**The Settlements: Israel’s Failed Real Estate Project**

July 18, 2024

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Statistics published by Israel’s Central Bureau of Statistics (CBS) at the end of May concerning the Israeli demographics in the West Bank (excluding East Jerusalem) confirm the ongoing failure of the country’s settlement enterprise. As the war in Gaza rages on, long-term demographic trends and the security escalation in the West Bank thwart the effort of the Netanyahu-Smotrich government to subdue the Palestinians in the area with the help of unprecedented budgetary allocations to the settlements. The whitewashing of “outposts” (illegal under Israeli law), the dramatic organizational changes in the Civil Administration and the Ministry of Defense, settler violence against Palestinians and the failure of the IDF to respond to it all fail to change the overall picture of failure.

From January 2023 through May 2024 (17 months), 615 more people moved from Israel to the West Bank than returned in the other direction. In the same period, over one-third of the settlements (47) reported negative net migration (in other words, more people left them than arrived, whether from Israel or abroad). The largest net losses were recorded in Modi’in Illit (-1,076), Maale Adumim (-582), Efrat (-199), and Hashmonaim (-149). The only phenomenon that helped soften the negative trend a little was the arrival of 965 new Jewish immigrants from abroad directly to the settlements. Thus more overseas residents than Israelis moved to the settlements in this period.

The Israeli population in the West Bank has continued to grow at a steady rate over the past decade, reaching 497,589 in May 2024. The settlers live in 134 settlements and 120 illegal outposts. However, population growth among Israelis in the West Bank is driven almost entirely (92%) by the high natural growth rate (births minus deaths), which totaled 17,814 in this period. A cursory glance shows that 46% of the natural growth was provided by the two large Haredi cities in the area – Modi’in Illit and Betar Illit; together with Givat Ze’ev, which is increasingly acquiring a Haredi character (52.1% Haredim), this figure rises to over half the natural growth. All these three settlements are situated close to the Green Line, within an area that is expected to be annexed to Israel as part of the land swaps that will accompany a permanent agreement.

Our Tamrur-Politography research group is undertaking long-term monitoring based on the data from the Central Bureau of Statistics. Our work paints a fascinating and surprising picture.

Let’s begin with the four Jewish cities that are home to almost half (43%) of Israelis who live in the West Bank. The smallest of these is Ariel, which is a secular city whose population has stagnated around 20,000 – 21,000 over the past six years. The population of Ariel is becoming older and the proportion of residents under the age of 19 has fallen below one-fourth. Around half the electors in the city vote for the Likud; very few choose the extreme-right or Haredi parties (the proportion of Haredim in the city is negligible – 1.3%). Ariel is ranked in socioeconomic cluster 6, above the average for the West Bank settlements (4.2).

Maale Adumim, which is also secular and ranked in socioeconomic cluster 6, has faced a worsening negative migration balance since 2013. The population of Maale Adumim is stagnant at around 38,000 and is not growing. Here, too, the population is ageing, and the proportion of residents under the age of 19 has fallen to approximately one-third. Approximately half the electors in the city vote for the Likud (the proportion has fallen over the past decade), while around 30% vote for the extreme-right parties. Approximately 20% vote for Haredi parties, even though the Haredi population of the city is no more than 3%. The trends in the secular cities explain the fall in the proportion of secular Jews among the settler population, from 35% in 2010 to 26% in May 2024.

Betar Illit has an overwhelmingly Haredi population (93.1%). After two years of negative net migration, the trend has now been reversed and the city’s population has risen to 68,363, mainly due to natural growth. In electoral terms, 60% of electors choose United Torah Judaism and 30% Shas. The city is ranked in socioeconomic cluster 1, the lowest cluster. Modi’in Illit is the largest city in the West Bank; 95.8% of residents are Haredim. This city is also ranked in the lowest socioeconomic cluster – 1. Over the past decade, the city has suffered from a negative net migration balance, though this is obscured by the high natural growth rate; in May 2024, the population was 86,816. In electoral terms, 80% of electors vote for United Torah Judaism and the remainder for Shas. Thanks to the high natural growth rate in these Haredi cities, the proportion of Haredim among the Israeli settlers rose from 32% in 2010 to 37% in May 2024. It is expected that the three largest cities, accounting for 90% of the urban population, will be annexed to Israel in a permanent agreement.

Secondly, our monitoring also reveals interesting findings regarding the 14 Jewish local councils in the West Bank, which account for around one-fifth (22.2%) of the Israeli population of the area. In Givat Ze’ev, the largest local council, the proportion of Haredim has crossed the 50% mark. This local council is growing at a particularly rapid rate, and this year reached 22,503 (surpassing Ariel). The Haredi local council of Emanuel is experiencing a rapid annual growth rate, and the population has reached 5,142.

