

The Impossible Promise of Building a New Palestinian City

Rawabi is the first new planned community in Palestine since 1948. Designed for 40,000 people, it's less than a quarter full

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Almost ten years ago, we were living in Jerusalem, where Jamie was working on a postdoc at the Hebrew University of Jerusalem, continuing his PhD research into the role of weapons in civil conflicts, and Sarah was working as a freelance journalist. That's when we first heard about Rawabi, the first new Palestinian city built in the Israeli-occupied West Bank since the founding of

Israel in 1948. Then, it was little more than a big idea still under development. On a drive through the West Bank one morning, on our way to research a story we were writing together about the expansion of the settlements that bordered Jerusalem, we saw only heavy machinery on a hilltop dotted with Palestinian flags. Now, the city boasts condo buildings and public squares, with sand-coloured structures rising out of the rocky scrub.

Rawabi, which means “hills” in Arabic, is financed by a charismatic Palestinian American billionaire named Bashar Masri and founded on a liberal vision that promised the immediate improvement of Palestinian lives. Promotional brochures for the development defy the images of the West Bank and Gaza that have recently become dominant in many people’s newsfeeds. There are no signs of decay, no buildings pockmarked from gun battles, no remnants of artillery or crying parents clutching stunned and bloodied children. There are no checkpoints, no razor wire, no humiliating demonstrations of lopsided power by Israeli settlers. Instead, there are families strolling down wide and tastefully landscaped pedestrian-only corridors, outdoor cafes shaded by wide umbrellas, and a basketball court. The brochures make it look like Rawabi offers the kind of life parents around the world strive to build for their children: modern, safe, clean, and predictable. A place for the aspiring Palestinian middle class, a growing demographic that Masri seemed to be hoping to tap into. And a functional community where the dominant noise of Israel’s occupation of Palestinian territories slides into background chatter.

Rawabi is also the kind of solution that appeals to the Palestinian Authority, the de facto Palestinian government in the West Bank, as well as to international donors, and even to Israel. Since the end of the second Intifada, the PA has aggressively sought international support for market-driven development projects. Efforts were made to spur private investment to kick-start the lethargic Palestinian economy. Israeli policy—especially under the successive right-wing governments led by Benjamin Netanyahu—has purportedly been to promote stability in the occupied territories through

economic development rather than political or territorial concessions. (This is sometimes referred to as “economic peace” as contrasted with Palestinian self-determination.) In the absence of meaningful political progress over the past generation to establish an independent state, Rawabi has been heralded as the future of Palestine by investors from the rich Arab world as well as leaders from Western states.

But the project has been rife with complications from the beginning, from literal roadblocks thrown up by the Israeli military to the challenges of financing mortgages for a stateless people and objections from Palestinian activists about collaborating with Israel in pursuit of basic infrastructure needs. Having spent so much time in the region, we weren’t surprised to learn that the fulfillment of Rawabi’s promise hasn’t been smooth or easy. Living in a place divided into East and West, Israeli and Palestinian, religious and secular, Jew and Arab, we learned to navigate fault lines as often as we stepped on cracks in the sidewalk. There was always something that didn’t work, some source of frustration or resignation easily blamed on the stagnant political situation. The idea of building a new centre of Palestinian life in the midst of occupation is inspiring but also feels like an act of cognitive dissonance. At a time when a long-bad situation is getting even worse, quotidian luxury ostensibly divorced from political instability increasingly looks like a billionaire’s fantasy, like a city of the future in a place where citizens are desperately trying to figure out how to navigate the present.



(Photo provided by Rawabi)

In the spring of 2023, we returned to the region for a visit. This time, Jamie had ten of his political science students from St. Francis Xavier University in tow. For a week and a half, he guided them around Israel and Palestine, introducing them to societies rife with internal divisions and dominated by a conflict that increasingly seems intractable.

In Ramallah, the de facto capital of Palestine, the group boarded a small minibus for the short journey to Rawabi, where Palestinians were now living and working. Our driver navigated the tight alleyways of ancient cities and multiple Israeli checkpoints, eventually rounding the hills north of the city and revealing Rawabi, rising above the semi-arid mountain range, for the first time. It was immediately impressive: a gleaming new city on the hill.

After getting off the bus and stopping at the sales office, which had a scale model of a tower block and piles of those colourful brochures, the group was led into a conference room with floor-to-ceiling windows on a high floor of

one of the buildings overlooking the centre of Rawabi. The students dutifully took their places at the oversized conference table. Masri, now in his early sixties, glided into the room, serene and fresh faced and outfitted in yoga clothes and expensive sneakers. Half tech bro, half elder statesman, all visionary rich guy.

Born in Nablus, Palestine, Masri studied in Egypt and the United States, earning a degree in chemical engineering. Later, he made a fortune in real estate, building modestly priced housing developments in Morocco, Jordan, and Egypt. But he longed for home. "I couldn't wait for the day to come back," he told the students, "[but] there was nothing to come back to. We were under military occupation."

