The Impact of Real Estate Construction and Holding Companies:
A Case Study of Beirut's Solidere and Amman's Abdali

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The Impact of Real Estate Construction and Holding Companies:

A Case Study of Beirut's Solidere and Amman's Abdali

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.................................................................

(Tamam Mango)
Abstract

Real Estate Construction and Holding Companies (RECHCOs) have been used by governments in the Arab world as a vehicle for stimulus to promote development. This thesis will examine two particular examples of RECHCOs within city centres: Solidere in Beirut and Abdali in Amman. The RECHCOs in these instances were completely private companies presented as the inevitable choice for the rehabilitation of the centre to create a modern downtown, accompanied by a slew of benefits including job creation, investment, increased tourism potential, and upgraded infrastructure. In return the RECHCOs received political support, public subsidies, tax incentives and exemptions, and the right to expropriate privately owned land, generally reserved for governments. The thesis aims to explore this narrative through the lens of RECHCOs' impact on Arab cities' citizens. It will make the argument that though RECHCOs seem to be appealing and easy tools for contemporary cities they do not live up to their promises of political, economic and social benefits, especially as seen from the perspective of city citizens.

The thesis contributes a comprehensive empirical case study to the literature on the modern Arab world, which to date has not explored the impacts of projects such as RECHCOs. The research included stakeholder interviews, a representative sample survey of over 1,500 Amman residents, a comprehensive literature review, a thorough media review, a legislative review, examination of company records, and data gathering from government databases and published statistics.

Within three chapters dealing with the social, political and economic impacts of RECHCOs, the case studies presented are discussed across several themes central to urban planning literature both in the context of the Arab city and beyond. The Thesis includes a discussion of the role of the city centre within the city, and the RECHCOs' diminishing effect which undermines the centre as a place of society, gathering, economy and politics. The Thesis looks at heritage and memory in the city in the context of RECHCOs whereby as a consequence of ignoring established traditions in cities RECHCOs have a detrimental impact. RECHCOs undercut political processes, bypass social
and traditional heritage, and destroy physical historical structures. RECHCOs are framed within an examination of privatised and contested public space within cities. The new RECHCO downtowns are physically isolated and privately guarded. They are housed with exclusive functions, high-end luxury commercial establishments, and highly priced residential and office space. Previous residents are priced out of the area through gentrification, and the economic windfalls of RECHCOs are diverted towards transnational investors and local elite with limited distributional and trickle-down benefits. The subsequent exclusive – and segregated - space created by the RECHCO gives rise to a sense of antagonism amongst city citizens. RECHCOs thus interrupt the interaction between public space and participation damaging active citizenship within the city. The thesis frames RECHCOs as a tool of urban governance and policies, in the context of weakened local governments and the alienation of citizens. The thesis concludes with a series of lessons learnt.
Acknowledgements

I am indebted to Professor Michael Dumper whose academic supervision and insights contributed greatly to the final version of this thesis. I also appreciate the guidance my supervisory team provided me with along the way.

I would like to thank those individuals who gave up their valuable time to be interviewed for this thesis and participate in the survey.

I will always be grateful to my husband Ayman, for his constant encouragement throughout the process and to my parents Samia and Hassan and my sister Galia, whose early discussions advanced my critical thinking and interest in Politics, and whose help and support got me to this point.
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## Abbreviations

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<th>Description</th>
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<tbody>
<tr>
<td>ACC</td>
<td>Anti-Corruption Commission</td>
</tr>
<tr>
<td>AFP</td>
<td>Agence France-Presse</td>
</tr>
<tr>
<td>AID</td>
<td>Abdali Investment and Development PSC</td>
</tr>
<tr>
<td>APUR</td>
<td>Atelier Parisien d’Urbanisme</td>
</tr>
<tr>
<td>BCD</td>
<td>Beirut Central District</td>
</tr>
<tr>
<td>CBD</td>
<td>Central Business District</td>
</tr>
<tr>
<td>CBJ</td>
<td>Central Bank of Jordan</td>
</tr>
<tr>
<td>CDR</td>
<td>Council for Development and Reconstruction</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CIA</td>
<td>Central Intelligence Agency</td>
</tr>
<tr>
<td>CLES</td>
<td>Centre for Local Economic Strategies</td>
</tr>
<tr>
<td>CMP</td>
<td>Central Market Place</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>DCC</td>
<td>Docklands Consultative Committee</td>
</tr>
<tr>
<td>DCLG</td>
<td>Department for Communities and Local Government</td>
</tr>
<tr>
<td>DOE</td>
<td>Department of the Environment</td>
</tr>
<tr>
<td>ECC</td>
<td>Economic Consultative Council</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>GAM</td>
<td>Greater Amman Municipality</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GNP</td>
<td>Gross National Product</td>
</tr>
<tr>
<td>IAURIF</td>
<td>Institut d’Amenagementet d’Urbanisme de la Region d’Ile-de-France</td>
</tr>
<tr>
<td>ICC</td>
<td>International Convention Centre</td>
</tr>
<tr>
<td>IDAL</td>
<td>Investment Development Authority Lebanon</td>
</tr>
<tr>
<td>JD</td>
<td>Jordanian Dinar</td>
</tr>
<tr>
<td>KIPCO</td>
<td>Kuwait Projects Company</td>
</tr>
<tr>
<td>KM</td>
<td>Kilometre</td>
</tr>
<tr>
<td>LACECO</td>
<td>Lebanese Arab Company for Engineering and Consultancy</td>
</tr>
<tr>
<td>LDDC</td>
<td>London Docklands Development Corporation</td>
</tr>
<tr>
<td>M</td>
<td>Metre</td>
</tr>
<tr>
<td>MAWARED</td>
<td>National Resources Investment and Development Corporation</td>
</tr>
<tr>
<td>MBA</td>
<td>Master of Business Administration</td>
</tr>
<tr>
<td>MEEC</td>
<td>Middle East Economic Consultants</td>
</tr>
<tr>
<td>MENA</td>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>MIT</td>
<td>Massachusetts Institute of Technology</td>
</tr>
<tr>
<td>MOP</td>
<td>Ministry of Planning and International Cooperation</td>
</tr>
<tr>
<td>MP</td>
<td>Member of Parliament</td>
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</table>
NEC  National Exhibition Centre
NGO  Nongovernmental Organisation
NIA  National Indoor Arena
NOAA  National Oceanic and Atmospheric Administration
OECD  The Organisation for Economic Co-operation and Development
PhD  Doctor of Philosophy
PPP  Public-Private Partnership
PSC  Private Shareholding Company
RECHCO  Real Estate Construction and Holding Company
SAL  Societe Anonyme Libanaise
SETP  Social and Economic Transformation Plan
SOLIDERE  Société libanaise pour le développement et la reconstruction de Beyrouth
Sqm  Square metres
TAGI  Talal Abu Ghazaleh Institute
UAE  United Arab Emirates
UDA  Urban Development Area
UDC  Urban Development Corporation
UK  United Kingdom
UNDP  United Nations Development Programme
UNESCO  United Nations Educational, Scientific and Cultural Organisation
UNRC  United Nations Resident Coordinator
URBED  Urban and Economic Development Group
URC  United Real Estate Company
US  United States
USAID  United States Agency for International Development
USD  United States Dollar
WEF  World Economic Forum
WTO  World Trade Organisation
1. Introduction

1.1 Overview

On a hot Saturday mid-morning on the 23rd of June 2007, a group of panicked property owners gathered outside the office door of the director of the Greater Amman Municipality's Expropriation Department¹. Few of them had the means to hire lawyers to object in their stead. Most were older men angrily holding expropriation notices; some had brought their wives along and at least a couple their young infants and toddlers. Just before the weekend, the group had received officially stamped letters condemning their homes to make way for the capital's aggressive construction project driven by Saudi-Lebanese investors – a 'new downtown' for the city in the form of the high-density Abdali project set to replace Amman's existing city centre (Talal Abu Ghazaleh International, 2007c).

Of that moment, Abu Najib recalls that he felt helpless; given three months to vacate the home he had inherited from his father by the eve of Eid al-Fitr - the Muslim celebration at the close of Ramadan. With limited political recourse he felt he had little else to do "but pray" (Thesis Survey, 2012). To this group, the shiny Abdali project was less "iconic" of a modern progressive Amman, but more a symbol of the "disconnect" and disenfranchisement they now felt as citizens of the city (Thesis Survey, 2012).

Abu Najib Al-Far's family thus found itself caught up in an emerging Arab World² phenomenon. This phenomenon is one that has looked like the

¹ Expropriation is the act of taking of privately owned property by a government to be used for the benefit of the public. Projects such as highways and dams use this all over the world.
² While there is no globally accepted definition, this thesis will assume that the Arab World comprises the 22 countries and territories of the Arab League stretching from the Atlantic Ocean in the west to the Arabian Sea in the east, and from the Mediterranean Sea in the north to the Horn of Africa and the Indian Ocean in the southeast (Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates, Yemen). The Middle East will be defined as the region that roughly encompasses a majority of Western Asia (excluding the Caucasus) and Egypt.
neoliberalisation\textsuperscript{3} of cities to some, been called the Gulfanisation of cities by others, and been labelled ‘modernisation’ by yet others. It is the concept of the privately owned city centre, built by a private company, replacing the traditional centres of smells, hagglers, street vendors and colours, with something far more sterile and modern, with higher-density buildings that are contemporary and sometimes flanked with glass façades. Lined with upper-end stores and protected by private security forces, the creation of new private ‘downtowns’\textsuperscript{4} is supported by governments to propel their cities into what is perceived as the modern Arab World.

As part of this trend, the Abdali project is a huge endeavour to develop 1.7 million square metres (sqm) of built-up space to replace Amman’s historic city centre in a contemporary new location towards the west of the city, marketing itself as ‘Amman’s New Downtown’ (Abdali, 2012)\textsuperscript{5}. With the same anchor investors, Abdali is modelled after the 1994 Solidere project, the keystone of the post-Civil War Lebanese reconstruction effort, spread out over 2 million sqm in Beirut’s original city centre to create a new and modern downtown ready for “the 21\textsuperscript{st} century” (Sodic and Solidere, 2012, p3)\textsuperscript{6}. Both these projects were huge private undertakings, supported at the governmental level as modern attempts at promoting development in the city, initiated by almost the same group of transnational investors. Both also involved contested expropriations of property from city residents within, and surrounding, the sites. There is no question that the two projects are interconnected and - at least in some aspects - are imported urbanism - whether this comes in the form of petrodollars from the Gulf, the emergence of ‘starchitects’ in the region

\textsuperscript{3} Neoliberalism is a political philosophy whose advocates support economic liberalisation, free trade and open markets, privatisation, deregulation, and enhancing the role of the private sector in modern society (the term is sometimes used as a sort of condemnation of these policies).

\textsuperscript{4} Historically, the Middle East and Europe have used the term ‘city centre’ in Arabic 
\textit{wast al-balad} (وسط البلد) or 
\textit{wast al-madinah} (وسط المدينة). The ‘centre’ refers often to historic, or first inhabited districts, of cultural and political significance. In both these contexts, while the ‘city centre’ may include the ‘central business district’ or CBD it does not necessarily refer to the same concept with the CBD referring to an area of economic or financial significance, nor do they have to be in the same geographical location by definition (La Défense in Paris as compared to the Paris city centre). CBD focuses primarily on aspects of economic and financial significance. In the context of the United States the term ‘downtown’ has been used since the early 1900’s to indicate the commercial heart of the city, and is synonymous with ‘CBD’. The RECHCOs refer to themselves as downtowns. This thesis will continue to refer to the historic centres as the ‘city centre’ or simple ‘centre’.

\textsuperscript{5} In 2010 Abdali contributed an average of 51% of the total new built up area in Amman.

\textsuperscript{6} Solidere SAL represented what was called the largest public share offering in the Middle East at the time and contributed a significant percentage of Lebanon’s Gross National Product (GNP).
who worked on both projects; or even the use of foreign expertise in the urban planning related to the project.

These sorts of large projects around the world, often exceeding the billion dollar mark, gain the highest attention from the government based on their positive expected impacts on social groups, environments and economies (Altshuler and Luberoff, 2003). The projects are turned to by governments for their job creation potential, their ability to generate investments, increase tourism to the city, regenerate urban fabric for the purposes of rehabilitation, reduce crime, and expand public spaces and modern infrastructure.

Certainly in the cases of Solidere and Abdali, some of these impacts were very clear. Looking at the 'before' and 'after' images of the city centre, to many observers, Beirut's Central District (BCD) was transformed from a pile of rubble, devastation and refugees into what many classify as a global city centre once again. Ayman Trawi, reflecting on the downtown, describes Solidere as shining "bright on the Mediterranean coast, a reminder of past achievements and the entailing great civilisations that followed" (Trawi, 2003, p2). Others have seen Solidere as transforming Beirut into a "new blossoming international centre of finance and commerce" (Gavin et al., 1996, p34). Much international media has also described Solidere rebuilding the “Paris of the Orient” (Nicholson, 1994b). Gavin and Maluf (1996) go so far as to describe a situation where Solidere plays a large role in the modernisation of Lebanon’s regulatory and institutional framework for urban development (Gavin et al. 1996). Especially when compared to the reconstruction efforts in the rest of Lebanon, Solidere was considered by some nothing short of remarkable (Trawi, 2003).

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7 The thesis will use the names ‘Solidere’ and ‘Abdali’ to mean the project’s geographic boundaries and all that is within them of which the projects have property ownership rights. These are also the manner in which the names are used colloquially. The companies which own the Solidere and Abdali projects shall be referred to as they are registered, Société libanaise pour le développement et la reconstruction de Beyrouth, Societe Anonyme Libanaise (Solidere SAL) and Abdali Investment and Development PSC (AID) respectively. In the literature this distinction is not made, however I feel it is important here to represent the company as independent from the project as in the citizens’ vernacular ‘Solidere’ and ‘Abdali’ now refer to a physical and real neighbourhood in the city. The companies themselves have private investors and shareholder structures that are somewhat independent to the physical project. It is the case currently however that AID and Solidere SAL are dedicated wholly to the Abdali and Solidere projects. ‘Abdali’ is also the name of one of Amman’s twenty seven geographic districts, to avoid confusion this district will be referred to by the thesis only as the Abdali District.
To this end, when one considers the RECHCO projects within the frame of a real estate development initiative, they may indeed be interpreted very successfully. However, the impact of the RECHCOs goes well beyond this. Solidere’s story has been packaged as that of a private company that rescued a city from despair, saving the public sector from rehabilitation and reconstruction costs. A similar argument in terms of economic gains can be made for Abdali in Amman. In both the official government narratives of Amman and Beirut promoting Abdali and Solidere, the projects emerged as a 'must' in one case to help Beirut return its vibrant city centre, and in the other, to give Amman the downtown it would need to become a modern capital. As such, the private downtowns receive public funding and support.

These sorts of pragmatic arguments promoting Solidere and Abdali have fit neatly into the neoliberal narrative focusing on market-driven development. These authors have argued that only market rationality could effectively ensure the reconstruction of the BCD to "provide proper leadership and attract funds" (Kabbani, 1996, p66). Solidere and Abdali are not the lone projects in the Arab World following this model. There are others in Saudi Arabia, Sudan, Syria, Morocco and Egypt. This thesis will term these mega-project developments Real Estate Construction and Holding Companies (RECHCOs).

Solidere’s planners referred to a historical precedent to justify their plans in projects such as the London Docklands. However, this resort to comparison as a strategy of justification was flawed. There remain very important differences between the Urban Development Corporations (UDCs) and Solidere SAL and Abdali Investment and Development (AID) which make these Arab examples unique. While many large projects share characteristics of magnitude and investment levels, this thesis will concern itself primarily with those RECHCO mega-projects related to the redevelopment of city centres, receiving full government support for their massive private initiatives, and with allowances for expropriations. These projects also have important implications relating to transparency, public participation and the city's

8 Adham, 2004; Al-Hamamneh, 2010; Barthel, 2010; Daher, 2008; Daher, 2012; Elsheshtawy, 2008; Kanna, 2010; Parker, 2009, amongst others have classified mega-projects such as Solidere and Abdali as part of a neoliberal urban policy.
economy, as a result of specific investor and corporate structures. And as such, these mega-projects are important.

The implications these projects have on cities can be grouped into several main themes which will be explored throughout the thesis and returned to as reflections in Chapter Six’s Conclusion. The first of these themes focuses on the role of the city centre within the city, and the RECHCOs’ effect on this. The second looks more closely at the interaction between RECHCOs and public space, participation and citizenship. The third looks at RECHCOs' as tools within a framework of urban governance and policies. The fourth examines heritage and memory in the city in the context of RECHCOs. The fifth looks at the consequences on space specifically with an eye towards privatised, contested and segregated public space within cities. These themes will also be seen across the Literature Review worked into the broader categories.

City Centres: The Public's Heart of the City

The city centres are interesting to look at because they represent what is objectively the most meaningful space in the city to its residents. A space that is considered the meeting ground for different groups, a space conducive to self-expression, participation and politics. The old city centre in Amman included a mixed-use pattern of religious institutions, residential neighbourhoods, government offices and commercial establishments, sites for political gathering, as well as being a brief meeting point linking the East and West as common ground for the city's socio-economic groups and ethnicities. Similarly, in Beirut, as one editorial in the business monthly Al-Iqtisad wal-Amal put it, the centre of Beirut was "the heart of the capital...the heart of all

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9 Throughout the thesis some of the analysis and conclusions that relate to RECHCOs may also relate to what people commonly refer to as 'mega', 'big' or 'prestige' projects. Breaking down this terminology a bit further several meanings can be attached to these terms. The first is that these sorts of projects are widely staged (and narrated by the media, politicians and communicants). The term qualifies the importance given by institutions and policy-makers (which follows over-investment of human, technical and financial resources away from other areas of the city). The terms are suggestive of the scale of the urban 'realities' (issues) involved and integrated in the framework; and, finally the terms reflect the magnitude of reconfiguration implied in the urban socio-spatial organisation (Barthel, 2010, p134). The argument that RECHCOs are in fact mega-projects will be made.
Lebanon" (Real Estate Agency, 1992, p42), considered a "mediating space for the Lebanese" (Haugbolle, 2011, p83) neighbouring the Green Line which separated Muslim West Beirut from the Christian East. Centres as a hub of the economic and political are not simply an Arab phenomenon. Richard Sennett of the London School of Economics and Political Science notes "as a secular space, the public space of the modern city has always been a hybrid of politics and commerce" (Sennett, 1992, p21 - 22).

