing construction costs (Comptroller 2015). The Comptroller’s position in this matter focuses on the loss of state income, rather than on SD para-state decision whose implication is that any dwelling unit in the OT is by definition cheaper and more economically appealing than a similar unit in Israel-proper.

A well-orchestrated system of illegal construction bases on manipulating capitalist mechanisms, orchestrated by settlement NGOs operative as part of the privatization of the development arms of local and regional authorities, most notably the Amana Association, chaired by Zeev Hever, known as Zambish (Lewinson 2013). In order to build houses and settlements where land ownership, city planning, and financial means preclude such endeavors, settlers have been using the seeming rationality and disinterested logic of real estate development to dissolve any questions over the legality of outpost housing. Neoliberal mechanisms of market-based dwelling production thus render explicitly illegal settlements “kosher” to the clerks issuing mortgages, architects producing urban layouts and house plans, lawyers registering property ownership, and marketing professionals. Moreover, some buyer-settlers are also manipulated by this market-logic mechanism into believing their homes are legally constructed per approved city plan, bank financing, and property registration, disassociating the process from its underlying ideological and political role in the Israeli settlement project (Gurevitz 2016, Ofran and Sfard 2017).

While political violence was the key trigger and reasoning for outposts in the 1994–2005 period, since 2005 the key rhetoric legitimizing expanding settlements has been young families’ housing needs. Namely, settlers justify the construction of illegal new houses outside the realm of settlements’ “blue line” borders, in the absence of any proper plan and on Palestinian private land, by their need of affordable homes. The very fact that housing real estate values are lower in the West Bank—and far lower in illegal outposts—presents illegal settlement as a rational market decision (Lewinson 2013, Ofran and Sfard 2017).

Hill 777, outpost of Itamar, is where a 27-year-old single woman named Hana Halevi is constructing her house. Halevi identifies her decision as primarily economic, since this is the only place where she can afford one. The outpost includes
20 families on land identified by Sasson’s report as a mix of private Palestinian land, land of undetermined ownership, and state land. The SD allocated land for the outpost in 1998, while Sasson found that it had no authority to do so (Sasson 2005). Documented in a short film titled “Armed Women,” Halevi’s house construction was televised via Israel’s national broadcasting agency, Kan. While explicitly illegal, the house construction process and the procedures enabling it are far from hidden from law-enforcement mechanisms and the public (Bechar in Littman 2017).

Halevi is building “170 square meters more or less,” including “hallway, kitchen living room, bedrooms, and parents-unit facing the view . . . my dream is a pool facing the view” (Bechar 2017). Her plot is 400 square meters, meaning that her back yard would be 200 square meters, yet she says, “I did not come all the way here for just 200 square meters of back yard” (Bechar, 2017). Halevi’s plot was allocated to her by the outpost chairperson, Shmuel Barak, one of the hill’s founders who also manages the small outpost’s communal land and admissions committee. Halevi was accepted by the Hill 777 admissions committee despite being a single woman, while most settlements only accept families, regarded as the effective dweller-developer social unit.3

Halevi’s plot is allotted on an informal settlement “map.” As no settlement planning exists for this hill, she is warned that building there is at her own risk. The risk of eviction leads Halevi to consider bringing in a trailer home, which she could take with her if eviction orders are issued. Yet, Barak and other hill residents do not trust her to not take her trailer and leave if her future partner refuses to live there. Hill 777 covenant precludes trailers, as their explicit temporality speaks the opposite of permanent settlement. Halevi decided to buy a wooden structure for a 70-square-meter house at a cost of 5,000 dollars, which the hill committee approved. She purchased the wooden frame in cash from her savings, since the overt illegality of her house could not secure her a mortgage. Building materials were transported by night, looking out for CA supervision, arriving at the hill past midnight. Construction workers assembled Halevi’s house on her assigned plot.

Halevi discusses the financial risk of constructing an illegal house with the risk of moving to an unfenced settlement outside Itamar, where several murderous attacks involved breaking into homes. “I carry two guns,” she says, “my private gun and the company’s gun.” Militarism is for Halevi a livelihood as well, since she is employed as a night-time security guard for a girls’ religious school in Itamar, employment she took since “it takes a lot of money to build a house.” Security concerns mix with financial considerations in every aspect of her decisions. For example, Halevi wishes that she could employ cheap Palestinian workers to reduce her costs; however, they cannot get into the settlement for security reasons, and so she has to pay more expensive Jewish workers, costing her “at least twice as much.”

The logic of capitalist real estate production as a disinterested, logical, profit-driven enterprise clashes in West Bank strongholds with the militarization of

3 There are important gender implications to Halevi’s story that are not covered in this paper.
dwellings and settlements as a key tool for territorial domination of occupied land. For Halevi, her wish to build a home for herself as a single woman pushes her to an illegal outpost in the dangerous hills, where she can afford a house at a fraction of the cost in central Israel, and in a community where a single woman is accepted. This housing choice puts her on isolated Itamar’s Hill 777, where she is an “armed woman.”

Figure 9: (a,b). Hana Halevi’s plot on Hill 777 (top), Construction materials for Hana’s wooden frame house unloaded off a truck during the night. “Armed Women,” 2017.