It was the glimmer of hope of the Oslo years that helped draw him back in the mid-1990s. All of a sudden, he said, there was a peace process. "The fast-forward button had been pressed. We had a state in the making."

In the subsequent years, Masri set up numerous businesses in Palestine, including an investment fund and the pro-democracy newspaper *Al-Ayyam*. But the peace process ultimately fell apart, and the second Intifada began in 2000. The PA was brought to the verge of collapse in the ensuing conflict as Israel temporarily reoccupied population centres in the West Bank and confined Palestinian leader Yasser Arafat to his compound. While the violence subsided, hope was once again subjugated to the twin despairs of political gridlock and weak governance. In the wake of the second Intifada, the Palestinian economy stalled; corruption and mismanagement became endemic.

It was in this chapter of Israeli-Palestinian relations that Masri charted his middle ground—more moderate than armed resistance, more modest than political change, but also more optimistic than the status quo. Ground was broken on Rawabi in 2010, and by 2015 the first residents began trickling in. The city was built without the financial assistance of the PA, relying instead on Masri's own investments and on international financing. Qatar's sovereign

wealth fund has reportedly fronted more than two-thirds of the money. Masri has referred to the project as a “Marshall Plan,” but at more than \$1.5 billion (US), Rawabi represents the largest ever private investment in Palestine, a major departure from the international aid that has propped up the PA.

Construction brought desperately needed employment to a fragile Palestinian economy. Masri claims that the development has generated 10,000 jobs in the building trades and amongst various Palestinian suppliers. His hope is that employment will shift from construction to tech, making those gains permanent and growing the fledgling Palestinian middle class. The city’s towers have offices for a planned tech hub, which already includes Apple and Microsoft. Masri told the students that he has committed to building restaurants with “million-shekel views” of the surrounding landscape. There is a 22,000-seat Roman-style amphitheatre, the largest in the Middle East, and an amusement park with a zip line, climbing walls, and bungee jumping. There is a private international school with English instruction, and the PA has committed to building a public school. Unlike much of the rest of the Palestinian territories—where a rise in nationalism has inspired increased rates of religiosity—Masri said that Rawabi will be a “secular city where everyone can live.”

Masri was generous with his time as the group probed him with questions. While checking off all the complications of doing business under occupation, he insisted that Rawabi was already a success. “For now, this is one of a kind,” he said. “My strategic vision is that we will see Rawabi two, three, and four in Palestine.”

After an hour with Masri, Jamie and his students exited the tower into the heart of the Q Centre, a small retail area with several big American chain stores, including Vans, American Eagle, and Nine West. Pop music played in the background. The group walked past fountains and public art. “Rawabi was only mountains, only nature,” architect Hanan Qasrawi, who worked with Masri during Rawabi’s development and is currently doing a graduate degree

in the US, told the group as she led them on a walking tour of the development. "Buildings were added, bringing hope and life." Condo towers now populate the skyline. Multiple neighbourhoods exist, some of which have names that hail the ancient past of Canaan—Makmaata, Suwan, and Ikshaf. We saw landscaping and street furniture and spotless sidewalks amidst the tower blocks.

But where were the people?

In Rawabi's pristine residential areas, the heavy window shutters were tightly drawn on most units. On the balconies, no telltale potted plants or folding chairs or drying laundry. Everything was perfect, but nothing felt real. It had the vibe of a sound stage or *The Truman Show*—a fake community forged from golden Jerusalem limestone.

Designed for 40,000 residents, Rawabi reportedly has a population hovering around 5,000, and even that figure is debatable. Many of the buyers are not West Bank Palestinians looking to make a life in Rawabi but Palestinians who live within Israel's 1948 borders, have full Israeli citizenship, and purchased units as second homes or, if prevailing winds change, as a possible investment.

Emili, a Palestinian tour guide who lives in Jerusalem, considered buying in Rawabi but ultimately decided against it. It wasn't the occupation that dissuaded her, or at least not the occupation alone, because the occupation is everywhere in Palestine. It's that Rawabi isn't organic; it lacks a sense of community. "It's not a complete city," she said.

The explicit secular-commercial vibe of Rawabi, devoid of endearing chaos, marks a stark distinction from Palestine's other urban centres. When we lived in Jerusalem, we often visited Ramallah, where the streets and sidewalks are occupied by motorcycles, vendors with handcarts selling fuzzy fresh green almonds, and cafe patios full of men drinking Turkish coffee and smoking cigarettes. There is constant honking and yelling, and the call to prayer is

heard five times daily. Life feels disorganized, spontaneous, a bit precarious, but familiar. (Some of that familiarity is thanks to the influx of Palestinian Americans, whose influence can be observed in some of Ramallah's most lavishly renovated homes as well as the presence of jalapeno poppers alongside more traditional Middle Eastern fare on restaurant menus.)