**Threatening the Centre's Values**

The RECHCOs in their published mission statements aim to recreate the type of historic centre described above, though the extent of their success in doing so is debatable. RECHCOs self-describe as "city-makers" (Solidere, 2008, p8) but in the physical urban fabric they construct, the regenerated centres begin to be defined by exclusions. RECHCOs deal a "fatal blow" to the memory of historic centres (Scott, 2008, p208). Once meeting grounds and healing-spaces across religions and income-levels, with busy markets, places\(^{10}\) of worship and mixed-residential areas; RECHCOs reconstructed centres as commercialised elite islands within the city. Spatial and social displacement created within the framework of privately-owned RECHCOs seems to undermine traditional centre functions and both physical and social fabric through exaggerated architecture, density provisions and guarded entrances isolating the new district. With new Western visions of downtowns within oriental cities (Adham, 2004), the discourse has evolved to question the

---

\(^{10}\) ‘Place’ and ‘Space’ in planning literature often have very separate and distinct meanings. In looking for A Space for Place in Sociology Gieryn (2000) notes that ‘places’ across the literature have three necessary and sufficient features that “spaces” do not: (1) Geographic location: allowing people to distinguish it with boundaries, near and far (Entrikin, 1989, 1991); (2) Material form as a place has ‘physicality’ and material objects (DuPuis and Vandergeest, 1996) (so ‘place’ cannot be found in cyberspace) though this is a large issue in the literature; (3) Investment with meaning and value: places are filled with identification, or representation by ordinary people (Feld and Basso, 1996). Social processes (difference, power, inequality, collective action) happen through the material forms that we design, build, use, and protest (Habranken 1998). Places are also interpreted, narrated, perceived, felt, understood, and imagined (Soja. 1996). Massey (2005) further notes that places are constructed overtime: interact with one another; and decay and renew. In this literature, place is not space-which is more properly conceived as abstract geometries (distance, direction, size, shape, volume) detached from material form and cultural interpretation (Hillier and Hanson 1984). Space is what place becomes when the unique gathering of things, meanings, and values are removed (de Certeau 1984, Etlin 1997). Put positively, place is space filled up by people, practices, objects, and representations. The definitions commonly used in this literature are adapted here and the thesis will not explore the terms further.
extent to which privatised centres - within their 'neoliberal' construct - are able to accommodate a changing Arab society. Ultimately, the RECHCO affects how citizens function within the political frame of their city.

Indeed, if "one explores the new systems of movement and connection being etched into cityscapes...these concrete structures tell a story of transformation that has been lost in transition-oriented accounts of Arab political life" (Parker, 2009, p110). This thesis shall look at two such structures within city centres - the modern heart of the polis - the Solidere project in Beirut, and the Abdali project in Amman. Solidere SAL and AID were presented as healing agencies and tools of economic growth, supported by public funds, these RECHCOs are changing cities in a variety of ways. On the political front, the 'why' of these projects, and the 'how' of their development have certain implications on the well-being of city citizens and their perception of themselves as constituents of a larger political order. RECHCOs as such touch upon the very essence of what it means to live in a city. It is important that alternatives to development at the participation level are acknowledged and explored.

Public Space, Participation, Citizenship and the Centres

The Centres and the Social Contract

From the earliest cities, the centres historically represented both the focus of politics and participation (Mumford, 1961). The earliest philosophers, contemplating the 'ideal' city, found it to be a reflection of both the individuals within it and their attitudes towards each other, forming its governance system. Socrates’ 'Kalliopolis’ from Plato's Republic (Plato, 1993) was testament to justice in the city being achieved only through justice in the soul. The city in these writings was indistinguishable from the individual; and the individual's character inextricably tied up to the city's political institutions. It was from the city that the notion of citizenship stemmed, and from within the city walls that the concept of the social contract began between resident and
ruler - a contract strong enough to build the greatest of cities, or sufficiently unstable to cause the uprisings seen across the region in the Arab Spring.

In Eastern tradition, descriptions of social cohesion – or lack of it – can be traced to the Arabic historiographer Ibn Khaldoun (Ibn Khaldoun, 2005) who described the concept of ‘asabiyya referring to social solidarity and a sense of shared purpose to achieve social cohesion. ‘Asabiyya is not specifically a nomadic concept, or one based purely on blood relations; it simply refers to solidarity, and loyalty to one's group (whether family, ethnicity, religion, city or empire). More modern terminology might place ‘asabiyya in a frame of social capital found in social networks. The concept of ‘asabiyya rooted in the sense of belonging is an alternate description to the Western social contract and is a concept still thought to be valid in the Arab World today (Ahmed, 2006).

Andreas Kavylas (2010) in more recent thinking on the unspoken contract that binds citizens to their cities and institutions has relooked at Solon's Laws of ancient Athens as inspiration for what it truly means to be a citizen of a city. In writing about citizenship he notes that the defining feature of citizenship is partisanship, where "civic participation is an act of choosing, making distinctions between friends and enemies, deciding one's position on the political field, taking sides on a public issue of common concern" (Kalyvas, 2010, p358). An important concept that first emerged in Solon's political poetry was the notion that political participation is not just a privilege rather it is a citizen's duty to choose a "concrete position in the civic realm" (Kalyvas, 2010, p358). The citizens were given a place to do so; the question is what happens when that space is removed; both physically, changed by citizens no longer having access to the centre; and politically through a closed-off process through which participation in decision-making related to their city's future was prohibited.

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11 1332 AD – 1406 AD.
12 Active citizenship according to Solon is one that dictates that a citizen must stand for his belief and express his concerns about the good of the city (Kalyvas, 2010). A citizen is therefore essentially defined by political action, what (s)he does; rather than by who (s)he is by virtue of birth, naturalisation or marriage. This thesis will refer to the term citizen as meaning residents of the city with the ability and interest to participate in politics. The concept of what it means to be a citizen within a city has evolved over time. Citizenship, at least theoretically, in the literature, confers membership, identity, values and rights of participation, and assumes a body of common political knowledge (Enslin, 2000).
Belonging to the city is premised on belonging to that city's experience, in other words, participating in the design of that city's destiny. Rousseau, in the 18th century, outlines how only active participation in the decision-making process of a community turns individuals into citizens in contrast to merely being 'subjects' (Rousseau, 1762). The central notion of Rousseau's definition of citizenship is that only citizens can make up a city, not any of the other physical manifestations within it. Passive city-residents, not active in decision-making become only subjects rather than citizens which has implications on social cohesion and loyalty to the city explored later. It thus becomes the case that Rousseau recognises that the individual as a political agent is the essence of citizenship, relating directly to the political process involved in the creation of the RECHCO that will be explored in this thesis.

Part of the RECHCO narrative promotes this fact. The Solidere 2011 Annual Report entitled the City in Scenes noted (Solidere, 2011, p37):

The word politika (politics) comes from the word polis (city) – two words that have grown quite apart in meaning over time so that no one is able to make a connection between them. Essentially, politika and polis are the same. Their origin is Greek, dating back to when an elected person in Greece had to promise: "I shall give you back a more beautiful Athens than the one you gave me." It is the ability to look after what is common to the people, meaning the city: the polis, the community.

Amongst the questions tackled by this thesis is what happens when aspects such as property rights and an established 'asabiyya are undermined – when participation is not only discouraged, but actively prevented. Modern literature, looking at 'structurally deficient' countries - even including the modern United States (Ekiert and Foa, 2011), has drawn a picture of 'democracies without citizens' with a political elite that fails to enhance civic engagement at the most basic and grassroots levels (Ekiert and Foa, 2011), describing far reaching consequences.

The lack of civic engagement, allowing for forms of agnostic citizenship (with citizens freely expressing their desires for their city), has left citizens with the
inevitability of becoming antagonistic. When unheard, and unable to change their governments through dialogue, citizens feel almost forced to aggressively and physically invade the space that their dialogue could not shape - their exclusion becomes highly charged and politicised (Kalyvas, 2010, p360). The ‘Occupy’ movements in the West are testament to this, as are early forms of movements similar to the Arab Spring. This is apparent across the Arab World when public sites are taken over through protests as physical manifestations of politics where spaces are hijacked when they cannot be shared. The tent protests covering the downtown Solidere area in Beirut in 2006 or the sit-ins at the Nakheel Plaza, and the disruption of traffic near the Abdali District, in Amman are other examples. When the constituted power does not respond to include all factions of the constituent power, the constituent power will force its inclusion. Antagonism becomes a political strategy and philosophical framework for this inclusion. Eventually the power to constitute must be recognised as the greater power, and the constituted power recognised as that 'mortal' power which can be overthrown.

The Egyptian daily *Al-Ahram*, in an opinion piece, mentions that "modern states need citizens, and these are nowhere to be found in Arab countries" (Abdul-Hussain, 2009, p11). The *Al-Ahram* article goes on to note that the system operates on a social contract and constitution that is also drafted based on the will of the 'popular majority'. As such the basic tenant of the constitution is equality of citizens before the law - a stark contrast to the "older hierarchies based on divine right" (Abdul-Hussain, 2009, p11). Failures of the Arab regimes to acknowledge this, according to the author, is what led to the Arab Spring. The Case Studies explored by this thesis are illustrations of citizenship looking at both the 'means' and the 'end' of a powerful development tool pushed upon their cities.

**Contested, Privatised and Segregated Space**

The space created by RECHCOs not only avoids democratic principles in its planning but also has an end-result that is secluded in nature. Focusing
exclusively on high-end retail and residential space, Solidere and Abdali are distinct from the rest of the city. In Amman, unlike the city centre, a meeting ground full of life, home to the city's markets; Abdali marking itself as 'the new downtown' further polarises the lower-income east from the more affluent west of the capital. Rami Daher, a Jordanian architect and critic of neoliberal urbanism, describes the project as turning its back on Amman's original city centre which will inevitably lead to privatised and isolated space (Daher, 2012). Space is not inviting to everybody. When people are excluded from public spaces, their presence in the 'image' of the public dissolves and so gradually they are also sidelined from public politics. Solidere similarly found its critics imagining the project as creating only an elite centre marginalising ordinary citizens (Makdisi, 1997a and Harb, 1998).

As Ayn Rand's philosophy seems to describe, the making of markets has become a total way of life, reflected completely in the making of places (Rand, 2007). Space is transformed as a direct product of ideological struggles. Daher describes these consumerist utopias as geographies of inequality (Daher, 2007c). The spaces used as places for representation theorised by Lefebvre (1974) come across through social public movements, located geographically in what is viewed as the most public of places, the city centre. The built environment is important, because as John Short in his chapter on Urban Imagineers points out, "space is turned into place through acts of discursive representation. The generality of space is turned into the particularities of place through acts of description and evaluation" (Short, 1999, p38). This means if the 'space' that represented inclusiveness is destroyed, what will be left is nothing more than exclusive geography that cannot possibly fill the gap of creating spatial inclusion. As such, the RECHCO story can be told within the frame of impact on citizens and has several major components related to participation, property, justice and ultimately identity, making it an issue larger than the mere physical presence of 'new' towers replacing 'historic' centres.

13 Lefebvre (1974) has looked at three type of space. The perceived (perçu); the conceived (conçu); and the lived (vécu). Perceived space, or spatial practice, encompasses the material spaces of daily life where social production and reproduction occurs. Conceived space, or representations of space, refers to the socially constructed discourses, signs, and meanings of space. Lived space, or representational space, encompasses the coexistence and interaction of the first two types of space.
On the economic front, the RECHCOs' promoted narrative is one of economic gain, with justifications in jobs, taxation revenues and increased investments, as its exchange for public funding and support and ability to expropriate. In reality many complained that these returns were not justified and that funds were being routed away from projects with widespread benefits to projects geared towards a certain elite. The RECHCO thereby has certain economic impacts from the perspective of the city citizen, in addition to economic effects related to the loss of property. Locke, in the Second Treatise is very firm on this stand. He notes in the early Chapters that man is a property-acquiring acquisitive animal and protection of property is the basis of why man would need the social contract.

Heritage and Memory

RECHCOs Destroying Social Fabric

To many of the RECHCO critics, the narrative pushed by the public sector has underestimated the negative externalities of RECHCOs on the city. Direct costs include those related to expropriation and taxation, as well as costs for upgraded infrastructure. In terms of less tangible costs, are implications on property rights as landowners and investors lose confidence in a system where the sacred rights of eminent domain are used precariously for a private company framed as working for the 'public benefit'. In addition, left out of the story publicised to the world, is the struggle of the stakeholders – the city's citizens and long-time residents of the centre that had their family homes taken and land expropriated. The expropriations meant eviction of the existing population and RECHCOs were accused of "eliminate[ing] the social fabric," while the dissolution of the "medieval patterns" of property within the city would "decimate the physical fabric" (Salam, 1998a, pp131-133). The town centre would become "a dead city, an empty field open to the speculative

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14 Others such as Rousseau take a different view on private property linking it heavily with inequality, wealth and power.
ambitions of developers” (Salam, 1998a, p132), its citizens marginalised. The heritage of the city was seen to be undermined by the new wave of privatisation and modernisation and public meeting spaces disappeared (Thesis Survey, 2012). There is no question that what arises from these projects is ultimately considered "contested space" (Post, 2013) with implications on the political, social and economic.

The thesis aims to explore this narrative, and debate the necessity of RECHCOs through the lens of the impact of RECHCOs on Arab cities’ citizens. It will make the argument that though RECHCOs seem to be appealing and easy tools of modern cities they do not live up to their promises in terms of political, economic and social benefits, especially as seen from the perspective of city residents. Instead, RECHCOs are detrimental both by destroying the heritage that ties city dwellers to their cities and through increasing social segregation and divisions. Resources are diverted towards a certain elite, and the non-inclusive processes that secure the approval of the RECHCOs and the subsequent exclusive public space give rise to inevitable antagonism within urban governance systems.

Undermining Urban Memories

Many within the urban field have identified this time as an essential one. Besma Momani of the University of Waterloo pinpoints this period as one that marks cross-roads in the region (A Book Workshop, 2012). Christopher Parker of Ghent University in Belgium, speaking on Amman, notes the period as one where we are witness to the crafting of places, with authenticity called into question, and different paradigms emerging of what it means to be a community; with global sites increasingly recognised as local (A Book Workshop, 2012). On the social front a theme that underlies the story of the RECHCOs, but is not the main topic of analysis for this thesis, is that of memory and identity. Memory acts as a gateway for citizens in that it is what created the ‘place’ of the centre from the historic space. The physical urban fabric of cities holds memories. As this thesis will show, the new urban fabric
of the RECHCOs undermines these memories to create a certain kind of 'public' where the spectacle of 'the public' dissolves into public spectacle (Mitchell, 1995) – centres become places to look at, rather than be in or be part of.\(^\text{15}\)

Once the spatial organisation changes rapidly, as is the case in RECHCOs, citizenship adjusts as well, in ways that provoke divisions to surface, thereby causing discord. The memories associated with the spaces, in this sense, are tools for collective nostalgia, building an identity towards citizenship. The centres represent a time of togetherness and peace that in fact has a physical manifestation - in the form of a coffee-shop in the centre for instance, or a mosque or a church amongst other houses of worship, where rich and poor residents of varying ethnicities go to pray, protest, socialise and interact: an intangible healing space in the city, distorted by the presence of the RECHCO.

**Urban Governance and Policy: Real Estate Projects and Centres**

Following on from the above, reflecting on city planning, Davidoff writes, "city planning is a means for determining policy" (Davidoff, 1965, p331). In this regard, Beirut and Amman's downtown projects are not the value-free neutral zones that they present themselves as: spaces, turned places, to nourish a public sphere\(^\text{16}\) where political debate and discourse occur - thus problematising conceptions of what it means to live in a city and participate in a "good life" (Paden, 2001, p24). This thesis will argue that RECHCOs, framed as vehicles for development, sabotage the social contract; directed by market forces rather than the inclusion of the public.

As this thesis will show, the RECHCOs offer an approach of urban governance that bypasses the state which is seen as passive and fragmented (Hall and Hubbard, 1996). The withering away of the state (Osborne and Gaebler, 1995) was observed by critics of mega-projects in the form of UDCs.

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\(^{15}\) Mitchell goes on to argue that these spaces create a certain kind of "public" where public protest and anger are controlled in a manner which is ultimately non-threatening to established structures of order.

\(^{16}\) The definition of public sphere is explored more in the Literature Review.
in the UK where the host of different arrangements between the private sector and local authorities at one level, and transnational investors at another level undermined local citizens living around the project. Similarly, RECHCOs and the links they forged with local politicians, groups, civil servants and others, essential for their licensing and success, is an integral part of their story and their impacts on city citizens. A full understanding of the RECHCOs is thus only possible by recognising their full "webs of interaction" (Imrie and Thomas, 1999b, p5).

As an urban governance choice for development, the privatisation of the most sacred of public spaces, the city centre, is not a negligible phenomenon. One Al-Nahar editorial fretted that the “fate of Lebanon may now be in the hands of a private real estate company”17. This thesis has the overall objective of examining the impact of RECHCOs on their city's citizens by better understanding them as tools of development within cities through the eyes of citizens as related to their social, political and economic effects. The conclusion will also put forth a set of recommendations to ensure that if RECHCOs are used, their externalities are positive.

**Thesis Components**

The thesis will be divided into several main Chapters. The first Chapter consists of this Introduction. The second is composed of four major sections. Two sections will give context on Jordan and Lebanon, showing the build up and political and economic environments present in both countries that allowed for the creation of Abdali and Solidere. The next two sections are an in-depth look at AID and Solidere SAL as examples of RECHCOs focusing on the major stakeholders in each Case Study, the corporate structure defining each, as well as design aspects and public reception.

Chapter Three looks at the social impact of RECHCOs from the perspective of a city resident qualitatively. Within this Chapter, the working hypothesis is that RECHCOs are not vehicles to preserve historical architecture and heritage

related to traditional city centres and their role as meeting grounds; rather they focus on modern and contemporary façades and uses and create "elite islands" instead ultimately dividing cities.

The first section concentrates on a discussion of whether a RECHCO preserves or destroys the city's heritage and the impact on citizens as a result. The main issues tackled in this section include a review of the original downtowns and their meaning to citizens in Amman and Beirut; a look at the branding of the 'new downtowns'; an analysis of RECHCOs and existing heritage within the city; and consideration given to the impacts of the new and modern downtowns on citizens within the city.

The second section looks at how RECHCOs affect cities by looking at issues of inclusion and exclusion within the 'new downtowns'. Questions to be discussed include considering if RECHCOs encourage the creation of exclusive enclaves for the elite within the city without provisions for those of middle or limited incomes; if RECHCOs further divide cities; and an analysis of RECHCOs as effective tools creating public meeting spaces, and providing space for unifying the city.

Chapter Four looks at the political impact of RECHCOs. The Chapter will argue that with ineffective and inefficient government structures and systems in place, failures of policy, institutions and processes are a common phenomenon of RECHCOs. In its first section, it will look specifically at the process that allowed for the establishment of the RECHCOs and what impact it had. It will include a discussion of both the political and institutional factors and civil society response. The Chapter will look at questions relating to how RECHCOs were conceived and framed as an "inevitable" choice; outline the challenges faced by the RECHCOs; analyse the types and strengths of the RECHCOs' linkages with government to guarantee approvals; look at the relationship between private investors and RECHCOs; examine the RECHCOs' institutional framework; describe the opposition RECHCOs faced; and consider the relationship between RECHCOs and corruption. It will also analyse the impact this had on citizens' relationship to the political system.
The second section will focus on how property rights were impacted by the RECHCOs. The hypothesis here is that property rights are inevitably undermined during expropriation by the RECHCO moving from one private owner to another. The questions to be answered in this section include an examination of the compensation methods and values and whether they were conceived as unfair; a look at whether RECHCOs undermine property rights and how this affects investor confidence; a consideration of whether eminent domain should be considered an appropriate tool for redevelopment given that a private company is undertaking the project; and a look at in which circumstances should RECHCOs be considered tools of choice.