In the secular local councils, population growth has fallen and stabilized, with total populations of 9,397 in Oranit, 8,000 in Alfei Menashe, 5,603 in Beit Arye, and 4,140 in Har Adar. Ma’ale Efraim, the smallest of the local councils, experienced decline from 2005 through 2013, but the population has begun to increase again and now stands at 1,419, though this is still below the number two decades ago

Mixed trends can be seen in the national-religious local councils. Some have grown, such as Efrat, which now has 11,940 residents; Karnei Shomron (to which Ma’ale Shomron was annexed), with 10,179 residents; the new local council of Sha’ar Shomron, created by the unification of Sha’arei Tikva and Etz Efraim, at 9,027; Kiryat Arba at 7,601; and Elkana at 4,453. Some are stable, such as Beit El at 6,469 and Kedumim at 4,600. Again, most of the local councils (nine out of 14) are likely to be annexed to Israel as part of a land swap in a permanent agreement.

The growth trends in the six reginal councils, which jointly account for over one-third (35%) of the Israeli population in the West Bank, are also mixed. The national-religious regional councils, which enjoy most of the government resources, are continuing to grow. For example, Mate Binyamin, the regional council with the largest population, now has 78,089 residents. The population of Shomron Regional Council, which occupies a larger area, has grown to 46,152. Gush Etzion now has 27,812 residents and Har Hevron 11,842. By contrast, the secular regional council Arvot Hayarden has 6,767 residents and Megillot – Dead Sea, also secular and the smallest of all the regional councils, just 2,254. Combining these last two figures shows that in the entire Jordan Valley and Dead Sea area, which accounts for over one-third of the area of the West Bank, the number of Israelis remains very low – fewer than 10,000.

These trends over the past decade have several significant ramifications. Firstly, as noted, the proportion of Haredim out of the total Jewish population has risen to 37%. The Haredi population, together with other settlements, means that over 40% of settlers live in settlements in socioeconomic cluster 1 – almost 10 times the proportion inside Israel.

As time passes, the Jewish population in the West Bank is becoming poorer and more dependent on government subsidies. Government contributions to local authority bodies, through various grants, accounted for an average of 63% of regular budgets in 2022 and for 60% of special budgets in the 24 Israeli local authorities in the West Bank. The parallel figures inside Israel are 42% and 39%, respectively. No less importantly, around one-third of government support in the West Bank is allocated for welfare. Although the Israelis in the area account for 5% of the population in Israel, they receive 7.22% (over 2.3 billion shekels) of government grants for ordinary budgets and 8.1% (almost 741 million shekels) of grants for special budgets.

Funding provided by Israeli taxpayers is allocated in a manner that is contrary to the recommendations of various committees. The result is that, while the average per capita income in the ordinary budget inside Israel is NIS 8,832, the parallel figure for an Israeli resident of the West Bank is NIS 10,300. On average, therefore, the settlers enjoy far better services than the population inside Israel in the fields of welfare, education, and culture.

This generous allocation of resources is reflected in attitudes among the settlers. We conducted three special surveys over the period 2016–2023 among large and representative samples of the adult Jewish population (age 18 and above) in the West Bank in order to examine public attitudes concerning various diplomatic solutions on the territorial issue. The surveys show that, over time, the “quality of life” settlers are becoming more ideological, while the ideological settlers mention quality of life as a key reason for their decision to live in the West Bank.

In 2016, for example, only 19% of the ideological public stated quality of life as a motive for their settlement in the West Bank, while in 2023 38% did so. The ideological component continued to be the main motivation, but in 2023 it was emphasized by 49% of settlers, compared to 62% in 2016.

The third ramification of these sociodemographic changes is that despite the nominal growth in the number of Israelis in the West Bank, they account for just 14% of the total population of the area. In other words, there is a solid Arab majority in the West Bank. The annexation of the area will therefore completely destabilize Israel’s demographic balance, or alternatively its democratic system, if the Palestinians are not granted equal rights (in keeping with Betzalel Smotrich’s suggestion).

The fourth ramification is that the consistent rise in the Palestinian population in Area C, which now numbers 392,000 residents, means that even the annexation of Area C alone is unrealistic in demographic, security, and economic terms. The proportion of Israelis out of the total population in Area C has plummeted from 82% in 2010 to 55% at the end of 2023. Minister Orit Strock recently called for accelerated settlement efforts in the southern Hebron Hills: “I told him, Betzalel (Smotrich) – I ask for the Hebron Hills first, and he accepted this.” In light of the above figures, however, this declaration is meaningless in terms of control on the ground. South of Gush Etzion, in the Hebron District, some 18,000 Israelis live alongside a Palestinian population of 822,000, so that they account for just 2.1% of the population.