The militarized implications of settlement houses are inescapable. Palestinian violence against settlers in their homes in Itamar, Halamish, Havat Gilad, and other outposts challenges the real-estate-ization of these houses and rearticulates them as militarized acts, forcing Israel to reconsider the military implications of settlement (Kobovitch 2011, Zeitun 2017). Considering Springer’s problematization of the distinction between “rational” neoliberalism and “irrational” violence, we can read
settlers’ adoption of housing as a neoliberal market product as an attempt to assign a rational, non-nationalist meaning to settlement, distinguishing settlement as a personal dwelling act from settlement as a political-ideological act in a violent territorial conflict. While settlers are shielded as a collective group, benefitting from a generous package of subsidized infrastructure (roads, electricity, sewage) and services (education, security, welfare), the key responsibility to house oneself within a seemingly open market dominates every decision. Namely, settlers yearn to house themselves by gaining access to a land plot and a mortgage, bearing the risk of losing their homes and/or their lives as individuals.

The relationship between violence, real-estate development, and legal status has reversed in the outposts: only after an outpost is violently attacked by Palestinians it is legalized and issued a proper plan, articulated as Israel’s “rational” response to “irrational” violence (Allweil 2017). Itamar epitomizes this reversed relationship, transformed from an illegal outpost to an authorized settlement with a proper plan following the murder of a settler family in their home in March 2011 (Fleishman 2013, Lewinson 2013). Itamar’s proper plan legalizes 137 units that were accumulated illegally and designates 538 more. Itamar is not the exception to the rule but rather the rule itself, reflecting a process by which settlers’ “logical” real estate dwelling decisions are legalized as a response to “irrational” acts of Palestinian violence (Fleishman 2013). While settlement legalization has significant capitalist consequences, it derives from the militarized context of violent national struggle (Allweil 2017).

Conclusion

This paper looks at militarism and real estate capitalism in West Bank settlements houses since 1967, thinking historically about the co-constitution of the use of military infrastructure, expansion, and violence, and the capitalist production of settlement houses as real estate. The settlement project’s emergence and ever-expanding need for growth results from a political-military agenda with a real estate enterprise premised on housing. Considering Springer’s proposal that neoliberal rhetoric relegates violence to certain “irrational” and “local” spaces, distinguished from the global market as the sole provenance of rationality and nonviolence (Springer 2015), this study explores the capitalist underpinning of Israel’s WB settlement enterprise vis-à-vis the interplays of violence and real-estate. Uncovering overlooked data, this article points to the role of real estate mechanisms in producing settlement houses, meshing militarized expansion and capital growth while explicitly circumventing proper governance in a state-instigated neoliberal experiment. Examining these historical processes, this study proposes the settlement project as Israel's “lab” for experiments with all aspects of neoliberalism, starting as early as 1967.

4 Settlers’ discussions of the Itamar masterplan can be seen in the video “Sababa al ha Taba” (wonderful masterplan) produced by Studio Hadas Goldin. See: https://www.youtube.com/watch?v=RAm8znDwC1A. Last accessed June 2018.
Focusing on the capitalist processes of settlement, this paper contributes to the historiography of this much-studied project by offering an alternative periodization of settlement. I identify the 1967–1994 period as an experiment in settlement practices involving relegating state authority for settlement to the market, para-state institutions, and the settlers. Responding to capitalist demands for affordable housing and capital growth, this period involved developing settlement mechanisms that bypass governance to overcome restrictions of International Law, resulting in an early experiment in neoliberalism. As the state was pulling out of the settlement enterprise with Rabin’s Oslo Accords, the 1994–2005 period experienced the militarization of settlement and settlement historiography, wherein settlements are deemed the frontline of violent national war—rather than civilian real estate—and the construction of illegal outposts justified with militarized ideology. Finally, the 2005–present period is shaped by the loss of public and political support manifest in the disengagement from Gaza. Real-estate-ization and re-articulation of settlement spell the rational act of gaining access to dwellings, in order to tone down the irrationality and violence of the settlement project. In each of these periods, the agents of settlement (state, para-state, market and settlers) respond to the weaknesses of their former strategy by re-articulating settlement on the ‘rational’ capitalist—‘irrational’ militarist axes.

The article makes a broader theoretical contribution to several theoretical debates on the relationship posed by neoliberalism between ‘rational’ capitalism and ‘irrational’ violence. Contributing to a critique of theorizations of neoliberalism as a global phenomenon, primarily the influential work of David Harvey (Harvey 2005, 2007), this paper offers a historical study of neoliberalism as a phenomenon tied both to overarching macro-economic processes as well as to specific challenges to governance and capital. Further, this paper contributes to postcolonial theory by stressing capitalist extraction as cardinal for this theoretical framework. By identifying housing real estate as the element of capitalist extraction, this study provides substance for the analysis of Israel-Palestine as a colonial enterprise. In the field of housing, this paper makes an important distinction between neoliberal settlement as state project and “public housing,” identifying significant forms of state interest in housing that are not necessarily “public housing” per se.

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