The Chapter's third section and conclusion will look at how the RECHCOs' creation permanently altered 'doing business' in Beirut and Amman, and will argue that the effect has in fact been negative. The Chapter will look at those doing business practices that have changed as a result of the RECHCOs' existence and transparency issues relating to the RECHCOs.

Chapter Five examines the economic impact of RECHCOs and looks at whether they provide positive financial gains to city citizens looking at the RECHCO quantitatively. This Chapter argues that when conducting a cost-benefit analysis the employment, tourism and investment gains achieved will be found to be consistently below those that have been promised by the RECHCO and compared to the public costs the RECHCOs require. The Chapter's first section looks at economic benefits of RECHCOs including a calculation of employment, tourism, investment gains, taxation, and how these economic benefits are distributed.

The second section looks at RECHCOs and public costs and incentives, asking what sort of public economic subsidies are associated with RECHCOs; what tax incentives are offered; how and if RECHCOs skew the real estate market and distort prices; whether RECHCOs inevitably crowd-out private sector firms; whether RECHCOs have monopolistic advantages; and what other costs exist. The final section of this Chapter takes a tally of the analysis to offer conclusions and a commentary on how much value the general public places on RECHCOs.
The final Chapter aims to provide a wrap up of the arguments made in the previous Chapters, and synthesise the lessons learnt across the RECHCO Case Studies. The Chapter's first section rearticulates the importance of RECHCOs and summarises the objectives of this thesis examining to what extent its initial objectives were satisfied and methodology effective in undertaking an analysis of the impact of RECHCOs. The second section pulls together the main conclusions over the next three chapters. The final section puts forth a series of lessons learnt and suggests next steps.

By studying RECHCOs more closely there is something to be learnt about their nature, the political systems that they operate in, and how to gain a better understanding of them as tools for development. Yasser Elsheshtawy, discussing struggling and emerging Arab cities, describes redeveloped centres that have become a model for the Arab World, a new Arab metropolis that is "unburdened by history...free to create a new identity and in turn serve as a model for the rest of the Arab World." (Elsheshtawy, 2008, p2). This thesis will attempt a critical look at this model - testing its sustainability for development for the first time - to examine its suitability for replication.

The Arab Urban Development Context

It is important to understand this thesis in light of the changing nature of the Arab World, specifically, in terms of rapidly urbanising cities. Cities are an increasingly important force within the construct of nations, with urban populations much higher in Lebanon and Jordan than others in the developed world. Of the 300 million residents in the Arab World, more than 50% live in cities. Following closely behind Latin America, the Arab World boasts the fastest rate of urbanisation amongst the developing world. Recent estimates put urban population growth at about 25% over the next ten years, compared to rural population growth at about 8.5% (Bakshi, 2009). Within the Levant region, Jordan has seen a population growth of 2.2% in 2010.
Figure 1-1: Annual Percentage Growth of Urban Population (1990-2010 average)

![Graph showing annual percentage growth of urban population]

Source: Data selected and graphed from World Bank, 2012

The Levant region of the Arab World has seen amongst the largest concentrations of population in its nations' largest city. In 2010, Beirut was home to about 52.5% of Lebanon's total population. Amman in Jordan is home to approximately 23.3% of the Kingdom's residents; the Arab World region as a whole shows an average of 23.1%. These stand out in comparison to the European Union (EU) average of 15.1% - reflecting the heavy weight carried by the capital cities within the Arab World, where centralised politics, limited resources and concentrated infrastructure draw residents, investment and attention to one major city.
Figure 1-2: Urban Population as Percentage of Total Population, 2010

Source: Data selected and graphed from World Bank, 2012

Population growth rates are also much higher within the Arab World than the developed world, putting additional stress on infrastructure facilities, government budgets, and the ability of the public sector to keep pace with the needs of a growing population. This need becomes even greater as we examine the youth bulge of populations (in Jordan and Lebanon, 37% and 25%, of the population is below the age of 15 respectively - compared to 17% in the UK and 18% in France) which brings with it surges of growth (Population Reference Bureau, 2011). Amman's population especially has seen sudden jumps; in 1990 for instance over 250,000 residents returned to the city. In 2003, estimates project the number of Iraqis who came to Jordan as just under 1 million. In 2013, Syrian refugees in Amman stand at almost half a million people. The city has therefore suffered from severely strained infrastructure.
Figure 1-3: Annual Population Growth % 1960-2010

This thesis is important because it contributes one of the first substantive works documenting the Case Studies in detail at a time when cities and their populations are growing in importance. For Abdali, it is the only academic text that looks at creating a written history of the project. It is also a new attempt to link the two RECHCO cases to offer a more general analysis on the impacts of RECHCOs from the perspective of the citizen. The research will have significant policy implications, not just for the identified case studies, but also for the Arab World as a whole. For this reason, the Conclusion Chapter will focus on a series of lessons learnt from the RECHCO experience.

1.2 Methodology

The thesis focuses on two case studies in particular. The first is the case of Solidere in Beirut (near completion) and the second is the Abdali case in Jordan, modelled after the Solidere experience to assess the social, the political and the economic impacts on cities’ citizens. There is much overlap
between these three pillars of evaluation, for this reason impacts may be seen to lie across the three areas, and be interrelated. While there is a dedicated Chapter for each impact, as mentioned in the text on the sections of the thesis, the combined threads of impact will be discussed in the conclusion.

Despite having critics, especially regarding generalisability, case studies have long been established as legitimate means of studying wider phenomenon (Flyvbjerg, 2006), rather than merely producing anecdotal evidence (Eysenck, 1976), and their use is not new by any means (Eckstein, 1975 and Campbell, 1975). Ultimately, all case studies are specific and context-dependent; however case studies are extremely useful where they represent likely cases that can be emulated for the future. Case studies provide practical knowledge, and even one case can contribute to scientific development. They can also be useful for generating hypotheses and can be concisely described within the framework of the thesis (Stake, 1995; Ragin and Becker, 1992).

Wholly predictive theories that are universal in nature are not to be found in the social sciences. However, to fully give a case study its worth, Lisa Peattie of MIT’s Urban Planning Department, explicitly warned against summarising dense case studies (Peattie, 2001, p. 260) – each case must be detailed sufficiently. Generalisability of case studies can be increased by the strategic selection of cases (Ragin, 1992; Rosch, 1978). Amman and Beirut for instance, both saw the use of RECHCOs in spite of highly dissimilar political and socioeconomic backgrounds and so serve as interesting cases that one may generalise from. In both cases the RECHCO is a completely private entity, which expropriated land. While differences in the RECHCO structure do exist between the two, and will be discussed in detail in later Chapters, the models are similar enough in terms of size, investment type and approval process to provide a framework from which generalisations of RECHCOs can be made. Indeed, the very different contexts of Amman and Beirut show just how universal the impacts of RECHCOs are when they are found to be similar in both cases. Amman is representative of a modern capital working to attract transnational investors, Beirut is a capital that was emerging from a tense post-war environment, and is also a key RECHCO case, being the most famous, and a model upon which others were built.
Chapter 1: Introduction

The thesis will take a snapshot of the two cases at different times. The first of these cases is over a decade old; that of Solidere in Beirut. It is one where tangible results have been seen, and where citizen feedback can be examined in retrospect with the 'end' result, an almost completed project, already on the ground. The second case is that of Abdali in Amman, modelled after Solidere in Lebanon, and still in the process of being constructed. Reactions of a different nature will be gleaned from this case, as the process leading to the RECHCO's approval is still fresh in citizens' minds, and their evaluation will be focused more on the 'means' aspect. The analysis of the cases is divided up into several major components, with a unique methodology for each. In addition to being representative cases in terms of emerging from two varied backgrounds, both the cases of Amman and Beirut are ones I am extremely familiar with allowing for the translation of personal observations and experiences along with the other methodological tools for evaluation.

The cases offered enough in terms of diversity and settings that significant conclusions can be drawn from both. Given Solidere's condition as a "first" of its kind, it can be considered a 'critical' case of sorts (Thomas, 2011) that has been present for a decade and which would allow several key deductions to be made as a result. Amman's RECHCO case can be considered a typical case of the RECHCO of sorts, with transnational investors, high-order of government support, appropriation of land, and international outreach of the RECHCO. One of the most effective uses of a case study relates to Karl Popper's falsification (Yin, 2009; Thomas, 2011a). As the RECHCOs are marketed as being of great benefit on the economic, social and political fronts (as is described in the case studies), if the subsequent analyses are able to provide observations to the contrary then the conventional thinking about RECHCOs in cities must be changed. Within the time and geographic limitations of this thesis, two case studies were able to serve the purpose of offering a comparative view of RECHCOs and their potential impacts on citizens within the Arab World.

There are several major components to the cases. The first major component is based on mapping the histories of the Abdali and Solidere projects, piecing
together the 'story' related to the idea's inception and following it through to implementation. The second is gathering a comprehensive understanding of citizen's views of the project on the social and political fronts. The third is evaluating the project's impact through an analysis of the costs and benefits. The fourth is giving consideration to the lessons learnt from the RECHCOs. These components will be composed using several distinct research methodologies outlined below:

1. The first component is based on several research techniques. The first is a series of interviews with key stakeholders which is one of the few ways of capturing a previously undocumented story properly like that of the Abdali case. Through storylines established from newspapers, interviews and literature, a comprehensive list of stakeholders was identified in both cities, and the project discussed with them in order to be able to piece together a picture of the approvals process relating to the project and its key benefits and costs. These interviews took place in both Lebanon and Jordan, and were conducted in the language the interviewee was most comfortable with (Arabic, English). The literature reflects the essential use of interviews to help illustrate logic chains outlining activities, outputs and outcomes (Cambridge, 2010) in these types of analyses.

A comprehensive Literature Review was undertaken as the second key contribution to the research effort. The review began by looking at literature discussing the earliest cities and citizens' relationship with the city and their centre then focused in on literature relating to Arab Cities. A more specific Literature Review looked at papers discussing the Solidere experience, and that of the Urban Development Corporations in the UK as a predecessor of the RECHCOs. In the case of Amman, no documented history of Abdali or AID exists. For this reason a media review was invaluable in piecing together the events that helped to create the project. This took the form of a systematic review of the archives of the three most popular dailies in Amman from 2002 to date. In Beirut the media coverage helped contribute to the analysis of public opinion and articles were similarly collected. An Internet scan of blogs and other forms of expression was also included in this review, although these sources
cannot be taken as factual records. In addition to the media review, the companies' published records were a good source of information for tracking profitability, investments and corporate structure. Public records, such as land rights contributed to the analysis. The corporate offices of Solidere SAL and AID provided such information, alongside the related ministries in Lebanon and Jordan. A legislative review was a final step of this component as it was important to note the laws, bylaws, regulations and court decisions, enacted to help bring the RECHCOs into existence, and to track their legal authority and extra-legal activities.

(2) In trying to attain a comprehensive understanding of citizens' views relating to the projects, a different approach was taken for Amman and Beirut. In the case of Beirut, interviews took place in Beirut over the summer of 2013. Approximately 20 street interviews were conducted within Beirut; about 10 in and around the Solidere area and an additional 10 in the Hamra area, another vibrant commercial district. The interviews were equally portioned across men and women of a wide age range. Solidere's costs and benefits as an established project from the perspective of citizens were more easily accessible than those of Abdali. In addition, Solidere is well debated and discussed in the public sphere.

Within Amman, for the 'non-market' aspects, the research approach adopted provided a conceptual framework to estimate the benefits and costs of the RECHCOs. The thesis undertook an assessment of the evidence base in order to provide an approach for the appraisal and evaluation of the RECHCO as a tool for development, and expand an extensive set of recommendations to maximise its functions. The non-market valuation technique that was used in this thesis was based on examining stated preferences through contingent valuation and directly elicited monetary values from respondents with choice and direct valuation questions through a survey to help place a dollar-value upon the perceived 'public benefit' of the project. The stated preference survey will

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18 These include any project features that cannot be 'bought' or 'sold'. This includes development gains such as improved standards of living in the city, or the expansion of public space and facilities that are not traded directly in markets, so no direct market value can be assigned. While job creation and investment can be measured with direct statistics, other softer gains cannot be quantified directly.

19 Contingent valuation is a survey based economic technique for the valuation of non-market resources. It is a type of stated preference model.
also estimate preferences and therefore provide values for the kind of changes that are not bought or sold but rather just ‘felt’ by citizens, and this will be especially important in the case of Amman20.

The use of surveys has been long established to examine ‘willingness to pay’ (Alberini et al., 2004; Azevedo, Herriges and Kling, 2003; Bateman et al., 2006; Dolan and Metcalfe, 2008; Earnhart, 2001; Ghermandi et al., 2007). From the UK, literature has shown the long-term use of stated preference surveys for public goods to assess willingness-to-pay which has been commonly used for almost thirty years (Azevedo et al., 2003). In 2009 the Department for Communities and Local Government (DCLG) began a series of studies on valuing the benefits of regeneration looking at potential costs and benefits, part of which included a stated preferences survey. The literature shows that methodologically the relevance of the stated preference studies is high (Dolan and Metcalfe, 2008 and Earnhart, 2001). Stated preference studies have had positive results and covered a wider variety of topics. Urban green space has been looked at by Bullock (2005) and Oppewal et al. (2005); historic and cultural sites regeneration by Riganti (2005); public realm by Alberini et al. (2004). Bateman et al. (2006) have shown the positive use of contingent valuation alongside choice experiments. Other works show the need to include screening and quota questions, introductory questions, choice experiments, and socio-economic questions (Riganti, 2005 and Bateman et al., 2002), and these were included in the survey conducted.

Sufficient citizens were surveyed, to provide a large enough sample size to ensure appropriate representation (Amman has a population of approximately 2.5 million people). To this end, a 1,500+ person paper-based survey was distributed within Amman21 in order to try to quantify the 'non-market' benefits or costs of the projects. This survey sample size will give a confidence interval of 97%22. The survey was required for

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20 A National Oceanic and Atmospheric Administration (NOAA) Blue Ribbon Panel (Arrow et al., 1993) was created to consider the validity of these survey methods. The results found that stated preferences and revealed preferences were very highly correlated and that much extremely useful information can be found from properly designed stated preference surveys.

21 A full translated survey can be read in Appendix I.

22 The confidence interval is a type of interval estimate of a population parameter used to indicate the reliability of the estimate.
gathering a base of public opinion regarding the Abdali project within the city of Amman not available in the media and literature as it was for Beirut. The survey helped to assess how people of different incomes and geographies across Amman perceive the real estate project within their city, and to what extent they view it as a public good. Only a survey in Amman could provide this kind of data. The Thesis Survey looks at how the respondents saw and interacted with Abdali within their city and how this impacted them politically, economically and socially. In addition to background questions about the respondent and direct questions relating to opinions about the Abdali project, a series of questions were used within both a stated preferences technique as well as contingent valuation to directly elicit values from respondents with choice and direct valuation questions.

The survey was paper-based and distributed across the different districts of Amman within commercial districts (during and after working hours) and coffee-shops. A research team of five trained individuals were used, with the initial five interviews concluded by each person attended by myself. The survey was not left with respondents, but rather conducted in an interview format where additional comments could be added freely, and so gave allowance for more qualitative feedback so that additional anecdotes and details could be recorded in an interview fashion. Open ended questions and comments were included. Participants filled out the survey in Arabic. A researcher was available to explain the survey questions and one resident per household over the age of 18 was allowed to fill out the survey. The survey lasted on average about 30-40 minutes. A daily tally helped ensure that the numbers of respondents living within each of Amman's 27 districts were in-line with the sampling strategy. 10% double data entry was used as a quality control measure, and only surveys more than 85% filled were considered to be acceptable.

The sample was stratified across four categories. It was important due to the survey being distributed in commercial areas that these four

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23 The full sampling plan can be seen in Appendix II.
24 For the Ethical Approval Certificate based on permission forms, data storage and ethical considerations inline with the University of Exeter guidelines please see Appendix III.
categories were adhered to, in order to ensure that there was sufficient representation across all societal categories. Where significant differences exist and where relevant, cross-tabulation analysis of these results will be drawn out to show how different segments of society were impacted differently by REHCOs. These categories were:

- **Gender**: the sample ensured proportionate distribution of gender as reported by Jordan’s latest Population and Housing Census²⁵;

- **Age**: the sample was distributed across four age categories: 18-25; 26-50; 51-65; over 65 as outlined by Jordan’s census;

- **Districts**: proportionate distribution across the districts of the Greater Amman Municipality (GAM) was ensured;

- **Monthly income**: was proportionate to the following annual household incomes in Jordanian Dinar (JD) as measured by the Department of Statistic’s Income and Expenditure Survey: less than JD 3,600 annually (USD 5,076), between JD 3,600 – 6,000 annually (USD 5,076 – 8,460); JD 6,000 - JD 12,000 annually (USD 8,460 – USD 16,920); above JD 12,000 annually (USD 16,920).

The decision to use a survey tool in Amman and conduct interviews in Beirut was mainly due to the fact that the Solidere project is two decades old and already well-established and discussed in the public domain with plenty of associated literature making the use of a large-scale survey in Beirut unnecessary.

In addition to the interviews and survey, by being physically present in Amman and Beirut for extended periods, and having lived in both cities and spent time in the project areas, I was able to accumulate my own observations of Solidere and Abdali and how people interact with, and react to, the sites.

(3) The third major methodological component is examining whether the RECHCO actually delivers on promised development gains, which will be analysed by undertaking an economic cost-benefit analysis. A series of indicators was designed to benchmark the development benefits of the

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²⁵ The Population and Housing Census is conducted every ten years by the Department of Statistics. The latest available was undertaken in 2004.
RECHCO against their drawbacks. In the case of Solidere in Beirut, the project history spans twenty years with the company still very much operational. In the case of Jordan, there are only preliminary projections. The benefits - and costs - attributed to RECHCOs have several data sources that can be used to support the analysis. The first is hard data that was gathered through interviews with developers and published statistics. Data that was collected included job creation averages, as well as foreign investment levels (in terms of quantity, quality, and sources of funding), tourism figures, land values, corruption indices, and national economic statistics amongst other statistics. In terms of costs, actual government grants - including hidden taxes - were examined, as well as publically expensed land and construction. There was also data generated on the long-term as related to the use of funds and revenues on the part of the RECHCO, as well as data related to the crowding out of domestic and foreign investors, influence (actual or potential) on the exchange rate, and impact on legislation and the business environment.

This thesis will similarly use the data where applicable to examine the distribution of the benefits amongst the entire community in Beirut and Amman.

(4) The final component includes an analysis to synthesise across the impacts to create a series of lessons learnt for potential future processes to enhance the benefits of RECHCOs and their sustainability. This stage involved certain interviews with policy makers as well as reflection and analysis of the results generated by other components.

