**The West Bank Settlements are Israel’s Greatest Real Estate Blunder**

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New demographic data published by Israel’s Central Bureau of Statistics (CBS) at the end of May 2024 confirm the ongoing failure of the country’s West Bank settlement enterprise. As the war in Gaza rages on, long-term demographic trends and the security escalation in the West Bank are effectively thwarting the efforts of the Netanyahu-Smotrich government to subdue the Palestinians and take over the territories. The unprecedented budgetary allocations to the settlements are hardly affecting this trajectory of continuous loss. The efforts of the extreme right-wing government are unrelenting, from the whitewashing of outposts (illegal even under Israeli law) through dramatic organizational changes in the Civil Administration and the Ministry of Defense, to enabling settler violence against the Palestinians. These concerted efforts, however, are not changing the overall picture of failure.

From January 2023 through May 2024, the migration balance was only slightly positive with 615 more people moving to the West Bank than moving out. In the same period, over one-third of the settlements (47) reported negative net migration. The largest net losses were recorded in Modi’in Illit (-1,076), Maale Adumim (-582), Efrat (-199), and Hashmonaim (-149). The arrival of 965 Jewish immigrants from abroad directly to the settlements somewhat mitigated this trend.

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 closer look shows that 46% of this natural growth was provided by the two large Haredi (Ultra-Orthodox) 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 of the natural growth in the region. These three settlements are situated close to the Green Line, and based on previous negotiations between Israel and the Palestinians are in the zone of probable agreement (ZOPA) -- an area that is expected to be annexed to Israel as part of the land swaps that will accompany a permanent agreement. Thus, the significant natural growth provided by these three settlements will do little to save the settlement enterprise.

The T-Politography research group headed by the authors of this article is accumulating and aggregating data from various sources looking at long-term trends regarding Israeli-Palestinian relations. Our work paints a picture that is largely unknown to the general public and to decision makers and is often counter-intuitive because of the amount of misinformation regarding the reality on the ground in the West Bank.

If we first turn our focus to the four Jewish cities that are home to almost half (43%) of the 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. Politically, Likud receives about half of the votes and there is little support for extreme-right (e.g., Ben-Gvir, Smotrich) or Haredi parties (the proportion of Haredim in the city is negligible – 1.3%). Ariel is ranked in socioeconomic cluster 6, above average for West Bank settlements (4.2).

Maale Adumim, which is also secular and ranked in socioeconomic cluster 6, has faced a deteriorating 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. Politically, Likud receives half of the votes in this city which is less than before, 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 reflect 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 the votes go to the United Torah Judaism and 30% Shas (both ultra-orthodox parties). The city is ranked in socioeconomic cluster 1 reflecting the high level of poverty in this population. 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. Politically, 80% of the votes go to United Torah Judaism and the remainder to 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.

Second, our ongoing monitoring of data on the West Bank 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 has 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 less than 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 local councils are stable, such as Beit El at 6,469 and Kedumim at 4,600. Again, most of these 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 regional 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 of 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. First, as noted, the proportion of Haredim from the total Jewish population has risen to 37%. Over 40% of settlers live in settlements that are in socioeconomic cluster 1 whereas only 4% of the population inside Israel are as poor.

As time passes, the Jewish population in the West Bank is becoming poorer and more dependent on government subsidies. Government contributions to settlement authorities, 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 important, around one-third of government support in the West Bank is allocated to welfare. Although the Israelis in the area account for 5% of the population in Israel, they receive 7.22% (over 2.3 billion NIS) 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 in direct contrast to the recommendations of various committees. The result is that, while the average per capita expenditure 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 welfare, education, and culture.

This generous allocation of resources is reflected in attitudes among the settlers. We conducted three surveys over the period 2016–2023 on large and representative samples of the adult Jewish population (age 18 and above) in the West Bank to examine public attitudes on the experience of being a settler and on the future of the territories. The surveys distinguish between quality-of-life settlers that moved to the territories for economic and quality of life reasons, and ideological settlers that live in the territories for ideological and religious reasons. The surveys show that over time the quality-of-life settlers are becoming more ideological, while at the same time the ideological settlers are noting quality of life as a key reason for their decision to live in the West Bank.

In 2016, for example, only 19% of ideological settlers noted quality of life as a motive for their settlement in the West Bank, whereas in 2023 38% did so. The ideological component continues to be the main motivation for settlement in the West Bank, but in 2023 only 49% of settlers reported ideological reasons for settlement, 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 only 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 would completely destabilize Israel’s demographic balance, or alternatively its democratic system, if the Palestinians are not granted equal rights.

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 effort to populate this area with Israeli Jews is, therefore, bound to fail.

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 most likely 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 are affiliated with the messianic-nationalist movement (i.e., ideological settlers) that chose to settle these areas 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 two-thirds (66%) of the ideological settlers supported this option in 2023, whereas only one-third (35%) of quality-of-life settlers did so.

It must be emphasized that land swaps of less than four percent of the West Bank 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 from their homes and settlements will come from the ideological messianic right-wing. Over time, these settlers are expressing more extreme attitudes about their possible eviction. In 2016, only one-fifth (19%) of quality-of-life settlers and under half (44%) of the ideological settlers stated that they would refuse to leave their settlement under any condition, even 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 would refuse to leave under any circumstance.

In the event of an evacuation-compensation law whereby settlers would be offered immediate compensation if they voluntarily left their settlement, agreement to evacuation among quality-of-life settlers has dropped from 66% in 2016 to 55% in 2023, and among ideological settlers from 45% in 2016 to 35% in 2023. These trends show the blurring over time of the distinction between settler groups. The ideological settlers are becoming more bourgeois, and the originally bourgeois settlers are embracing the ideology of greater Israel. This blurring of identities is the direct result of the normalization of the occupation in Israeli society.

The above facts are, for the most part, concealed from the Israeli public, or selectively presented. Population growth is presented only in nominal terms overlooking natural growth, the migration balance, and demographic growth among the Palestinians. Our analysis shows that reality is often diametrically different from the fevered imagination of the Minister for Settlement and National Tasks, Orit Stuck, who speaks of a “miraculous time” – a feeling that is 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 through various government grants. They have subsidized the growing Haredi society in the area, ensuring that it remains dependent on excessive grants, and in political deals with the extreme right 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 turned a blind eye to settler violence. In all of these ways they have sought to resuscitate Israel’s most failed real estate project.

Even in wartime, the current government is continuing to jeopardize Israeli democracy by pushing forward the dramatic regime change in the territories from military occupation to de jure annexation, all in the interests of the settlement enterprise. Over the past few weeks, Minister Smotrich has effectively completed this change. Almost all authorities, except for those concerning security, have been transferred from the military administration to a civilian mechanism that he has established. This has been achieved in part by appointing one of his loyal supporters as Deputy Head of the Civil Administration for Civilian Affairs.

These steps strip authority from the head of the Civil Administration and are tantamount to the official annexation of the West Bank. It enables Mr. 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 archeological sites. This process allows Smotrich to approve and finance the establishment of new neighborhoods and agricultural farms, while demolishing homes built by Palestinians without permits.

The main question is – will the Haredi and secular population in Israel cave in to the growing demands 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 feasibility of a two-state solution? Will the squandering of public resources in the service of a messianic vision that lacks any political viability continue, thereby damaging the status, image, economy, and – above all – chance for ending the conflict with the Palestinians?

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