The fifth ramification is that over half (59%) of the Israelis beyond the Green Line live close to this borderline (up to five kilometers) and will be annexed to Israel as part of a land swap. Even most of those who live at between five and 10 kilometers from the Green Line – such as Maale Adumim, Givat Ze’ev, and Efrat – will also be annexed to Israel in a permanent agreement. Although the number of isolated settlements situated over 10 kilometers from the Green Line is around half the total number of settlements in the West Bank (46% - 62 settlements), their combined population is relatively small (123,000 residents, or 24% of the Israelis in the West Bank). Most of these settlements belong to the messianic-nationalist stream that chose to settle these areas in order to prevent the establishment of a Palestinian state. Here, too, our surveys show that it is important to distinguish between ideological and “quality of life” settlers. On the issue of the possible unilateral annexation of these areas, for example, two-thirds (66%) of the ideological settlers supported this option in 2023, while only one-third (35%) of “quality of life” settlers did so.

It must be recalled that land swaps of less than four percent as part of a diplomatic agreement will allow 80% of Israelis living over the Green Line to live under Israeli sovereignty. Most of the settlers who will be evicted will come from the ideological messianic right-wing. The survey findings on this aspect show increasingly extreme positions among the settlers regarding their possible eviction. In 2016, only one-fifth (19%) of quality-of-life settlers and under half (44%) the ideological settlers stated that they would refuse to leave their settlement under any conditions if Israel reached an agreement with the Palestinians, In 2023, by contrast, 35% of quality-of-life settlers and 56% of ideological settlers stated that they will refuse to leave as part of an agreement.

If all the settlers are offered immediate compensation for their homes and property as part of an evacuation and compensation package, agreement to evacuation among quality-of-life settlers has fallen from 66% in 2016 to 55% in 2023, and among ideological settlers from 45% in 2016 to 35% in 2023. These trends show that the ideological settler has become more bourgeois and the bourgeois settler more ideological. This blurring of identifies is the direct result of the normalization of the occupation in Israeli society.

It must be emphasized that all the above facts are concealed from the Israeli public, or presented only in nominal terms without examining such important aspects as natural growth, migration rate, and demographic growth among the Palestinians. These findings show that reality is diametrically opposed to the fevered imagination of the Minister for Settlement and National Tasks, who speaks of a “period of miracle” – a feeling that is very probably confined solely to herself and her supporters during this difficult time in Israel. The facts and figures highlight the absurd nature of the policies adopted by the government of Benjamin Netanyahu, which is seeking to prevent the establishment of a Palestinian state at any cost. “Netanyahu is with us all the way,” Betzalel Smotrich declared last month (June 7) at a conference in one of the settlements in Samaria.

Over the past decade, the Israeli governments under Netanyahu and Naftali Bennett have transferred billions of shekels to the settlers in the West Bank (excluding East Jerusalem) through various government grants. They have subsidized the growing Haredi society in the area, ensuring that it remains dependent on excessive grants, and as part of political deals they have invested billions of shekels in the construction of roads to the isolated settlements. They have supported the illegal outposts with taxpayers’ money, through the regional councils, grossly undermining proper governance. They have closed their eyes to settler violence. In all these ways they have sought to revive Israel’s most failed real estate project.

Even in wartime, the current government is continuing to sacrifice Israeli democracy, intensifying the dramatic regime change in the Territories in the interests of the settlement enterprise. Over the past few weeks, Smotrich has effectively completed the regime change in the West Bank. Almost all powers, except for those concerning security, have been transferred from the army to a civilian mechanism he heads. This has been achieved by appointing one of his loyal supporters as Deputy Head of the Civil Administration for Civilian Affairs.

This step deprives the head of the Civil Administration of his powers and is essentially tantamount to the annexation of the West Bank. It enables Smotrich to exercise de facto control over the management of land in the West Bank and over planning and building, the inspection and enforcement of building law, the inspection and management of local authorities, the licensing of professions, trade and economy, and the management of nature reserves and antiquity sites. This process allows Smotrich to approve and finance the establishment of new neighborhoods and shepherding farms, while demolishing homes built by Palestinians without permits.

The big question is – will the Haredi and secular population ultimately cooperate with the initiatives of the small messianic-nationalist bloc? Given the generous economic benefits offered to those who move to the West Bank, will Haredi and secular Israelis move there in their thousands, reversing the negative demographic trends and eliminating the currently feasible option of a two-state solution? Will the wasting of public resources in order to realize a messianic vision that lacks any political viability continue, thereby damaging the status, image, economy, and – above all – security of the State of Israel?

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