

# Rescaling and Transforming: 'Umbrella Agreements,' Planning Deals and the Israeli Planning Regime

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## ABSTRACT

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This article analyzes a policy tool called "Umbrella Agreements", which has had a profound effect on Israeli planning since 2013. We suggest that these agreements have rescaled the neoliberal mechanism of 'planning deals', from the urban to the national-state scale. We also suggest that this evolution has expanded the neoliberal 'deal logic' to new locations, situations, and matters, and at the same time has transformed the nature of the Israeli planning regime. Umbrella agreements were initiated as a response to rising housing prices. Signed between the central government and municipalities, these agreements have imposed on 32 Israeli cities deals that tied governmental funding to rapid housing development, in order to increase supply and moderate prices. We frame this mechanism as part of the current neoliberal urban regime, but contend that in ethnocratic states like Israel, the process is different from those in liberal Western democracies. Most theories consider neoliberalism as propelling a process of decentralization, and privatization as guided by "market logic". However, the Israeli process is based on national land management and a concentration of planning powers at the state level as a pre-condition for private housing development. We conceptualize this as 'privatination'. Based on archival materials and in-depth interviews, we show how umbrella agreements achieve the rescaling of planning deals to become a dominant state approach. We contend that this new regime endangers urban democracy as it threatens the stability, status and functioning of the Israeli planning system in general, and the well-being of local governments in particular.

**Keywords:** housing policy; Israeli planning; planning deals; 'umbrella agreements'

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