In many ways, Rawabi is set up the same way as the larger Israeli settlements in the West Bank: for largely middle-class nuclear families as opposed to more traditional Palestinian households, which tend to cluster multiple generations around the husband's family. Indeed, Masri compared Rawabi to Modi'in, which straddles the Green Line separating Israel from the occupied West Bank, making it half Israeli town, half settlement. But while settlements are enabled by the occupation, Rawabi is hampered by it, and the past several years have underscored the challenges of such a project for Palestinians hoping to build a state.

The West Bank is a small parcel of land wedged between Israel and Jordan and carved into administrative zones that are managed by either the PA or Israel. Area A includes Palestinian-controlled urban centres, such as Ramallah. Area B includes peripheral, less densely populated areas connecting those urban areas under the joint administration of Israel and the PA. And Area C, under Israeli control, includes settlements, military bases, and border areas. Rawabi is in Area A, but the road that leads to Ramallah passes through Area C. In order to build Rawabi, Masri required a construction permit that must be renewed annually to keep that road open. If the permit is revoked at any point, Rawabi will be cut off from Palestinian areas—including the areas many of the city's core constituency must travel to for work, shopping, or to visit family.

The logistics of infrastructure in Rawabi are complicated by the occupation too. For example, the provision of electricity, which was meant to be a co-operative venture between Israel and the PA, was long withheld by Israel as the two bickered over terms. While this was eventually resolved, other

problems have arisen. During the early years of construction, water was cut off from the development because the pipes ran through Israeli-controlled Area C and the Israelis wouldn't let it flow. Water was connected by Israel in 2015, after an intervention by the Obama administration, but the agreement was only temporary; currently, Rawabi has an agreement for water with the PA.

Kareem Rabie, at the University of Illinois Chicago, has written critically about Rawabi and the inadequacy of neo-liberal solutions to the Arab-Israeli conflict in his book, *Palestine Is Throwing a Party and the Whole World Is Invited: Capital and State Building in the West Bank*. He sees Rawabi as an attempt to rethink Palestinian relationships to Palestine by reframing national aspiration through class aspiration. In Palestine, young professional couples are often uncomfortable taking on debt, in part due to the absence of a mortgage structure. "Because of the obvious difficulties of living under occupation and precarity, people are unwilling to tie themselves to that kind of financial commitment," Rabie told us in an interview. "When you go around the West Bank and you see a lot of homes with rebar sticking out the top, that's because people prefer to save and expand existing homes—for example, when a child gets married, and they build an apartment on top."

That anything has been built at all is a testament to Masri's single-minded pragmatism. He has had to find ways to co-operate with Israelis—not just for infrastructure needs but also security issues and even the procurement of building materials. "I will buy products from Israel," he told Jamie's students. "I don't care if I put a bid on Israeli, Palestinian, Canadian, or French [goods]. I will pick on quality and price." Perhaps more contentiously, parcels of land for Rawabi were confiscated from nearby Palestinian villagers by the PA and handed over to Masri for private development, all with Israeli approval. A donation of pine trees from the Jewish National Fund was heavily criticized by Palestinians, and the trees were eventually uprooted.

As Masri was breaking ground on Rawabi, the Palestinian Boycott,

Divestment, and Sanctions National Committee, a coalition of Palestinian civil society groups, put out a statement accusing him of “shameful acts of normalization,” including soliciting the advice of Israeli Canadian architect Moshe Safdie. Some have even gone so far as to refer to the city as “a settlement,” highlighting the parallels between it and what are seen by most Palestinians as the chief impediments to peace and spoilers of negotiations.

“People tell me Rawabi sugar-coats the occupation,” Masri told Jamie and his students last spring. “It’s not black and white, this whole normalization issue.” He clarified that while he is willing to buy from Israeli suppliers, he will not procure goods produced in Israeli settlements. And he claimed to have convinced some suppliers to switch the sourcing of certain building products from Israeli settlements to Palestine, increasing employment.

In the aftermath of the bloody events of October 7 and the ongoing horrors in Gaza, it’s hard to see where Masri’s high-end appliances and tech dreams fit into the Palestinian narrative, now or in the immediate future. Over the past several months, our sadness and anger have hardened into an increasing sense of hopelessness, and Rawabi now seems more and more like a mirage—just one of so many panaceas, economic and social and military, for a problem that only has a political solution. When we reached out to Masri with follow-up questions, his representatives declined to make him available, saying his attention is focused on the ongoing human rights catastrophe in Gaza.

But that day in Rawabi, Masri said he and his supporters see the city as a step toward state making in the absence of a political compromise. “Rawabi is not going to solve the Arab-Israeli issue,” he said. “Rawabi is a mini part of what the Palestinian people can do. We can make a difference despite being dealt a very bad deal. Also, it is a message to the world. The Palestinians are trying hard. They don’t want to live on aid. They aren’t a bunch of terrorists. Palestinians are ordinary people who want to make a good living, but also want their rights.”