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26 The literature has much to offer on this topic. In terms of issues relating to tourism gains, cases in the UK have looked at value transfer from environmental improvements due to additional visitor expenditure (Ecotec, 2006; GHK, 2007). One report from the Land Economy Department in the University of Cambridge compares across a series of indicators, which include: skills and education; employment and unemployment; sustainable economic growth, wealth creation, competitiveness and business support; improving housing; initiatives of benefit to ethnic communities; crime and community safety; quality of life, health, culture, sports facilities; amongst others (The Department of Land and Cambridge Policy Consultants, 1999) which are all factors to be included in the economic evaluation. The UDC evaluations that were undertaken within the UK did not use stated preferences within the work. Some studies looked at the London Docklands Development Corporation during its first 10 years using a set of criteria to assess regeneration - especially regarding housing, employment, and transportation infrastructure (Oc and Tiesdel, 1991).
1.3 Literature Review

The concepts of RECHCOs touch upon several fields of literature. For the purposes of this thesis I feel the story of the RECHCOs is most strongly situated in the writings that have taken place on the Arab city. The Arab city in modern literature has not been well explored empirically, and especially not when considering its relationship to its citizens as cities expand and populations demand additional rights. The Literature Review will not be exploring literature related to architectural spatialisations. While mainly an empirical thesis, this Literature Review nevertheless is an opportunity to further expand on the theoretical issues the thesis also addresses. The themes addressed above are also to be found in the Literature Review.

The Literature Review is structured into four major sections. The first looks at how to understand the city centres within cities and how to look at projects within the city context and within neoliberal trends that may give rise to contested space within cities. The second looks at the literature on the public space and the public sphere, looking into these of public space and participation and citizenship further. The third looks more specifically at the Arab city and its evolution, taking this analysis a step further and bringing in issues of heritage and memory. The fourth section looks at the trends encouraging the creation of these large projects within cities, within the context of urban governance and policy. The Chapter's conclusion looks at the literature that exists on Amman and Beirut specifically relating to the RECHCOs and how this segues to the thesis. Much of the specific literature on the more theoretical approaches used to evaluate such large projects within the UK and Europe I have left to later Chapters. Similarly the literature on property rights is left to Chapter Three.
The Evolving City

In considering how large privately held real estate companies might impact cities in a 'good' or 'bad' way, I found no limit to literature addressing 'good city form' and how ideal cities interact with their citizens through the various components. The literature on city form is essentially the rational starting point for this thesis, providing an understanding of citizens' relationship to the city and the projects within it, albeit not making the functional jump to discussing developmental aspects as measured by the more quantitative impersonal economic indicators of employment, crime, and investment, amongst others.

I have divided the literature into three major categories that attempt to explain whence cities (and their components) come and to reconcile this with the literature on city planning and observations of the modern world. The first branch is 'normative theory' which deals with connections between human values and settlement form, in other words 'how to know a good city (project) when you see one'. The second is 'functional theory', which focuses specifically on the form of cities, and attempts to explain why they take the character they do and how they perform functions within this form. The third is 'decision theory', which relates to how decisions are made in complex political and economic enterprises within the city - especially relating to large projects or plans. This thesis will deal most directly with the functional and decision theory, and to a much lesser extent normative theory.

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27 While a rigorous definition of the city is not really needed for this thesis, I have found it useful for the purpose of this Literature Review to adhere to a common definition within the urban planning field, which is simply to imagine the city as a story, "a pattern of relations between human groups, a production and distribution space, a field of physical force, a set of linked decisions, or an arena of conflict" (Lynch, 1984, p38).

28 One of the comprehensive guides on the matter of what a good city is remains Kevin Lynch's monumental work on Good City Form, offering five basic dimensions of city performance: vitality, sense, fit, access, and control, and two extra 'meta-criteria', which are efficiency and justice (Lynch, 1984). Lynch discusses the need to imagine the city as a complete and adhesive unit, meaning that in order to fully grasp the impact of RECHCOs, we must do so in the context of the overall city.
Normative Theories: The City Centre in History

The Greek City

While there is agreement that the earliest cities were built for functions of worship, in addition to others of economy and defence, functions that remained entrenched in modern cities (Mumford, 1961), the structure of cities, and especially their centres has evolved. The earliest thinkers on cities date back to 300 B.C. (the times of city-construction for the parent cities of Greece). From Aristotle we learn about the ideal state, designed by Phaleas who believed in complete equality of property; and we hear about one of the first city planners in the history of man - Hippodamus. As an architect, sociologist and city planner Hippodamus realised that a city was more than a collection of houses, streets, markets and temples and he propagated a social order to match his city plans (Mumford, 1962).

Greek literature was filled with praise of the polis from philosophers and poets. The city was convinced of its own glory through the rights of its citizens and indoctrinated its residents with this ideal. So much so that in Phaedrus, Socrates announces that the stars, the tones, and the trees could not teach him anything. Believing he could learn all that mattered only from Plato's 'men in the city centre' (Plato, 2005). Athenian life was not meant to be lived in privacy – this would have undermined the polis. Instead life was supposed to be lived in the agora, or the large square where citizens gathered to gossip and discuss politics: 'a polis within the polis' (Hansen, 2006). In order to maintain this delicate balance of socialisation and size, the polis had to be scaled to this human dimension. Aristotle describes this phenomenon as one where the ideal city should be taken in at a 'single view' (Boochkin, 1986). Dreamers of an ideal city were plenty including Le Corbusier, Howard, and Wright. While Utopias were written about (and sometimes even implemented in somewhat failed experiments) no one ideal city emerged29. Much on this

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29 'Utopia' comes from the Greek α-τόπος (a-topos) meaning 'not a place'.
'ideal' city form has been debated, however, Kevin Lynch notes, across the board this city has a centre at its heart (Lynch, 1959).

**The City Centre**

Centres by nature, says Lynch, traditionally exhibit mixed-use functions with internal specialisation (for worship, commerce, politics) and transitions of different zones and various urban forms between the specialised areas (Lynch, 1964, p392). In Europe and the Middle East, these centres have always been associated with the more historic parts of the city. Thinkers about centres have included August Losch, whose 'central place theory' in the 1950s was one of the earliest attempts at explaining the importance of centres through economic forces. It is these very economic forces that have encouraged the metamorphosis of downtowns into Central Business Districts (CBDs) as outlined by Victor Gruen (the architect responsible for the first shopping malls in the United States) who looks at the origins of the 'downtown', interchangeable in many American cities with 'CBD', (Gruen et al., 1965) being replaced by the 'shopping mall'. Indeed the word 'downtown' was first used in New York, referring to the geographical area around Wall Street. It soon extended to the rest of the United States. Europe and the Middle East have more traditionally used the notion of City Centre (*centre-ville*), though this distinction is often overlooked in the literature with interchangeable terms for city centre and downtown, especially as it relates to the Arab city.

City centres have been slowly transformed into new "managerial centres" (Castells et al., 1997, p23) with examples such as *La Defense* in Paris, and some of these new business complexes have threatened "the traditional supremacy" of the CBDs (Baerwald, 1978, p308). Fast changing cities within the United States brought forth a new focus on downtowns and their revitalisation. Frieden and Sagalyn analyse the retail industry to look at developers and 'enterprising' mayors who found creative solutions to developing their downtowns in light of shrinking Federal subsidies (Frieden
and Sagalyn, 1991). This 'modernist' planning paradigm (Sandercock, 1998 cited in Yacobi et al., 2005) present in Arab cities - as it was elsewhere - was based on "rationality, scientific method and faith in a state directed future" for what planners knew to be in the public interest (Yacobi et al., 2005, p506).

The concept of the centre or heart of the city is always central to the literature on normative city form. However, with the emergence of new commercial and managerial uses, the traditional function of the downtown as a 'polis' has been disintegrating. The romance associated with the image of city centres as melting pots is one that has been exploited by large urban projects and their proponents. Beirut's city centre for instance was known as a mediating space (Larkin, 2010), and after the Civil War the image of the Lebanese rising from the ashes as a united people in the heart of the city was the framework under which Solidere SAL marketed its plans (Kousis et al., 2011)

Functional Theories: The Neoliberal City

For the purposes of this thesis, the most relevant literature is that which looks at the functional effects of neoliberalist trends upon city form. Many have, within this trend, mapped the ideological conflict between "municipal socialism" and "urban entrepreneurialism" (Parkinson, 1989, p421). The urban entrepreneurialism has come in several forms. In the Entrepreneurial City, Hall and Hubbard look at shifting urban policies to prioritise 'pro-growth' local development (Hall and Hubbard, 1998). David Harvey puts public-private

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30 When mapping out urban theory, from the start of the twentieth century, there have been three major schools of urban studies. The first of these was the Berlin School, Weber examined the relationship between urban places and the status of law (where rights and place were tied to cities); Simmel looked to the city as a point of reflection of sociology; Benjamin looked to the city as a site for thinking about narrative cultural practices and imaging. The second major school of thought was the Chicago School (prior to WWI). The school looked at the spatialisation of social and economic difference, and how these differences are imposed on natural geography. The third school was the Paris School (1950s-1970s). The major players included Henri Lefebvre who looked at trying to create democratic socialism where the city served as a space of production. Guy Debord, Michel de Certeau and Michel Foucault were also major thinkers in this school. All three schools focused on space rather than built form (geography over architecture).

31 Neoliberalism was coined in 1938 by Alexander Rüstow, though it has since undergone a change of meaning. While literature on neoliberalism existed prior to the 1970s, the literature with the most direct consequence on cities began with the Thatcher-Reagan era. Much literature available focuses on critical reviews of the Thatcher Government's urban policies (Parkinson, 1989), closely looking at the centralisation and privatisation of urban policy, while others have looked at examples in the United States (Frieden and Sagalyn, 1991).
partnerships at the centre of 'urban entrepreneurialism' looking at how external sources of funding, direct investments and new employment sources are at the centre of city policy interpreted as large-scale consolidated projects at the city level (Harvey, 1989, p7).

Harvey's seminal work, *Social Justice and the City*, published in 1973, helped redefine the relationship between urban studies and capitalism. Harvey proposed that "urbanism, the city, and all related phenomena, were epiphenomena to the processes of capital" (Harvey cited in Thompson, 2005, p22) critiquing some of the most influential theorists of the time, such as Henri Lefebvre who argued in the *Urban Revolution* that the urban sphere was able to stand independent of capitalism. Henri Lefebvre's work in the 1960s and 1970s looked at the spreading of urbanisation and implications of "spatial justice". Lefebvre also described "representational space" which overlays physical space (Lefebvre, 1974) and represents the ideology, which in turn influences urban development. Other criticisms of Lefebvre have included his student Manuel Castells in a structuralist critique recognising the changing nature of cities; and who along with thinkers like Harvey have looked at how capital accumulation is the underlying force driving urbanisation (this is discussed more in the section on public sphere and public space).

The transformation of cities due to capital accumulation has been a base concept for a whole host of research. Saskia Sassen (2001) coined the term 'global cities' to distinguish the modern leading cities from the past 'world cities'. The truly 'global cities' were in a sense 'nodes' in the globalisation network (Castells, 1996). Newman and Thornley (2005) have looked at the importance of political ideology in the city as an important part of its role in the globalisation process. The city, as such, has taken on new roles and characteristics. Coordination of economic activities takes place at a much larger scale and amongst activities concentrated in privileged areas (Bourdeau-Lepage and Huriot, 2004).

This concept of the 'Network Society' was developed by Manuel Castells in 1996 (Castells, 1996), and the global cities became those "by which centres of production and consumption of advanced services, and their ancillary local societies, are connected in a global network" (Castells, 1996, p386). This city,
according to Castells, was arguably a 'dual' city which opposed the matching of the cosmopolitan to the localism and so made an ever growing distinction between the global space of flows and the more locally interpreted sense of place. This increased connectivity has been identified by others as "a dromocratic order of great invasions" (Virilion, 2006, p113).

For Harvey (2008) the struggle regarding the hegemony of financial capital should be centred around the 'right' to the city since the accumulation of capital ultimately finds itself involved in the creative destruction of urban environments. These new global cities are independent from traditional government structure (Smith, 2005). They are assessed internationally, and ranked according to new global metrics. In addition the ranks of cities in the transnational business connections are set by global cities, which top the list (Malkawi, 2011). This is very important for Amman and Beirut as they compete globally to attract investments.

Within this ranking, cities of historic importance (such as Cairo, Damascus, or Baghdad) or of religious importance (Mecca, Medina) shadow others in terms of economic status. The discourse ignores criteria such as national standing and cultural functions, positioning economy as the primary measure of city status. Cities that do not determine success by this measure have fallen behind the others, compared internationally (Robinson, 2002). Within this literature, places in the form of cities begin to be identified by performance (Callon and Muniesa, 2005; Sidaway, 2007) and calculations of profit (Ong, 2000 cited in Parker, 2009).

Becoming a 'global city' is certainly not simply a matter of size (Smith, 2005). Arab cities in this sense are made out to be 'gateway' cities (Beaverstock et al., 2000) - cities that want to be global, but in reality attract very limited attention on the transnational investment front. As such the debate was refocused and, within the global city frame, the increasing competition between cities has meant that they have become commodities themselves (Fainstein and Judd, 1999a). This trend has specifically affected cities across the Arab World by making them "obliged" (Daher, 2006, p53) to create the business conditions and tourism facilities sufficient to attract people to live, invest and be entertained. However, in creating this new image for investors,
local communities are sometimes excluded (Daher, 2007d). To cities in the intense competition to attract international investments, the lack of a modern downtown has meant lowering investment potential amongst multi-national companies in cities (Swyngedouw, 2002), and so a new focus has emerged on projects within the city centre. These large-scale projects give rise to a phenomenon that is referred to by Saskia Sassen as the "quartering of urban space" resulting in a "fragmented city" and a "patchwork of discrete spaces with increasingly sharp boundaries" (cited in Elsheshtawy, 2004, p18). Within Arab cities, Jamila Bargach has described these neoliberal imprints as "ruptures" within the city. She goes on to describe how citizen needs are ignored within these major projects that "primarily serve global capital" (Bargach, 2011, p17). Against this backdrop of globalisation, urban governance also remains problematic, with lack of policy options and development tools at the city government level (World Bank, 2007).

Literature has undertaken certain examinations of "emerging islands of excessive consumption" (Daher, 2011, p53) creating elite zones with international real-estate companies and construction consultancies capable of providing high-quality services looking at neoliberal urban structures in projects such as Solidere in Beirut, Abdali in Amman (Summer, 2005; Daher 2007a), Dreamland in Cairo (Adham, 2004), Financial Harbour in Manama (Ben Hamouche, 2011), and Mecca through the Jabal Omar Project. Adham’s work on Cairo (2004) describes these projects as neoliberal urban restructurings copying developments in the West such that it gives an "oriental vision of the occident" (Adham, 2004, p157).

This 'Western' planning has become a serious issue for planners and urban designers (Saliba, 1997a). Guy Debord describes some places as "too unreal," too much of a "representation" lacking "authenticity and lived

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32 Swyngedouw (2002) in his work *Neoliberal Urbanization in Europe: Large-Scale Urban Development Projects and the New Urban Policy* looked at major projects across Europe. In his view, the neoliberal new economic policy of deregulation, privatisation, flexibilisation of the labour market and spatial decentralisation have fed into a new urban policy based on new urban coalitions, shift from social to economic policy, new state entrepreneurialism, selective deregulation, city marketing, territorially targeted social policy, and producing urban rent. These new urban policies have led to partnerships, privatisation of public funds, increased real estate developments focused on flagship projects that are spatially targeted and localised.
experience", where what we see is a commodity, and the spectacle is “capital accumulated to the point where it becomes image” (Debord, 1995, p24). Michael Sorkin, critiquing planned urban developments, describes the "spectacle city" as a "new realm...of simulations, television city, the city as a theme park. This is nowhere more visible than in its architecture, in buildings that rely for their authority on images drawn from history, from a spuriously appropriated past that substitutes for a more exigent and examined present" (Sorkin, 1992, p.xii-xiii).

Alongside this emerging dialogue of islands within cities has come another perspective focused more on global interactions forming the tourist city. The two go almost hand-in-hand linking the need for upgrades of large projects not only as a tool for capital accumulation, but also as one to attract the global elite through tourism. Authors such as Hall (1996) have discussed the shift in city centre functions towards leisure and tourism in many parts of the world. He argues that the "primary justification for the redevelopment of inner city areas for tourism is the perceived economic benefits of tourism" (Hall, 1996, p155). Within this viewpoint the urban core as a whole is evaluated in the context of being a tourism resource. Hall (1996) goes one step further to describe the "creation of a 'bourgeois playground' in the name of economic progress" (Hall, 1996, p159), which would understandably create tension in urban policy-making.

The playgrounds are used to package, and brand, cities as marketing products. Within this context, cities all over the region compete for the inward business and tourism investment - with consequences of how these cities are transformed, and how heritage and urban regeneration is conceived (Daher, 2007b). These transformations have given rise to struggles over space and between stakeholders (Tyler, 2000). Fainstein and Judd (1999b) call these areas "tourist bubbles" that are isolated from surrounding areas of decay. At their most extreme tourist destinations become "wholly de-attached from their social context" (Fainstein and Gladstone, 1999, p27). Sheller and Urry (2004) look at the "places to play" further. The tourism generated by these large urban projects is set to transform places and also have a significant impact on the creation of virtual realities, "powerful and ubiquitous global brands or logos
that increasingly feature tourist sites/sights as key components of the global culture that their brand speaks to and enhances” (Sheller and Urry, 2004, p4).

Tyler (2000) looks at the creation of ‘Fantasy City’ where the city is turned into a spectacle. The effect of such socio-economic transformation on the creation of open space produces a privatised public space based on a very tight definition of the public (Crawford, 1995). Junemo’s (2004) work on Dubai looks at the socio-economic, spatial, and demographic transformations that take place. Junemo believes that the Dubai-phenomenon is explained by postmodern theory where people are concerned with images on the surface rather than deeper meanings. This has been shown to be the case in other literature on decision theory, outlined below.

*Decision Theories: The Corporate City Planner*

In The Evangelistic Bureaucrat, British Councillor Jon Gower Davies of Newcastle in commenting on an urban renewal project observes: “The impact of planning on this society...is most onerous and least advantageous to those who are relatively powerless or relatively poor. Planning is, in its effect on the socio-economic structure, a highly regressive form of indirect taxation” (Davies, 1972, p2). The power of planners was not something new in the literature, especially considering post-war planning and urban renewal issues in the United States. Designs of many urbanists are simply aesthetic dreams (Goodman, 1947) that do not live up to the political and social systems they pretend to create. The city thus becomes a reflection of its planners, ultimately a subset of its population, leading many in the literature to look at big plans and ask: ‘whose city?’ (Sassen, 1998). According to Saskia Sassen, the city emerged as a site for new claims in a new constitution of citizenship (Sassen, 1998). Sassen claims global capital has been used as an organisational commodity for the city, denationalising urban space through the formation of new claims by transnational actors.

In his book on *Transnational Urbanism*, Michael Smith argues that the sort of transnational investors we are seeing give rise to “transnational urbanism...a
socio-spatial agency of transnational social, economic and political networks” (Smith, 2001, 116). Planning has become a pacifying device for investors as seen in this literature relevant to RECHCOs. In addition, municipal governments are often overtaken by events occurring in spheres beyond their control (Borja and Castells, 1997, p8). Local autonomy has been articulated through the negotiation of the city with companies and institutions that operate in the supra-local spheres (Borja and Castells, 1997, p14).

A growing trend in this literature has also seen increasing concern for the need to examine global cities from 'below' looking at the lives of the excluded (Robinson, 2002). There have been many critiques to the concept of world cities offered as models for others to follow. Looking at cities from 'above' and 'below' has been a common trend amongst more practice-oriented writers. A critique by Janet Abu-Lughod (2001), who wrote extensively on Middle Eastern cities, reflects how globalisation should be framed in its proper historical context.

