



Plans for new Palestinian city in West Bank raise hopes

By Dina Kraft - November 15, 2009

RAWABI, West Bank (JTA) -- Dusk has fallen on a terraced hillside and workers clearing the red earth hurry to finish planting trees in the twilight, their labor the initial step in the construction of the first-ever planned Palestinian city.

The city, with a construction price tag of some \$350 million, already has its city limits registered, a name -- Rawabi, Arabic for hills -- and funding from the government of Qatar. It's located about five miles north of Ramallah.

The project's Ramallah-based developers, who plan to start building soon, hail the project as a prized and much-needed example of Palestinian economic development. Israeli officials are among those citing it as a symbol of Palestinian progress.

"At the heart of this, it's about building a nation," says Bashar Masri, chairman of the board of the Bayti Real Estate Investment Company, which is running the project. "We have dreamed about a liberal, advanced state with a higher standard of living, and this project is part of those aspirations."

Masri, 48, sits behind a sleek, lime-colored glass desk at his office. He envisions the city as a place of both good living and employment. He talks animatedly about the work opportunities not only in construction but at a commercial center.

Eventually, Masri says, Rawabi will have schools, a hotel, a shopping center, health clinics -- and up to 40,000 residents.

The sunny plans for Rawabi, despite lingering bureaucratic challenges with the Israeli and Palestinian authorities, dovetail with an increasingly positive picture of economic growth in the West Bank, economists say.

In Ramallah, the most prosperous Palestinian city and its financial hub, high-end restaurants are crowded, a new chain of cafes recently opened, billboards advertise top-of-the-line washing machines and cranes building high-rise buildings dot the hilltops. One building under construction will even feature a rotating rooftop restaurant.

How the unstable Palestinian political situation will impact that growth is unclear.

For the time being, International Monetary Fund officials say economic growth in the West Bank could reach as much as 7 percent in 2009 if Israel continues to relax restrictions, notably the removal of roadblocks.

Such growth would indicate a major improvement in living standards in the area in the past three years, although the economy has yet to recover to pre-intifada levels from the summer of 2000. Unemployment in the West Bank is 18 percent, down from 25 percent in 2004.

Israeli Prime Minister Benjamin Netanyahu likes to tout Palestinian economic prosperity in the West Bank paving the way for political peace. Since coming to office in March, Netanyahu has removed a series of checkpoints, helping ease the movement of people and goods between West Bank towns and cities.

By contrast, Hamas-controlled Gaza remains largely blockaded by both Israel and Egypt, its economy in shambles.

Palestinians say that while some relief has come with the dismantling of checkpoints, the ones that remain -- including makeshift ones that move daily -- contribute to a fragile situation. Economic growth is not a substitute for political progress, they say.

"Economic progress helps and is desperately needed to make peace dividends stick, but you cannot ensure economic stability without political progress," Masri says. "Political instability can always blow up in our faces."

In 1995, inspired by the prospects for peace following the signing of the Oslo accords, Masri returned to the West Bank after years living in the United States. When the second intifada began in 2000, the road outside his office was often crowded with Israeli tanks and army jeeps. His offices are in the same neighborhood as the Mukata, the Palestinian Authority headquarters where Yasser Arafat spent time under siege.

Envisioning a different future, Adi Ashkenazi, who directs the economic research division of Israel's Office of Regional Cooperation under Minister Silvan Shalom, says Israel is supportive of the plans for Rawabi.

"Israel views with great importance assisting economic projects in the Palestinian Authority," Ashkenazi said. "We believe economic peace will improve our relations and help bring us to a place of dialogue and the real basis for future."

Ashkenazi talked to JTA while en route to a ceremony to mark a new Israel-West Bank crossing point that will make it easier for Israeli Arabs to enter the northern West Bank city of Jenin and spend money in the hopes that it will boost the local economy. Israeli Jews are not permitted to enter Palestinian cities.

Rawabi is to sit on Palestinian Authority-controlled land, but developers are still awaiting final Israeli approval for the building of an access road, part of which will cut near a road used by Jewish settlers that falls in an area under Israeli jurisdiction.

Palestinian economist Samir Hazboun sees the plans for Rawabi, which aims to attract educated, middle-class Palestinians, as a good sign.

"It shows Palestinians interest in investing and improving their own standard of living and at the end of the day will be a new example that something is moving towards the future," Hazboun said.

Rawabi was heralded at a conference last month in Jerusalem by British Jewish businessman Sir Ronald Cohen, who heads a nonprofit that encourages political stability through Israeli and Palestinian economic development. The group, the [Portland Trust](#), is helping support Rawabi.

Cohen says he sees the city as part of a larger effort to foster a more moderate Palestinian electorate.

"We have to support private sector because it's the only way to have sustainable growth," Cohen said. "If people are feeling desperate, it's very hard to arrive at reasonable negotiations."

In Rawabi's promotional [video](#), 3-D architectural images depict people walking in a modern city with gleaming high-rise buildings, green parks and shopping areas.

For now, the site of Rawabi remains one of wild sage tucked amid craggy white rocks, rows of new cypress and pine trees, and a bumpy dirt road.

A young civil engineer who is part of its design team looks out at the view and says he hopes one day soon he'll be beyond planning the city; he'll be living in it.