Pat Crooke, an urban observer, looks at the uncontrolled nature of cities as a reflection that cities grow on both the 'official' level and the informal or 'unofficial' level with a popular economy that bypasses the official institutional channels (Ward, 1973). To help control the unofficial city, the 'planner' emerged and was granted what some call a perverse power, for "now as engineer and architect once drew, people have to walk and live" (Goodman et al., 1960, p3). Swarbrooke (2000) describes how in certain developed countries public protest against the use of public resources is common, especially as it relates to the support of tourism developments and flagship projects. Within developing countries it is clear that this has not been the case so far, although full participation requires that the assets of the poor, their position in the cycle of production, and consumption more generally, be brought into formal circuits of market regulation and exchange (De Soto, 2000). Public participation remains one of the most important aspects of sustainable city plans.

The public's participation in city plans is nearly the only defence against the exploitation of the rights of the poor. Urban transformation to cities has included repeated urban restructuring through "creative destruction" (Harvey,
This almost automatically includes a class dimension, as it is usually the underprivileged most negatively affected. Examples include Robert Moses taking "an axe to the Bronx", and Haussman in Paris framed as the first "neoliberal planner" focusing on investments (cited in Harvey, 2008, p10). The literature reflects the importance of these policies by describing a situation where if urban space is a consequence of social effects rather than the propagator of social influences, then "the city’s built environment becomes a text, through which social rules and power relations become legible" (Rotenberg, 2001, p8).

Moreover, because many cities have identities that make their residents 'proud' (Bell, 2012) - a cornerstone of civicism - any change to this identity becomes of paramount importance to study. This very civicism, in fact, is an important part of the resistance against "globalisation's homogenising tendencies" (Bainer, 2001, p 176). To this end, one casual observer, Teller (2004) writing the Rough Guide to Jordan points out at how these tendencies have made some parts of Arab cities "indistinguishable from upscale neighbourhoods of American or European cities," especially the commercial districts (Teller, 2004, p77).

The streamlined feel of the city has been part and package of a phenomenon of integration designed to enable Arab countries to enter the developed world, and has mainly been carried out on the economic level. The neoliberalisation in the creation of urban public spaces distributes images, spectacles, and models and has led to a dilution of the local differences and circulations of "corporate urban forms and images" (Daher, 2011, p49). Al-Sayyad (2001) goes one step further to suggest a "transfer of design and political control from local governments and citizens to large corporations and the design professionals they hire" (Al-Sayyad, 2001, p12). Specifically, these corporations have focused on projects within city centres. However, the spaces they create are sometimes viewed as empty (McDonogh, 1993).

Within the framework of economic liberalisation and privatisation, state enterprises and investment are leading and influencing urban policies (Ley, 2004). This transformation, assisted by actors such as the World Trade Organisation (WTO), the World Economic Forum (WEF), and other similar organisations, has had a significant impact on cities as a whole and how, and
for whom, urban investment projects are developed (Parker, 2009). Gray (2002) has examined the link between economic liberalisation and tourism and examined tourism as a foreign exchange earner that mitigates the other financial hardships caused by liberalisation.

Examining the neoliberal trends within the city, authors like Swyngedouw et al. (2002) look at how conservative liberalism seeks to move state interventions towards 'marshalling' state resources into the social, physical and geographical structures. These structures, through their investors, support and subsidise new forms of capital accumulation through fixed territorial structures allowing for the accelerated and facilitated forms of capital. As such, the human agent is a component that is often undervalued in this discourse. Ley (2004) identifies the importance of the transnational capitalists while attempting to bring the issue of 'human agency' to a globalised discourse that "has frequently been satisfied with speaking of a space of networks and flows devoid of knowledgeable human agents" (Daher, 2011, p61). While theoretically this path of literature is exhaustive in material, empirically, these human agents are understudied in the literature as we see through the review of the work on UDCs in the UK, and RECHCOs in the Arab city in general.

**Public Space and the Public Sphere**

An in-depth examination of the relationship between the public sphere and public space is not the intention of this thesis, it is only important in so far as to frame the empirical impact of RECHCOs on modern space in the Arab city through its impacts on citizens. As this section of the review will show, understanding public space is important for understanding politics and the public sphere. The Arab World has very limited empirical studies tying the fields together and so this thesis will be an early attempt to touch upon the effects of RECHCOs in this regard, especially as related to social and political impacts.
Public space\textsuperscript{33} has occupied an important ideological position in democratic societies (Mitchell, 1995). Urban public space can be traced back to the Greek agora and its function as "the place of citizenship, an open space where public affairs and legal disputes were conducted" (Hartley, 1992, p29). The ancient Greek polis with its agora is often thought of as the prototype for the public sphere and public space. Politics, commerce, and spectacle were "juxtaposed and intermingled in the public space of the agora" (Mitchell, 2003, p131). It provided a meeting place for strangers, whether citizens, buyers, or sellers, and the ideal of public space in the agora encouraged nearly unmediated interaction. However, some of the idealised definitions of public space as relating to the agora represent a more normative ideal for public space than an empirical description of the ways that public spaces have functioned in actual democracies (Fraser 1990).

Both the literatures on public space and the public sphere are internally diverse, though they have not really come together (Low and Smith, 2006)\textsuperscript{34}. We have seen the public sphere literature become increasingly inclusive through repeated challenges by 'counter-publics' (Fraser, 1990); and the public space following a different trajectory of increased exclusivity (Mitchell, 2003). The history of the public sphere is clearly demarked in the text but there is also an equally clear geography initially. While the 1980s saw much literature looking at the importance of space in structuring social relations and politics (sometimes earlier with what Henri Lefebvre (1974) calls the production of social space), public space in the 1990s diminished from

\textsuperscript{33} In terms of public space, in addition to Young's definition (1990), the phrase seems to be used in several broad ways. The first definition is conventional in nature (public grounds and streets): anywhere that has officially been designated for public use. Madanipour (1999) defined public space as those areas within towns, cities and the countryside that are physically accessible to everyone, and where strangers and citizens can enter easily. Some used the concept of public space to mean any place that people use when not at work or at home (Shonfield 1998), while others have expanded the concept into 'cyberspace' (Crang 2000; Holmes 1997). The second definition of public space is that space that is not officially designated public space, nor is it a place for struggle, rather it is the everyday and material arena (Mitchell, 2003) for daily life. Public space, according to theorists such as Fraser (1990), Hartley (1992), Howell (1993) is the material location where social interactions and political activities for members of the public take place. The final definition is what Lefebvre would term "space of representation" spaces are public where there is the presence of struggle (Mitchell 2003, p35). This is similar to the way Rancière (Todd, 2013) uses the term.

\textsuperscript{34} Low and Smith (2006) note the weakness of public space literature in translating from political and cultural theories into the materiality of public space. The public space literature reflects discussions of the making and remaking of the public in light of the state and related institutions, and modes of communication and power. The weakness of the public sphere literature that produced public spaces "naturalise the very assumptions interrogated by the public sphere theorists and provide an extraordinary palimpsest for detailed scrutiny" (Low and Smith, 2006, p6).
literature as we read about the "transcendence of place" (Coleman 1993), and cities "without a place" (Gieryn, 2000). The twentieth century thus witnessed what some have called a "lost geography" (Smith, 2003, p28).

A Lost Geography in the Public Sphere

The public sphere has developed a considerable literature concerning it (Fraser, 1990; Habermas, 1962). The literature emphasises the various institutions, practices and ideas that contribute to the generation of the 'public' and public opinion, often placed in the larger context of the state and social relations. Habermas’ account of the liberal model of the bourgeois public sphere shows a 'space of democracy' that all citizens have the right to inhabit and where all public discourse takes place, where inequalities are put aside to determine the 'common good' (Crawford, 1995); in practice, however, exclusions are inevitable (Fraser, 1990). Fraser responds to Habermas in part by looking at multiple publics to suggest that there is no one physical space that can be the space of democracy, and that multiple sites are needed for public expression.

As such within this literature, the public sphere is rarely if ever spatialised. Arendt for instance notes in *The Human Condition* (1998) that the agora should not be thought of as a particular place, but rather a concept that may arise anywhere where people unite for a cause. For Habermas the ideal public sphere is universal and as such spatially undifferentiated (Hartley 1992 and Howell, 1993); Fraser leaves some room open for spatialisation especially in the transnationality of the public sphere though there is little additional literature on this (Low and Smith, 2013, p5). Madanipour (2003)

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35 The public sphere across the literature, is "a network for communicating information and points of view" (Habermas 1992, p360) and lies between the state and society. The public sphere is described by Habermas as the sphere of private people coming together as a public (Habermas, 1962). The public sphere is thought of here as a discursive space in which individuals and groups congregate to discuss matters of mutual interest and, where possible, to reach a common judgment (Hauser, 1998). The public sphere is the space where people come together as citizens and articulate autonomous views. Civil society, by extension reflects the organised expression of these views. The public sphere and civil society are the link between the state and its citizens; and without an effective civil society that is capable of structuring citizen debates over "diverse ideas and conflicting interests" the gap between the state and its subjects will widen (Castells, 2008, p78).
notes that the public sphere is a despatialised concept where space is not a necessary ingredient. Public deliberations have the same impact regardless of geography, argues this set of literature. Thus the public sphere remains despatialised and the public space literature is not well connected to thinking on the public sphere (with exceptions such as Mitchell, 2003). Some writers dismiss the ability to create space conducive to the public sphere entirely (Mann, 1993).

Simultaneously there is an expansive literature (by architects, geographers, planners, anthropologists, urbanists, amongst others) that has delved into discussions of public space. Their work tends to be explicitly spatial and looks at the way in which social, political, economic and cultural processes make specific public places and landscapes and how these geographies then feed back into social and political relations (Low and Smith, 2013, p5). This is not to say that there have been no efforts to connect reflections about space directly to politics (Howarth, 2006). In For Space, Doreen Massey indicates the “fact that space has so often been excluded from, or inadequately conceptualised in relation to, and has thereby debilitated our conceptions of, politics and the political” (Massey, 2005, p18). Margaret Kohn’s Radical Space (2003) puts the spotlight on spatial concerns within democratic theory by looking at empirical evidence of mobilisations within Western Europe. Hardt and Negri (2004) in Multitude put space, territorialisation, and deterritorialisation at the heart of their analyses.

Mitchell (2003) in The Right to the City: Social Justice and the Fight for Public Space argues that public space plays a role more essential to politics than can be conveyed by despatialised concepts such as public sphere. Yet others like Low and Smith (2006) discuss how physical space has been the keystone to the development of the public sphere. The positive interaction between citizens, civil society, and the state communicating through the public sphere is essential to a healthy society (Low and Smith, 2006). More recently starting around the early 2000s, research on urban politics has been marked by serious efforts at framing urban spaces as sites for democratic use. This is very evident in the literature on The Right to the City (Dikeç and Gilbert, 2002) and The Just City (Fainstein, 2010); and linking the work to urban democracy
(Amin and Thrift, 2002), the 'good city' (Amin, 2006), the 'emancipator city' (Lees, 2000) and *Seeking Spatial Justice* (Soja, 2010).

James Holston has described what brings the public sphere to public space as "spaces of insurgent citizenship" (Holston, 1999, p155). These sites where 'citizenship' takes place accompany the processes of change that transform societies. Rights to the public sphere have been won through constant struggle, whereby the ideal public space is designed for a representative public to meet and claim representation (Hartley 1992 cited in Mitchell, 2003). In struggles for inclusion (especially ideological ones) authors note that the interactions and distinctions between the public sphere and public space can assume considerable importance (Mitchell, 2003). While the public sphere is immaterial, public space is material – an actual site and ground from where political activity can flow. So in the "context of real public spaces" alternative movements may arise (Howell 1993, p318). Public spaces are becoming in capital cities around the world "small hidden islands of freedom", islands of opposition surrounded by "Foucault's carceral archipelago" (Howell 1993, p313). In these islands the fight for space is often physical as was seen in the RECHCO cases.

*The Privatisation of Public Space*

Since the early 1990s the 'end of public space' (Sorkin, 1992) has become common in the literature. The various different means of the privatisation of public space has almost created a world where "designed diversity" has replaced the free interaction of strangers (Sorkin, 1992, p121). Commentators such as Garreau (1991) noted that this has meant that public spaces have become almost reserved for commodified recreation and spectacle.

Following the neoliberal economic trends and events such as the London Docklands, the literature from the mid-1990s has consistently reflected a trend of increased privatisation of the public realm. Authors such as Biddulph explain the history of public space slowly becoming increasingly privatised as commercial districts slowly become more elite in consumption (shopping malls
for instance) and highly managed to exclude "undesirables" (Biddulph, 1993, p39). Within this privatisation, the Department of the Environment (DOE) and the Urban and Economic Development Group (URBED) (1994) suggest that functions of town centres, in addition to retail, will drift away. In the US, Kayden et al. (2000) and Banerjee (2001) documented and researched the privately owned public spaces of New York and surveyed the ways in which public spaces are being systematically privatised. Dependence on the automobile (Jacobs, 1961) has all but eliminated street life and public interaction.

The question of who has the 'right to the city', as termed by Lefebvre, has been distorted by the privatisation of public space described (with plentiful empirical examples) in the literature marking somewhat of an "end of public space" (Mitchell and Staeheli, 2007 cited in Low and Smith, 2013, p11). Mitchell and Staeheli tie this debate into that of property rights (one of the major issues that are impacted by the RECHCOs). They argue that the redefinition of property rights, in combination with a changing public regime, has "become highly visible in the exclusionary landscapes of the recolonised city" (Low and Smith, 2006, p12). The rights of some are put over others and in some cases the state itself obscures traditions associated with private property rights. This set of literature helps guide the thinking on Solidere and Abdali and their use and privileges as related to property rights.

The securitisation of public space (see Giuliani and Bratton, 1994) has meant that public space has lost some of its flexibility. In terms of the literature on public space, the early 2000s were an especially important time, with a clamp down on privacy in the United States. The Arab Spring more than a decade later saw additional protests and public policy that led to additional clamp downs on ability of public expression. The privatisation of public space and the diminishment of the public sphere are by no means inevitable. Given the obvious importance of the relationship of public space to the public sphere in the literature, and the lack of empirical evidence linking the two in Arab cities, a gap is clear to which the case studies described in this thesis will be able to contribute.
About the Arab City in Literature

This section aims to take trends in the literature and bring it down to a certain region and geography. Almost unanimously, the literature agrees that the future Arab states will be urbanised (Bakshi, 2009). Almost 60% of local populations now live in cities and absolute population totals have risen (Moghadam, 2000 and Stewart, 2002). The Arab city (one with both linguistic and cultural similarities) has been recorded with several distinct historical stages.

Early works on Arab cities have noted the replacement of realms such as the Ottoman Empire within Jordan and Lebanon had consequences on the transformation of nationhood and citizenship (Anderson, 1983). With these changing dynamics, the new Arab city will have to create an infrastructure that will enable it to deal with the social, cultural and psychological changes that come along with the rapid inclusion of urbanisation and globalisation (Suarez-Orozco and Qin-Hilliard, 2004). The Arab city, as explained by Haim Yacobi in Rethinking Cities in the Middle East: Political Economy, Planning, and the Lived Space, has experienced four very clear stages of development during the globalisation period:

- The first 'phase' begins with the Ottoman Empire and the early globalisation; looking at the 1860s and the emulation of the Arab cities (and others across the world) of Haussmann's model of city planning in Paris - in short 'Europeanising' cities (Mitchell, 1988 cited in Yacobi et. al. 2005). It was during this period that major souqs, or marketplaces, were built as major Islamic waqfs, or endowments. Though the waqf was meant to secure the souqs as endowments for the public benefit, often the administrators were very influential as they were in control of an important part of the economy, and also were known to take advantage of their posts for private gain (Van Leeuwen, 1999). The RECHCOs can therefore in one sense be seen in part as a manifestation of the waqf souqs, influenced by global trends, albeit
implemented within a contemporary legal and governance framework and with analytically independent impacts on a modern society.

- The second stage of this development was the post-colonial stage - with the rise of national planning after the Second World War, and the exaggerated interest of the state in urban planning. The new Middle Eastern city plans of the 1950s and 1960s focused on the capital cities and created public monuments, as a way of cementing and providing identity for the newly formed states.

- The third stage was that of the oil boom in economic reforms from 1974-1984, roughly. The oil money (through direct sales in the oil-producing states) and remittances (in the non-oil-producing states) produced massive urban transformations resulting in large expansions in the number of city dwellers.

- The next stage of development has included 'privatisation' in urban development where the state pulled back from interference in planning and development. This stage has seen private entrepreneurs (often supported by cronyism), as well as the renovation of old cities and colonial centres through gentrification, and the exit of existing residents for those of higher-income. Globalised structures - distinct from the urban fabric surrounding them - have become noticeable in the cities' commercial environments. This era has also seen a rise in urban informality.

It is of note, however, that further to the categorisations described by Yacobi, there are in existence much older trade routes, ports and cities within the Middle East, with ruins and ties to ancient cultures still visibly present, albeit rarely described in the literature. In addition, the categories that are mentioned have been built on limited available literature. As such, within the literature on cities, many have noted that not enough attention has been given to Arab cities (Malkawi, 2011). Others still have lamented the "sad reflection on the state of Arab scholarship" (Elsheshtawy, 2011, p7); especially, it seems, by Arab researchers. Similarly, there has been considerable research examining neoliberal urban projects and tourism ventures in the metropolitan
context of the West, but substantially less attention has been given to these developments in the region (Mehrez, 2010).

This is not to say that there has been no work completed on the modern Arab city. Writings have included Jumeno (2004) and Marchal (2005) with works looking at the multi-dimensional nature of Arab cities reflecting how their problems are very similar to other major world cities. Critical perspectives on the Gulf's socioeconomic, spatial and demographic transformations have included work by the anthropologist Ahmed Kanna (2008), and it is the case, many point out, that spaces within the Arab cities are not unlike others in terms of acting as repositories of memories (Elsheshtawy, 2011, p10).

Other works on contemporary Arab cities include Diane Singerman and Paul Ammar's writings on Cairo, which explore politics, culture, and space in a new Middle East (Singerman and Ammar, 2006). Additional works focused on Cairo include writings by Al Sayyad, Beirman and Rabbat (2005). These however remain isolated works, with an in-depth cohesive analysis of the urbanisation of a modern Arab World still missing. Professor Michael Dumper, writing prior to the Arab Spring, in his introduction to the Cities of the Middle East and North Africa: A Historical Encyclopaedia has identified four main phases in the evolution of the dialogue on Arab literature (Dumper, 2007):

- Early empirical (architectural and spatial) studies focusing on the colonial rule periods in the region have been contrasted with the Weberian European model, and criticised for their almost exclusive use of orientalist concepts for developing a model for the Islamic MENA-city in contrast to the rational and dynamic European-city (Dumper, 2007).

- The second phase of the debate examined the region's people and their interactions, looking at 'Islamic' institutions, where researchers focused on the Ottoman texts and legal institutions. The major criticism was that the extrapolations of this work remained too general unable to properly describe the diverse geographic nature of cities.

- The debate's third phase involved the use of the term 'Islamic' to group the study of cities within the regions (about the 1960s). Brown (1976), Eickelman (1974), and Abu-Lughod (1987, 1989, 1996) as cited in
Dumper (2007) were amongst those notable scholars launching this debate, while others have gone further with their rejection of the notion of an 'Islamic city' entirely.

- The fourth phase has mostly focused on the anti-orientalist critique, which has now been widely accepted by mainstream academia, ensuring that the ‘template’ upon which European cities are understood is not the cookie cutter with which we also only superficially understand Middle Eastern cities.

Within this fourth phase, while attention in academia has gradually moved away from discussions of the 'Islamic' or 'Oriental' city under which the region was studied, there is still a long way to go in research that is not based on 'comparative' literature (Shechter et al., 2005) contrasting cities instead of examining each in its own right. There has also been the noting of other criticisms. Within the studies of Arab cities, it is rare to find a complete review from a city's birth to the present day (Stanley, 2007). However, this review, tracking a city's trajectory, is desperately important. John Friedman stresses the need to look at the whole history and networks of city, rather than the city as an isolated unit (Friedman, 2002 cited in Dumper, 2007).

Literature on Arab cities has also tended to take a more 'bounded perspective' manner, meaning that particular cities (Beirut and Tyre amongst others cited in Yacobi et al., 2005) have not taken into account the cities as part of the economic and political world system. New literature has emerged looking more deeply at the Arab city as part of a network (Stanley, 2005) and a historical one at that (Abu-Lughod, 2001). Elsheshtawy (2004) demonstrates that while the literature on Arab cities covers the impact of colonialism on the spatial structure of Arab cities in detail, there is a gap when it comes to analysing the features and influence of globalisation. This is especially the case when analysing the linkages between the Arab cities and others around the world. The case studies work towards illustrating the network through an empirical study.
The Fast Changing Arab City

Starting in the 2000s a systematic change was seen in the Arab World which was the emergence of a new set of Arab business-oriented elites who were eligible to be both investors and targets of new "up-to-date" spaces (Barthel, 2010, p133). Studies on cities globally have looked closely at the urban landscape as a medium through which ideological discourses are captured (Summer, 2006). These discourses change not only the city itself, but also the construct of the nation it is in. In a paper on the relationship between the development of capital cities and state making, the researcher says: "the spatial dynamics of the country seem to confirm the idea that consolidation in the capital city is of prime importance for national state making" (Höckel, 2007, p14). A collection of works within The Evolving Arab City completed in 2008, and updated in 2011, seem to agree that the new symbols of power in the Arab World consist of modern architecture and elite projects rather than "tribes with flags" (Elsheshtawy, 2011, p21). A report by UN-Habitat on the state of the world's cities (UN-Habitat, 2011) reflects the large divide in the Arab World and the degree that it affects sustainability at the social and cultural levels.

Rentier state cities within the Gulf such as Abu Dhabi are known as "sudden cities, instant cities." (Elsheshtawy, 2011, p258) The connections are described as sudden transformations from nomads to urban entities. A strong need has been felt to invest the sudden windfall of oil in massive urban projects, rising up out of the desert almost artificially. For the Arab World this has translated to excess Gulf liquidity fuelling real estate projects within the cities as well as multi-national real estate investments (Daher, 2008). The emerging planning environments have "seemingly created a split city" (Yacobi et al. 2005, p503) with an 'old' and a 'modern' split in new city life. The link between the cities has been studied using new conceptualisations of the Arab World by academics such as Bruce Stanley; rethinking the modern Arab World in terms of city-level networks, in contrast to the traditional city-state and inter-state relations (Yacobi et al., 2005). It is clear that within the Arab
World alternatives do need to emerge to empower local and disadvantaged communities (Burgess, 1991 cited in Yacobi et al. 2005).

These debates have also seen a growing awareness for conservation within the cities, with concern for the loss of historic and traditional structures. These have come to be seen as knowledge sources. This conservation is not value free (Dumper, 2007), however, and the identification of heritage is carried out by educated professionals and elites who may have their own western conceptions of the ideal city. With fast changing cities within the Arab World, and urban society and politics flourishing, the literature on cities gives us a solid base on which to begin. The new cities experience the trauma of migration, integration, unemployment and subsequent tensions (Dumper, 2007), making new projects even more important to explore. The new projects come as a series of private efforts that the government hopes will minimise risk and promise high returns (Marroushi and Ford, 2006).

The sense of alienation within the cities is further aggravated by western planning and design techniques (Dumper, 2007). Shami (1996) describes how relocation frequently accompanies urban modernisation and is linked to mobility. Elsheshtawy (2004, p8) looks at how "these protected enclaves of the rich" will strain the relations and expand the gap between rich and poor. Some neoliberal trends have taken Arab cities so far that some authors view a complete loss of Arab history and identity, with Adonis quoted as saying: "I would have to say that we Arabs are in a phase of extinction, in the sense that we have no creative presence in the world...We have become extinct" (Adonis, 2006, cited in Elsheshtawy, 2011, p1). On more recent scholarship, Nasser Rabat (2011) looked at the history of public squares in Arab cities starting with the Maydan introduced in the pre-modern period. Although the Maydan doubled as an open-air marketplace and was used as a site for public protest, it was always the privileged space of the rulers and was never truly considered a civic space as related to the city and its citizens. The new form of public space, the plaza or the square, started appearing in the late 19th century.

The new squares, however, came accompanied by the notion of "citadinity" embedded in their "idealised genealogy" (Rabbat, 2012, p4). Not shaped by
political struggles that marked the evolution of squares in European cities, these new plazas and squares assumed "civic meanings" to the city citizens, with protestors using them to demonstrate for independence when clashing with colonial forces. To this end, squares in various Arab cities—such as Beirut, Damascus, Tripoli, Algiers, and Aden—acquired the very revealing name of Maydan al-shuhada or Sahat al-shuhada (Martyr's Square in Beirut now part of Solidere) to commemorate the martyrs of independence (Rabbat, 2012).

While Arab political life began to turn inward, in addition to the plaza, historically Rabbat (2012) notes that the mosque has also served as political public space in Arab cities. Similar to the agora, the mosque provided a space (especially on Friday) where the adult male population exercised political rights. The Arab Spring of 2011 revived both spaces with new forms of civil protest, and the two spaces began to work in tandem (Rabbat, 2012). The public space has thus emerged as an important new topic of discussion in the Arab World (though not discussed sufficiently in the theoretical literature). Both the mosque and the public square have begun to feature as factors in a new civil order, regaining their civil roles. The public square especially has become essential to contemporary Arab life, though in some cases was imported and manipulated (Rabbat, 2012).

Real Estate Projects in Literature: UDC Focus

Neoliberalism at the economic level was inevitably translated into concrete projects at the city scale. The Urban Development Corporations in the UK (though publically owned, and with significantly more public restrictions) were amongst these first examples - as distant, and less extreme, parents of the Solidere SAL and Abdali Investment and Development cases. Most of the literature to be found describing large urban mega-projects, that are similar in nature to the Real Estate and Construction Holding Companies, relates to the Urban Development Corporations found in the United Kingdom. Literature describing the origins, ethos, and objectives underlying British UDCs is widely
available (Batley, 1989; Lawless, 1989; O'Toole, 1996; Smith, 1991; Thornley, 1991). Despite the fact that the UDCs remain analytically independent from the RECHCOs, they serve as one form of historical tool to benchmark against.

The UDCs were part of a changing system of local governance, influenced by certain political and institutional responses to economic restructuring and neoliberal central government policy agenda (Imrie and Thomas, 1999b). The available literature that gives an account of the policies, programs and effects shows the UDC programs as one of the most controversial urban policy programs (Imrie and Thomas, 1999b). In some cases the UDC was seen as evidence that the London Docklands were booming, though its sustainability was still in question. Other reports found that benefits accrued directly to property owners and were not well distributed amongst the local population (DCC, 1988, p37). The literature shows that the distribution of short-term benefits of expenditure, especially in cases such as the London Docklands Development Corporation (LDDC), was skewed away from the poorer populations of these Urban Development Areas (UDAs). Brownhill (1990) describes how "the haste to maximise private investment led to developers receiving substantial public subsidies," (cited in Imrie and Thomas, 1992, p89). Harding (1992) in a wide review of regeneration strategies showed that property-led strategies "in the 1980s appeared to ignore local needs" (Harding, 1992, p225).

Swyngedouw et al. (2002) researched thirteen large-scale urban development projects in Europe finding that most of the projects accentuate socioeconomic polarisation through price increases and social displacements. Public budgets have also changed and are redirected from more social objectives to investments in the urban built environment and labour market restructuring. In addition, these projects are generally poorly integrated into the wider urban processes, or planning systems. As a result, the impact on their city remains largely ambiguous.

In trying to think of how mega-projects such as UDCs relate to other cities and their plans, Daniels et al. (1993) in what Castells calls one of the most exhaustive studies on the topic says: "the expansion of services in the international market has brought to the global urban system a higher degree
of flexibility...As the experience of Canary Wharf shows, the results of large-scale city planning and development projects in the cities have become hostage to external international factors over which there is little control" (Daniels, 1993 cited in Borja and Castells, 1997, p21). In other words, once UDCs are built in cities even the cities' own determination over these projects is limited.

1.4 Conclusion

Starting from the literature on Amman and Beirut, the conclusion will plot a path forward. The literature on Beirut relating to Solidere is extensive. It reflects different viewpoints, and provides sufficient details to be able to piece together a comprehensive case study and understand the public's reaction to the RECHCO (Abu Fadil, 1992; Adwan, 2005; Beyhum, 1992; Held, 1994; Khalaf, 1987; Makdisi, 1997a; Meadows, 1994; Robinson, 1993). A lot of the research that exists on Solidere in particular looks at the ways in which the project links to Beirut's past (Kousis et al., 2011). This research has run alongside a national debate, dividing the criticism regarding Solidere into two broad segments: the criticism regarding the type of transformation that took place over the designated urban space, and criticism regarding the public discourse and the representation of national identity which emerged as a result (Larkin, 2009). Similar debates, though less established, can also be heard regarding Abdali in Amman, though they have not been formalised in the literature.

However, there is very little literature to be found on modern Amman. Abdali has only a few cursory articles written about it. These minor articles to date on Abdali make mapping the process, or impacts, very difficult without extensive field interviews prompting the need for a survey as detailed in Section 1.2 outlining the methodology. Some of these articles also contain contradictory information, or in some cases misinformation. None of the literature specifically undertakes a comprehensive evaluation of the project and few, if any, authors recommend a framework for the future. Many of the articles on
both Abdali and Solidere are not much more than "opinion" pieces, which while useful at getting a certain indication of people's thoughts, are not reliable sources of information. While much of the literature depends on interviews, there has been no broad public opinion base related to RECHCOs. While not an objective in and of itself, the thesis will also develop two detailed case studies of experiences in Amman and Beirut, providing documentation for future reference.

With a focus on opinions relating to the RECHCOs and the transformation of space the collective impacts, especially in terms of economy have not been tallied for either Solidere or Abdali (or similar Arab projects) anywhere in the literature. In Solidere, the strife of the property owners and the legal procedures related to the valuation have been documented, however there is no working tally of the negative financial impact and there is no combination of social, economic and political impact anywhere. In Abdali no one has investigated the matter thus far, nor placed it in the context of an overall RECHCO impact assessment. This thesis for the first time groups these case studies and assigns them a collective name 'Real Estate Construction and Holding Companies' and distinguishes them from other mega-projects.

As related to Solidere, the evaluations undertaken have been quite qualitative in nature discussing specific impacts rather than a general assessment, with very limited indicators gathered on the quantitative side (employment, tourism and investment gains). Certainly nothing has been written to this effect on Abdali, which makes both comparison and abstraction to a model to cohesively assess the RECHCOs in the Arab World difficult - a gap this thesis will work to fill. In terms of the impact of mega-projects on city citizens (from a social, economic and political perspective) the theoretical and empirical literature is limited as illustrated above, especially when it comes to actual cases within Arab cities, and linking these to global trends. To this end, the methodology described in Section 1.2 will split the thesis into the three main pillars of social, political and economic, dedicating a chapter to each in order to further explore the impacts of RECHCOs on the Arab city. The five major themes of RECHCOs as they are related to the city centre and its role within the city; contested and segregated space; heritage and memory; participation
and citizenship; and urban governance and policy will run as threads through the cases and the Conclusion Chapter will provide additional insight on each. Recent literature has noted that as these sorts of large projects begin to be employed as mainstream development models in the Arab World, further research into their effects on the balance between secular and Islamic legal systems, the handling of marginalised groups, and under what legal and administrative government conditions it is safe to resort to such a venture, is necessary (Nasr, 2008). And this is where the thesis starts.
Chapter 2: Case Studies

2. Case Studies

2.1 Introduction

The Case Studies Chapter is the natural starting point for the thesis, mapping out the political, economic and social processes that led to the RECHCOs' creation and acting as a segue between the introduction and the in-depth "impact" Chapters. One of the major gaps in the literature presented was that nowhere has the Abdali case been described even partially, and this Chapter will fill that gap. A comprehensive mapping of the political and macroeconomic backgrounds that allowed for the RECHCOs in both Lebanon and Jordan similarly does not exist in the literature. Documenting this background is instrumental to understanding the impact of the RECHCOs on cities as it demonstrates the multi-faceted events that incrementally built up to a situation where the only solution marketed was a mega-project to be implemented on the centres of nations' capitals.

The Case Studies, while serving a descriptive purpose to familiarise the reader with the RECHCOs, put in place the building blocks upon which later Chapters will refer when considering the larger political, economic and social impacts. The Case Studies are also central to the overarching argument this thesis makes regarding RECHCOs as mega-projects implemented by transnational investors, without grass-root public support, in city centres by indicating quite strongly that the RECHCOs to a large extent are the product of individuals' agendas rather than those of institutions. The vast difference in the economic and political background in both Jordan and Lebanon that led up to the RECHCOs is important to note as later Chapters will show how similar the effects of RECHCOs are on cities despite these large variations.

The background sections on Lebanon and Jordan provide insight into the historical factors that helped force the creation of the RECHCO and begin to address the promoted narrative that RECHCOs were the inevitable and only choice. The RECHCOs through the series of events presented in the cases
can be interpreted as the product of the emergence of a neoliberal 'new guard' in Jordan and Lebanon. This Chapter is split into four sections. The first is related to the economic, political and social conditions within Jordan that led to the incorporation of Abdali Investment and Development PSC and the creation of the Abdali project. The second looks more directly at Abdali itself and the components of its Master Plan. The third considers the emergence of Lebanon out of its Civil War and looks at what issues compelled the creation of Solidere. The final section takes a much closer look at the Solidere project.

The Jordan and Lebanon background sections were difficult to create as they depended highly on piecing together fragmented primary and secondary data from a variety of sources that fit together to form a picture of what conditions at the macro-level allowed for the creation of the RECHCO. In both Jordan and Lebanon, the Central Bank, Department of Statistics and Ministry of Finance were turned to to provide statistical evidence that would indicate and support the economic need that governments argued would prompt the creation of the RECHCOs. Secondary data in the form of political commentary in newspapers and articles relating to the two countries was gathered to support a narrative at the political level of the key agencies and individuals that were the primary proponents of the RECHCOs.

For the Case Studies themselves, in-depth archival research was done through newspapers, magazines, and public documents available through the Departments of Land and the Courts. For Solidere there were also several secondary sources of specific parts of the case available in the literature. This information was then put together to tell a holistic story and provide the narrative of the RECHCOs. In the case of Abdali, the thesis pieces together the Case Study for the first time anywhere in the literature. The archival work and interviews required to obtain the required information was quite extensive. In the case of Solidere SAL, the RECHCO has been written about in the literature in the past. The unique contribution when considering the Case Study as written here is that it brings together the social, political and economic components and links to an extensive background about Lebanon to reflect how the macro-level issues might impact the micro-level issues in Solidere.
By tracing the background and history of both Solidere and Abdali at the country and company levels, the Case Studies Chapter will begin to examine analytically the narrative perpetrated by government that RECHCOs are vehicles born of an institutionally transparent process and created for the sole purpose of socioeconomic public benefit. The two background sections and Case Studies detailing Abdali and Solidere’s establishment show the very different background and stark variation in context between Jordan and Lebanon. Despite the differences leading up to their establishment, the two RECHCOs themselves show extreme similarities in terms of residents’ perceptions and longer-term impacts on the city. The Chapter will begin by looking at the Solidere case, with the background on Lebanon.

2.2 An Emerging Lebanon from a Tragic Civil War

As a city emerging from a devastating Civil War, Beirut did not have the public sector institutions or resources to manage rebuilding a world class city centre. This section traces the Lebanese socio-political and economic background that allowed Solidere to be framed as the inevitable and only choice for the country moving forward with reconstruction.

Beirut Representing the Paris of the Middle East

For five thousand years, ancient settlements have been present on the Beirut peninsula. As Lebanon’s main coastal city, Beirut lies on the Mediterranean rim bordering both mountains and sea, and is connected across trade routes, linking East and West as a commercial gateway for several thousand years. Its deep-water port served as host to much maritime trade in the region. From the mid-19th century up to the very eve of the outbreak of the Civil War, Beirut flourished and experienced relatively uninterrupted growth (Gavin and Maluf, 1996). With beaches, nightlife, a happening city centre, Beirut was often referred to as the ‘Paris of the Middle East’. Tourism was one of Beirut's main
economic drivers. Beirut's scenic mountains and Mediterranean Sea and proximity to Arabia made it popular with Gulf tourists. It was known for its café trottoirs catered to tourists and the region's 'intelligentsia' (Gavin and Maluf, 1996). Beirut, with its distinguished universities attracted students from across the Arab World. With a booming population\(^{36}\), it also drew an inflow of wealth after the discovery of oil in the Gulf.

Beirut was dominant in financial, cultural and commercial life in the Levant, "undisputed" in importance (Sennett, 1993, p11). Its Banking Street served as headquarters to financial institutions across the Arab World. In the decade building up to 1975, the Lebanese economy was characterised by low inflation and high levels of economic growth and a large balance-of-payments surplus making it one of the region's strongest countries (Sena et al., 1995). Prior to the War, Lebanon had been classified as a middle-income country with a per capita income equivalent to Portugal. Its income level was double that of Jordan (Economist, 1996). Throughout the twentieth century, Beirut was able to absorb several waves of immigrants (including Armenians, Syrians and Kurds), which increased both the size of the population and its diversity (Khalaf and Khoury, 1993). One of the largest groups has been the Palestinian immigrants. The soul of Beirut was its centre al-madinah or al-balad meaning simply the city. Frequent as a focal point for employment, just over a third of the workforce in Beirut was within its limits. The growth of the city followed a radial pattern around its centre, which became a geographic, in addition to commercial, hub.

However, with Beirut's rapid growth, the Central District soon became overcrowded with a subpar infrastructure. Other popular commercial areas began to emerge in Hamra, Raouche, Mar Elias and elsewhere. The centre, despite this, maintained a clear centrality and dominance over the metropolitan area as the "government, retail, and regional banking centre," the "microcosm of the country's religious affiliations," and the "focus of the hotel sector and city nightlife" (Gavin and Maluf, 1996, p7). The Central District served more than a purely emotional purpose. It was a historic centre in one

\(^{36}\) From 1965 to 1975 Beirut's population had grown 66% to total 551,000 residents. At the onset of the Civil War, Beirut estimated its population at 1.2 million (about 45% of the country's total). Out of the total Lebanese population approximately 350 thousand were of Palestinian origin (Held, 1994).
of the eastern Mediterranean’s leading urban settlements (Beyhum, 1992a, p16). The old souqs and traditional buildings in the district were neighboured by luxury hotels and stores. Businessmen, shoppers and tourists converged on the centre daily (World Bank, 1983, p139).

**Figure 2-1:** Beirut's Old City Centre

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From the BCD's destruction emerged five essential functions for the city centre blocked by war. It was firstly home to the Lebanese government, with the Parliament and many ministries\(^\text{37}\). Additionally, it was also home to commercial functions with just over a quarter of the total land area in 1974 (26%) dedicated to offices. The city centre was also home to retail and commercial activity with its souqs and luxury stores. It was host to tourism, recreational and other cultural activities located along the seashore. Finally, the BCD was home to large residential communities, with a third of its land-area zoned for housing just before the outbreak of the War. One of every forty-two individuals residing in the Greater Beirut area prior to 1975 lived in the BCD, and one of every sixteen individuals residing within the municipal

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\(^{37}\) Though originally government offices and ministries were concentrated in the BCD many gradually moved out to other districts of Beirut and its outskirts leaving the Ministry of Finance, the Serail (Prime Ministry Headquarters), the Parliament and the Beirut Municipality offices in the BCD.
area of Beirut, lived in the city centre (Directeur Generale de l’Urbanism, 1973).

Around the beginning of the twentieth century, neighbourhoods in Beirut began to take on a specific ethnic or religious identity, with Christians settling to the East of the city centre and Muslims to the West. With a "thriving urban merchant class" from across religions, the centre still remained a mixed community reflective of Lebanon’s multifaceted society (Khalaf, 1993a, p21). Thomas Friedman in *From Beirut to Jerusalem* describes the Beirut city centre as one huge urban Mixmaster that took the various Lebanese communities from their mountains and villages and attempted to homogenise them into one cosmopolitan nation during the Golden Age of Beirut in the 1950s and 1960s (Friedman, 1990); a sentiment of nostalgia that became commonplace to seize upon during reconstruction (Misk 1999).

**A Centre Haunted by War**

Economic prosperity hid the religious and political tensions. In the summer of 1975 these tensions became charged enough with internal and external pressures that the Civil War erupted. This war destroyed much of Beirut's urban core and changed the Lebanese balance of power (Fisk 1991, Hourani 1991). The Civil War effectively caused a collapse of state institutions, and divided Beirut into east and west. The city was split along what became known as the Green Line separating it almost through its centre. 170 thousand people were killed during the War (Economist, 1996). 184 thousand were wounded, 13 thousand were handicapped, 13 thousand kidnapped and 17 thousand disappeared completely (Adwan, 2005). With massive economic problems, employment reached 28% of pre-war levels. About 300 thousand homes were damaged. Hospital capacity dropped to 30% of its original levels (Adwan, 2005).

Over the War's sixteen years, Lebanon saw the destruction of property and infrastructure and also the severe undermining of the state public institutions. The years of War had a very high cost on Beirut. The army was split over
religious lines; Parliament disintegrated, and the judiciary fell to the control of political or military power holders (Adwan, 2005). The damage to the city was extensive and estimated at about USD 25 billion (Robison, 1993). The airport, electrical grid, sewer system and telephone lines were destroyed. Brain Drain was a major problem. Numbers of expatriate Lebanese ranged from 500-800 thousand persons (Economist, 1996). Before the War began in 1975, Beirut's population totalled about 1.5 million. With most of the Civil War fought in the streets of Beirut (Meadows, 1994), by 1992 Beirut's population had dropped to about 300 thousand (Held, 1994). The old city centre was built around Martyrs' Square divided through by the Green Line, which was most damaged by the War (Beyhum, 1992a). The population slowly shifted into "single community ghettos" (Beyhum, 1992a, p44). One of the worst aspects of the destruction was loss of common places, or areas that had previously been shared by members of all sects. Mostly to be found in the older areas of the city, the areas helped groups come together for business and social opportunities. The 'old souq' was destroyed as were the more upscale districts such as Hamra. The tourism industry had suffered greatly.

At the time, the dominant image of Beirut was that of buildings "reduced to bombed-out shells riddled with bullet holes" (Stewart, 1996, p 487). Despite memories of the Civil War in the consciousness of the Lebanese, the nation tried to move forward and looked to create a new economic role for itself within the Arab World. The physical and economic reconstruction of Beirut held "enormous implications for the future of Lebanon" (Stewart, 1996, p 487). As such, Beirut was to be rebuilt: both through physical infrastructure and social harmony (Stewart, 1996) to create a new economic reality for itself in the Arab World.

The sixteen years of Civil War left the once economically vibrant centre at a standstill. The area was no longer visited by tourists and pedestrians, outlets and shops in the area moved away, and what remained was little more than a "wasteland" which was known "only to wild dogs, rats and snakes" (Makdisi, 1997, p662). The famous St. George Hotel, Hilton, and the Holiday Inn which had once been frequented by Beirut's rich and famous before the War, were fighting grounds for factions and were in ruins. The area was almost entirely
free of all permanent inhabitants, and the centre had only squatters within it. The centre, during the War became a buffer zone dividing East Christian Beirut from West Muslim Beirut, and since it was not under the direct influence of any religious sub-group prior to the War it was "naturally destined to become their battlefield" (Salaam, 1995, p15), with military barricades set up, and many of the vacant buildings closed off. The centre of Beirut was bordered by sand and stone walls blocking off major roads. Thomas Friedman claimed if there was a no-man's land during the fifteen months extending from June 1975 until September 1976, it was represented by the Central District (Friedman, 1990). Organised crime was apparent throughout Riyad al-Solh Street. Any visitor to Beirut's Central District in early 1990, after cessation of the hostilities, would have seen the "destruction, desolation and decay in the midst of a living city" (Khalaf, 1993b, p79).

Rebuilding the Centre as a National Priority

The 1989 Taef Agreement had finally brought the Civil War to a close, signed in the Saudi Arabian City of Taef. In the early 1990s, following the stop of hostilities, visitors saw scenes of "destruction, desolation and decay in the midst of a living city" (Khalaf, 1993b, p79). Many areas were still inaccessible, buildings grew more dilapidated, and the area was "impassable from debris and overgrown vegetation, which supported wildlife" (Cooke, 2002, p12). From 1975-1976 a preliminary planning experience was carried out, which soon made it very clear that the administration was simply too feeble to undertake any sort of reconstruction task. The Elias Sarkis regime therefore created the Council for Development and Reconstruction (CDR) that was established under Decree No. 5 of the 31st of January 1977. The CDR by law was equipped with an administratively independent status and was directly accountable to the Cabinet. Its primary mission was to "act as a

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38 Established under Decree No. 5 of the 31st of January 1977, the CDR enjoyed an administratively independent status and was directly accountable to the Cabinet.
39 In February 1983, the CDR prepared a revised reconstruction plan. To support its large role, other institutions and measures were put into place. In September 1983, the Higher Commission of Urban Planning (HCUP) was established under Decree No. 69 on September 9th, 1983. The Commission was
reinforcement to the ailing administration, not to replace it” (Saliba, 2000, p1), so it only laid down a general plan for development and secured the needed financing for major projects (Salaam, 1993). It stopped short of getting involved in the execution of reconstruction projects, with the exception of cases where other government agencies were “too inept or sluggish” (Saliba, 2000, p1).

At the end of the Civil War a newly appointed Lebanese Cabinet asked CDR to begin with a redevelopment plan for Beirut. The public report which was released by the Cabinet focused on the Beirut Central District as the actual birthplace of Beirut and indeed the centre saw buildings dating back to the Byzantine, Mamluk, Ottoman, and French Colonial periods. In fact, the Cabinet's decision to begin Beirut's reconstruction with the Central District emerged as a "must-do action for symbolic and socio-economic reasons" (Gavin and Maluf, 1996, p21). Its planned reconstruction was "mandatory" as the centre was "the symbol of reconstruction for the whole country" (Gavin and Maluf, 1996, p21). Both in the media and in the collective imagination (De Cauter, 2011) of Beirut's residents, the BCD represented the entire city, and its "fate implicate[d], metonymically, the entire country" (Gavin and Maluf, 1996, p22). Reconstruction in Lebanon was tied to reconstruction in the BCD.

This decision seemed inline with the hearts and minds of many within Lebanon. Elias Hrawi was quoted in Le Monde on the 5th of July 1990 as saying that Beirut's population had many great expectations (Bapt, 1990) as the heart of the capital was a symbol of the peaceful coexistence of the different denominational groups of the pre-war era (The Business Year, 2012). Once the outburst of violence in 1990 had died down, attention focused once again on Lebanon's heavily damaged city centre. Under the Taef Agreement's guidance, Hrawi's government immediately began an intensive program of reconstruction. However, serious problems hindered progress. The phase after the Taef Agreement in 1990 is widely associated with the neoliberalisation of the country, during which heavy investments were made in the deployment of the public infrastructure, and public debts grew. As
elsewhere, privatisation became one of the government's key policies (Favier, 2001).

Beirut's city centre had suffered destruction on a massive scale as the fighting site for factions during the war, that to many it was no longer simply a matter of restoring the urban fabric to a previous condition, but rather, undertaking a completely new exercise of rebuilding. The redevelopment of the centre would involve the restoration of over 4.4 million sqm of urban space which was spread over a land area of 1.1 million sqm. One estimate in 1989 was that 40% of existing roads and buildings were beyond repair (CDR, 1993).

Problems Haunt the Reconstruction of the Centre

The task of redevelopment was an extremely hard one for the national government. As early as 1977, discussions concerning the reconstruction of the city centre were taking place in the Parliament and Cabinet. It soon became apparent that the rebuilding initiative would not, by any means, be a straightforward process. Through discussions in Parliament and the Cabinet, it became clear that the government was unable to continue implementation of a reconstruction process hindered by several issues:

- **Financial Problems**: The public debt in Lebanon increased nearly 52% in 1984, 23% more than the estimated GDP that year. Commercial banks had shown extreme reluctance to subscribing to the new treasury bills so most borrowing was done directly from the Bank of Lebanon. The borrowing doubled from 1983 to 1984. Domestic government borrowing with its serious negative macroeconomic and 'crowding-out' effects was considered an unstable source of funding to pay for reconstruction (Baz, 1998, p169).

- **Fragmentation of Property**: Islamic inheritance laws, along with those practiced in Lebanon meant a gradual fragmentation of ownership. Buildings that had originally been owned by a single investor were

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40 Crowding out refers to when government spending or borrowing, leaves the private sector unable to spend or borrow effectively 'crowding them out'.
generations later owned by countless grandchildren, with individual – and sometimes conflicting – perspectives of what was to be done with the property. The coordination of resources amongst various stakeholders to rebuild was almost impossible. Hundreds of proprietors and tenants claimed individual lots. One famous example of a lot in the souq saw 4,750 people with ownership and tenancy right in 1975. Broadcast on a television documentary, the film showed the inability of the thousands of owners to coordinate to redevelop the lot. The argument between them got so heated that chairs were thrown and some of the attendees were injured. In 1990 a tab of current active owners showed that there were over 40,000 within the BCD alone (estimates in 1995 put this number at closer to 250,000). Individual buildings had within them several thousand title-holders. As a consequence of this fragmentation, 50% of the plots within the Central District were less than 250 sqm in size, and so well below any area required (and that would be feasible) for redevelopment. Investors were also unlikely to want to be attracted to purchases or schemes involving such large numbers of people. Any plan relating to the centre would have to cope with this restriction. Ossama Kabbani, in his work *The Reconstruction of Beirut*, described these entangled property rights among tenants and landlords, “a Gordian knot of claims and counter claims” (Kabbani, 1992, p 15).

- **Rental Laws:** Complications arose from the delicate relationship between tenants and landlords. The rental laws that existed at the time in Lebanon (and in many other places around the Arab World) favoured renters with almost negligible allowance given for annual increase in rent – so rents even in light of massive inflation could remain steady for decades. No landlord could terminate a commercial or residential lease without paying a substantial fee (50% of the capital value of the leased space) in addition to the fact that rental leases could be inherited across generations. Under the rental law framework that existed there was little incentive for owners to rebuild and rehabilitate their properties. The revenues they would then accrue from rent would not come close to the cost of redevelopment at the pre-1975 rates. The
rental laws remained in effect throughout the War even with severely damaged buildings. Only when buildings were completely destroyed could the contract be broken. This disincentive to rebuild meant that private owners would be unlikely to rehabilitate their property[^41].

- **International Aid:** Almost no aid was channelled into Lebanon due to regional politics forcing the government to resort to borrowing instead (Leenders, 1999 and Adwan, 2005). In the early 1990s, prospects for Lebanon to receive aid from the oil-rich countries seemed unpromising. The availability of aid to Lebanon necessary for reconstruction works was considered distant and meagre (Middle East Economic Consultants (MEEC), 1985). Oil revenues were tight, and with the advent of the Gulf War, Arab attention was focused on Iraq. Any available official grant assistance, loans on favourable terms, or commodity assistance - often distributed by the Islamic Bank for Reconstruction and Development, the United Nations, the European Economic Community, and other multilateral Arab agencies - would come with wider stipulations of reform. In spite of those pledges of assistance that were gleaned from the international community, the actual amounts received were far less than originally dedicated. The CDR reported that in 1985 less than 40% of the USD 3.1 billion promised in grants and loans since 1977 was received. Out of the USD 2 billion promised over 5 years by the Arab states in the “Tunis Pledge” in 1979, only USD 0.4 billion was actually collected[^42].

- **National Economic Problems:** Lebanon’s economic problems, with sustained damages of USD 19 billion, a third of the population below the poverty line, inflation at 92%, and production down by 50%, along with a falling GDP combined to make the situation a difficult one for the government (Hassan, 1991). The Council for Development and Reconstruction reports showed hesitancy amongst investors to invest while politics remained unsettled; and while hundreds of thousands of Lebanese citizens left during the War, only 55,000 had returned by

[^41]: Demolition crews sometimes hired out their services to building owners who had damaged buildings. In some cases it became more financially feasible to destroy the building entirely to be free of the old rental rates, than to rehabilitate and be forced to rent out at pre-war prices.

[^42]: The major Arab donors had linked their support to a satisfactory political settlement in Lebanon.
1991, an estimated 6% of the total (Abu Fadil 1992). The concern was "that the outside world will lose its enthusiasm for Lebanon. The country balances its books only by attracting capital inflows - and these could move elsewhere at the merest hit of political and social trouble" (Economist, 1996, p15).

- **Squatters:** A squatter population and displaced families occupied almost every devastated building in the BCD. This population was estimated to be in excess of 30,000, living in largely unsafe structures throughout the city centre. A substantial relocation program was necessary before reconstruction could continue. The government’s promise to support the re-housing project was going to put a significant strain on financial resources (CDR, 1993).

- **Overall Condition of Property:** During the War, major components of basic infrastructure were obliterated. Half of the 450 thousand phone lines were destroyed. Only 35% of the previous power was available. 80% of all water reserves were polluted. Only half of public schools were operational. Two thirds of the urban fabric around the city's public spaces was in ruin. The dumping of city's domestic waste ruined the shoreline and what remained of the centre were “destroyed buildings and the detritus of war” (Salaam, 1995, p29). The water, sewage, electricity and road networks required complete rehabilitation. Infrastructure costs were estimated at USD 1.5 billion – an exceptional price tag for a government emerging from a devastating war to bear given the other pressing demands on it. Overall, early reconstruction costs for the Central District amounted to half the annual Gross National Product. These were figures that domestic funds could scarce afford. The government’s financial situation had deteriorated substantially. So much so that it was determined early on that 75% of the funds required for reconstruction had to be obtained from external sources.
Emerging Solutions Focus on the Private Sector Reform

Despite these issues, rebuilding the centre was identified as a top reconstruction priority. Planners warned the government, any plan to rebuild the centre would be ambitious at the very least, for "at stake [was] the rebirth of the centre of a capital city after its destruction by war" (Gavin and Maluf, 1996, p13). A legitimate concern amongst the slim minority debated at the time was whether the redevelopment initiative would even work, and urged that given the other pressing needs at the time the risk factor would have to be evaluated closely. The overwhelming narrative at the time was the pressing need to rebuild. Though the extent of real representation and public support was unclear, deliberations in Parliament and the Cabinet, focused on how to achieve the reconstruction, as its need was taken as a given. The dialogue relating to reconstruction within the weakened state centred on three options which arose from the various discussions at the end of the War in 1990:

- **Option One: Complete Government Financing**: Debated only briefly in Parliament, and though popular in post-war Europe (and Marshall Plan aid), this option was proposed such that the government would fully sponsor the reconstruction efforts and make capital available to the individual property owners to redevelop their plots through loans. Extreme land fragmentation was thought to make this option unfeasible. In addition to the government’s inability to gather the necessary financing (CDR, 1993) there was limited institutional capacity to be able to complete the process. Other pressing social, political and infrastructural needs beyond the BCD made this option unlikely (CDR, 1993).

- **Option Two: Government Eminent Domain**: This approach included the government putting up significant capital to buy out problem areas within the centre through expropriation and to rehabilitate them with public funds. With limited government funding and institutional capacity at the time, this approach was unpopular. In addition, Lebanon, over and above other Arab countries, had a long history of limited government
involvement – coupled with higher private sector participation. The Parliament which was composed largely of private businessmen was hesitant to pass any law increasing government power and involvement. Public debates were scornful towards large government involvement.

- **Option Three: Private Real Estate Company** (Gakenheimer et al., 1993\(^{43}\)): Parliament and the Cabinet rhetoric seemed to indicate in their discussions “only one remaining option”, as stated by Elias Hrawi in *Al-Hayat*, November 2\(^{nd}\) 1990. Encouraged by the private studies commissioned, and the existence of private finances, the option involved creating a private company to undertake the reconstruction\(^{44}\). As initially suggested by a study commissioned from the Middle East Economic Consultants, the company would be privately funded and granted the right of eminent domain over the city centre as the only viable option (MEEC, 1985). The proponents of this plan argued that while the government was not in a position to do so, the private sector would be able to tap into international finances – free of any fiscal restraints (Hassan, 1991). The private sector would also have the institutional know-how and experience to develop the centre. The private sector was often relied upon during the Civil War to fill in the gaps in basic government services that emerged and was "known and respected” (Khalaf, 1993, p25).

The government insisted that the third option of creating a RECHCO solution ensured “absolute equality of treatment”\(^{45}\) of all property right holders inside the BCD, irrespective of the status of the property, or of the use prescribed to it. Losses to individual plots due to reconstruction efforts could be distributed over the project as a universal cost. There was also a certain level of excitement regarding the potential of the private sector solution to solve the redevelopment constraints on the public sector (Beyhum, 1992a). The model was put forward to be emulated in other areas. Parliamentarians talked about other RECHCOs in areas outside the BCD as well. In addition to Parliament, the Council for Development and Reconstruction also pushed for the third

\(^{43}\) Gakenheimer referred to Solidere as a real estate holding company.

\(^{44}\) This private company is referred to in this thesis as a Real Estate and Construction Holding Company or RECHCO.

\(^{45}\) Elias Hrawi in interview in *Al-Hayat*, the 2\(^{nd}\) of November 1990.
option of a privately operating Real Estate Construction and Holding Company. They strongly believed that the strategy would "insulate the reconstruction of the BCD from political polarisation and traditional governmental inefficiencies in order to provide proper leadership and attract funds" (Solidere, 1994, p7). The company would save direct government spending on the project (as in Option One), and would bypass the institutional reforms (required for Option Two). The state (and CDR) also did not have the capacity to implement the project and so its form as a commercial company was encouraged. However, the massive private-private transfer of land that would take place for the first time in Lebanese history as a result of the expropriations into Solidere SAL was not adequately debated.

On the 17th of September 1994, a major sign that Lebanon had finally emerged from the Civil War was a Fairuz concert in the centre of Beirut. The concert was "highly emotional" and took place in Martyrs' Square within the city centre (Muir, 1994, p10). The mixture of Muslims and Christians at the concert brought hope back to the reconstruction. The concert was sponsored by a company that still had no physical presence - a single powerful Real Estate and Construction Holding Company - now branded and incorporated, by the name 'Solidere'. And so Option Three started to become a reality.

2.3 Solidere, the Rebuilding of Beirut's Centre

Solidere SAL in terms of financial magnitude and political connections was one of the greatest private enterprises ever seen in Lebanon. Its impact on Beirut's politics and urban aesthetics was clear. This section aims to trace the company's history to better understand its motivations and past in order to provide a platform to assess its current and future impact. The 'new downtown' of Solidere packaged itself as a representation of the occident, the modern, the clean and the structured. As such, the Solidere project raised controversy in Beirut. Critics noted that the 'imported' ideas (Beyhum, 1995)

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46 Nouhad Wadi Haddad (born the 21st of November 1935), known as Fairuz, is a Lebanese singer who is among the most widely admired and deeply respected in the Arab World.
did not share the same sort of historical context, a theme explored in detail in later Chapters. This Case Study will map the process that the company embarked on to help plan and implement the reconstruction of the centre.

Solidere: "Beirut Reborn"

To many, the Lebanese Company for the Development and Reconstruction of the Beirut Central District, or Solidere SAL was the saviour of the city's Central District. One commentator noted "one fine day people suddenly stopped talking about Beirut and Lebanon. It was in the fall of 1990...then, beginning in the mid-1990s Beirut and Lebanon began to be talked about again, this time in the pages of travel magazines" (Kassir, 2003, p523). The company is said to have recreated the city centre from a 'wasteland' destroyed by the war to a bustling world class area frequented by tourists, residents, businessmen and families. The story of Solidere's project - spread over 1.8 million sqm of land in the centre initially, and continuously expanding (launching the Beirut Souqs in October 2009 for instance, with an additional 163 thousand sqm of commercial floor space, and housing dynamic international brands such as Armani, Fendi, Tommy Hilfiger, and Timberland) - is an intriguing one.

Figure 2-2: Modern Solidere

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The story of Solide’s creation begins at the conclusion of the Lebanese Civil War when the Lebanese government opted for the ‘third option’ plan of allowing a private company to oversee the reconstruction of the downtown. In October 1990, a new director was appointed to the Council for Development and Reconstruction with influence from Rafiq Hariri. Rafiq Hariri was a Lebanese national, also holding Saudi citizenship, who made his fortune in Saudi Arabia, with assets estimated at somewhere between USD 3-4 billion in the early 1990s (Walden, 1994). Rafiq Hariri also played a substantial philanthropic role in Lebanese society (building hospitals and providing scholarships in his name). As a former Saudi diplomatic representative, he had played a role in the Taef Agreement conclusions and was slowly becoming known in the Lebanese political field.

Centre’s Plans Hinged on Individual Efforts and Private Influence

Soon after his appointment, the new CDR director Fadel El-Shalaq\textsuperscript{47} issued a formal request to the government which was approved to oversee the completion of a new series of Master Plans for reconstructing central Beirut issued by Dar al-Handasah - a leading architecture firm within the Arab World with strong connections to El-Shalaq. In the official transaction it was noted that Rafiq Hariri would pay privately for all the Dar al-Handasah services on behalf of the CDR. In addition, Dar al-Handasah appointed the former Minister of Public Works and Transportation, the architect Henri Eddé to head the design team of the project. The plan was disclosed to the public in the summer of 1991 for review\textsuperscript{48}.

\textsuperscript{47} Fadel El-Shalaq’s close relationship with Rafiq Hariri will be explored more in Chapter Four.

\textsuperscript{48} It is important to note that this was not the first Master Plan undertaken. Two major planning efforts were made in Beirut and its outskirts. The first was the Master Plan of 1978 prepared for the Municipality of Beirut by the Atelier Parisien d’Urbanisme (APUR) and issued under Article No. 1163 on the 15\textsuperscript{th} of April 1978. The second was the Urban Master Plan for Beirut and its outskirts, or the Institut d’Amnagement et d’Urbanisme de l’Ile-de-France (IAURIF) Plan of 1983. The APUR Plan marked the first serious public sector attempt at rebuilding the city centre and was a culmination of an effort by the CDR and the APUR. As part of this initiative a committee was created, headed by the engineer Marty El-Namar, and was charged with overseeing the conclusion of the redevelopment studies. Soon after its completion, the plan was approved and went partially into effect. The plan’s emphasis was on the preservation of historical buildings and revival of commercial activity. This first reconstruction plan was focused on ensuring the complete reintegration of the centre into the rest of the city’s urban fabric (Saliba, 2000). Since the damage done to Beirut’s Central District by 1977 was not extensive, the 1977
In his book *Out of the Middle East - the Emergence of an Arab Global Business*, Kamal Al-Shair - director of the regional Dar al-Handasah engineering house - describes how the Dar al-Handasah plan was launched as an informal and haphazard event (Shair, 2006, p219):

Early in 1991, I was awakened one morning at two o'clock by the insistent ringing of the telephone beside my bed. It was my cook, with an urgent message: "Mr Hariri is on the line and wants to speak with you now." Rafiq Hariri was a dynamic individual who was widely expected to take office as Lebanon's prime minister as the country prepared for the challenge of post-war reconstruction. He had decided it was time to begin on the serious reconstruction of Lebanon, and he needed my help to do it, he told me. Hariri was in no doubt about what the priorities should be. We had to focus on those parts of the reconstruction plan that would regenerate the economy. I agreed with him completely about this.

And so Dar al-Handasah went to work, a contract based on personal connections, and an impending sense of urgency. Henri Eddé was the Dar al-Handasah senior architect assigned to the task under Rafiq Hariri's influence and guidance for the creation of a sensational and modern centre. Any solution was paramount to returning stability in Lebanon. It would have to "inform the future and cherish the past" in addition to being able to "reconnect a once-divided city" (Gavin and Maluf, 1996, p13). The appropriate action was critical to the future of Lebanon, and so the initial Master Plans were completed.

Eddé's plans once publicised were denounced as outrageous (Beyhum, 1992a). The plans required the demolition of what little remained of the city centre. Protests about the plan, the extent of the demolition and the launch of the company began in July 1991. Eddé's plan included an artificial island to house a "World Trade Centre" and an 80m wide boulevard to run down the centre of the project; a 'rival' to the Champs Elysees in Paris. Opposition grew to form a protest group demanding alternatives.

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plan was able to adopt a more preservatory approach to maintain the city's existing urban fabric than some of the later plans. The cost of reconstruction, based on public development reports, was manageable, and it was financially feasible for many independent property holders to restore their holdings on their own (Tabet, 1993).
**Figure 2-3**: An Impression of the New Image for the City Centre.

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**Figure 2-4**: Wide Boulevards and Tall Buildings.

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**Reform of Plans and Launch of the Private Company**

About fifteen academics and planning professionals united to try to oppose the plan and quickly became to be seen by the public as credible and
independent experts. The main criticism was that the plan made the centre look like an isolated “island of modernity” (Tabet, 1993, p95) and lacked meaningful links to the surrounding areas (Davie, 1996). The group succeeded in starting a large public debate surrounding the design of the plan which bared no resemblance to the old city centre, alongside the extensive demolition it called for. The public outcry was large enough for Dar al-Handasah to review the plan. The amended version was marketed as a fair compromise. Georges Corm the Lebanese economist and former Minister of Finance, was quoted in Al-Hayat in November 1991 as saying that the adapted plan was advertised for its “involvement of the public” and “inclusion of the eminent criticism”, though largely only urban design aspects had changed with little additional public participation.

The revised plan was never fully approved through public processes, and was submitted straight to the government. It was, however, studied by the "Engineering's Union" which presented its findings to Parliament on the 24th of September 1991 and suggested that the CDR appoint an independent expert committee - in addition to the CDR itself, along with Dar al-Handasah - to rethink the plans (Beyhum, Salaam and Tabet, 1996, p18). No response to this report was received. The plan produced was very distant to the general planning traditions of preservation that existed after the War and felt alien to Beirut's population. The plan recommended the demolition of well over 80% of the existing buildings in the Central District (although according to a variety of sources only 20% were damaged “beyond recovery” by the War) (Salaam, 1996).

Though the plan was debated publically, it was done so informally and unofficially. Legally in December 1991 "amid accusations that Members of Parliament (MPs) were bribed to pass the legislation" (Adwan, 2005, p5) and under "influences, and heavy pressures,” (Beyhum, Salaam and Tabet, 1996, p19) President Elias Hrawi and Omar Karami signed Law No. 117 of 1991 into existence which would allow for the creation of a private company to take over the rebuilding of the city centre. It became a privately owned company in 1994 and was later listed on the Beirut Stock Exchange. Op-eds in Al-Nahar and Al-Hayat newspapers implied that with Rafiq Hariri's background in construction
and investments in Saudi Oger and Oger Liban, both leading contractors, there should be a spirit of optimism for the plan's success.

An essential part of the law would be the absorption of all properties within the centre into the company through a process of expropriation. In return, property owners received shares in Solidere SAL (Martin 1993). Landholders received 65% of the total number of Solidere SAL shares with an estimated USD 1.2 billion in value. Solidere SAL's remaining shares of USD 650 million were sold publically to generate additional cash. In various formats, Rafiq Hariri through various sources controlled 19% of Solidere's shares at the company's launch, as will be explored in Chapter Four (Walden, 1994). The objective was to create a modern day Beirut that would attract potential Arab investors who would help regenerate the Lebanese economy (Corm, 1996).

Though many denounced Law No. 117 as "unconstitutional" (Beyhum, 1992a, p87), its implementation went forward. The major aspect of the law that was in debate was the compulsory and collective transfer of all properties within the Beirut Central District to the firm that would become the sole owner of the properties. This expropriation process was controversial for two main reasons: the first was that it would require property owners to receive shares in the company instead of cash compensation; the second was that it forced property transfer between two private owners of which the original owner was forced to cede property. One Lebanese architect and planner Assem Salaam, the former head of the Order of Engineers and Architects, described that, “entrusting Beirut’s Central Business District redevelopment to the CDR is a typical example of the dangers inherent in the state’s abdication of its role in orienting and controlling one of the most sensitive reconstruction development projects in the country” (Salaam, 1996, p198). Many saw the project as dissolving distinctions between the private and public sectors or "allowing for the colonisation of the former by the latter" (Makdisi, 1997a, p693)\(^{49}\).

\(^{49}\) In the days following the approval of Law No. 117, and laying the groundwork for the company's formation, the Cabinet in Decree No. 2236 dated the 19th of February 1992 delineated the geographical boundaries of the BCD and provided a roster of all properties falling within these borders.
In April 1992, demolishing within the BCD zone began directed by the CDR, in an 'alleged' attempt to stabilise the area from the danger of condemned buildings and to preserve public security (Haddad, 1998). Despite Law No. 117, at this point no Master Plan had been officially approved for the area, and the CDR was seen by many to be acting beyond its mandate. Property owners within the BCD began to complain that their buildings were being demolished with high-explosive demolition charges on no legal grounds. Many at the time also complained that the explosives and bulldozers were stronger than necessary causing building collapses that damaged several other neighbouring buildings that were in turn declared hazardous to public safety and demolished (Beyhum, 1992a, p19).

Assem Salaam, in a newspaper opinion piece observed that “more buildings were destroyed by bulldozers than the War itself” (Makdisi, 1997a, p674). It was the case that more irreparable damage had been inflicted on the centre by those “who claim[ed] to be interested in salvaging and rebuilding it” (Makdisi, 1997a, p674) than during the preceding fifteen years of shelling and

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50 More details regarding Hariri's involvement in this and other historic demolition will be discussed in Chapter Three.
51 By 1993 when the Dar al-Handasah plan was properly ratified, about 80% of the structures in the city centre had been damaged beyond repair primarily as a result of the demolition and clearing works. Incidentally this was the same proportion of clearing suggested by the 1986 Dar al-Handasah plan.
house-to-house combat. Many intellectuals felt that the destruction and demolition that took place between 1990 and 1994 was an unhealthy form of erasing the past (Haugbolle, 2011). In May 1992 a conference was organised to debate the aesthetic, cultural, and social significance of the reconstruction effort and to denounce the demolition. With a set of strong recommendations to rethink the plan, the conference called for an extensive debate. Property rights and values remained at the heart of objections. This debate however, was overshadowed by the electoral campaigning beginning that summer.

Rafiq Hariri, who had originated Solidere's idea, had been slowly working his way into the Lebanese federal government system. It was on the 13th of August 1992 while the public watched the upcoming elections - in which Rafiq Hariri was running - with great attentiveness that the Cabinet, in a special session voted decisively on the basic structure to create the Lebanese Company for the Redevelopment and Construction for the city centre to be known widely already by its French acronym Solidere (Solidere, 2002a).

The Higher Urban Planning Commission, whose purpose included reviews of urban plans, denounced the Master Plan and called for a complete rethinking of the plan and the implementation vehicle, in spite of this, the 'Articles of Incorporation' were approved. In the absence of 23 Members of Parliament, and with only six voting against the plan it passed. One MP Saleem Sa'ada when voicing his objection quoted a verse from the Qur'an: “And eat not up your property among yourselves in vanity, nor seek by it to gain the hearing of the judges that ye may knowingly devour a portion of the property of others wrongfully” (Pickthall, 1992). MP Elias al-Mashrou reported that the plan was 'Massikh' or 'Foolish'.

Solidere SAL's 'Articles of Incorporation', initially fixed the company's duration at twenty-five years. This duration was amended and extended to seventy-five years in 1998, in order to enable the company “to fully realise its objectives

52 Najah Wakim, the founder and president of the Lebanese group, the People's Movement, has actually argued that much of the fighting in the downtown during the War was paid for in order to ensure as much damage as possible to the area.
56 None of the six MP's who did vote against incorporating Solidere SAL ever returned to hold office again.
and to satisfy the interests of its shareholders” (Solidere, 2001a, p9). Solidere SAL was immediately faced with a host of litigation by the original property right holders. Many citizens and property owners submitted requests to the Council of State to repeal the decrees approving Solidere SAL’s establishment. The government was in a state of reconstitution right after the War and following the parliamentary elections in the summer of 1992 the last of the transitional government resigned to be replaced by a new Parliament and Rafiq Hariri, the newly appointed Prime Minister and billionaire engineering ‘tycoon’ (Newsweek Staff, 1994). Indeed, Rafiq Hariri’s power was not reduced by the election boycott. One of the last acts of the previous government right before it resigned prior to the elections was in fact to give formal approval to the Dar al-Handasah Master Plan on the 15th of October 1992. And so, it was in this atmosphere of national anxiety (Lebnani, 2010) with the outcome of the elections and a distracted public that the Master Plan was approved with little “debate over its merits” (Eddé, 1997, p132). Solidere’s plan had no opportunity for legislative recourse once it was approved.

A Master Plan Pushed Through by an Individual

Many saw Rafiq Hariri coming to power as a turning point (Iskandar, 2006) for Lebanon. As a large player in the Lebanese economy his net wealth was the equivalent of the country’s GNP. Prime Minister Rafiq Hariri was a Saudi national with family roots from Sidon (Tueni, 1992). Rafiq Hariri took office in 1992 and became the largest shareholder in Solidere SAL, owning 7% of the company. The rapid rise to power of Rafiq Hariri and his years of rule beginning in November 1992 represented what scholars agree was a

57 Specifically the decrees protested were: Decree No. 2236 dated the 19th of February 1992 and Decree No. 2237 dated the 19th of February 1992. In each of the cases brought forth by these owners, the plaintiff received a notice from Solidere that read: “Although the outcome of such proceedings cannot be predicted with certainty, legal Counsel to the Board of Founders advises that the decrees in question are in conformity with applicable laws and therefore such proceedings are unlikely to succeed.” On the 9th of July 1992 one of the original property owners in the centre brought a case to the Lebanese High Court of Justice. A decision came down from Judge Azzat Ayoubi ordering the cessation of Decree No. 2236, associated with defining the boundaries of Solidere and the plots it included, as well as the cessation of Decree No. 2237 that included specification of the extent of the company’s involvement. The decision however, was short-lived and was the last after Hariri came to office in 1992 that could be interpreted as anti-Solidere in nature.
dramatic intensification of market forces in the national economic and political organisation (Makdisi, 1997). Rafiq Hariri’s ascent saw market forces in Lebanon intensified through political intervention that began supporting exclusive economic projects for a certain political elite (Verdeil, 2002). Rafiq Hariri was committed to ease the work of local and foreign investors and he looked to the built environment as the main framework in which investments could come.

Even before he assumed power, Rafiq Hariri was quickly able to place one of his employees in the top position at the state-run CDR (El-Shalaq as previously mentioned). As Prime Minister he placed his men in most of the relevant state institutions for reconstruction establishing a practical decision-making monopoly (Eddé, 1997). The process of the post-war reconstruction has been described as one of self-enrichment for members of the government, and those in opposition were quickly replaced. The plans opened "the floodgates of privatisation, its members, as individuals, [took] advantage of the very same market liberalisations that they mandate[d]" (Makdisi, 1997a, p694). The Lebanese Parliament included thirty-five millionaires and three billionaires.

On the 5th of August 1992, the CDR as directed by Law No. 117, published an invitation in the Lebanese media to form Solidere SAL's Founding Board in a period scheduled to end almost a month and a half later. The CDR selected from amongst those applications received. The successful candidates were chosen from those whose solvency could be established by bank guarantees acceptable to the CDR. The Board of Founders formed on the 23rd of December 1992, included one representative from the State, six representatives from the property rights owners (including lawyers, legal consultants and representatives of the Maronite, Greek Orthodox, Islamic, and Greek Catholic Waqf), as well as five representatives from the prospective cash investors. Nasser Chammaa was the Secretary General of the Board of Founders and the Representative of the Hariri Group (today he is the Chairman and CEO of Solidere SAL). The representatives on the board were not free of criticism. Some saw them as a “collection of private interests
and powerful individuals who gathered together as Solidere’s Board of Founders in 1992” (Makdisi, 1997a, p672).

The Board of Founders was to prepare a detailed plan to be submitted for approval to the authorities, along with a phasing plan. In addition, the company was also to be run by a Board of Directors - of which at least two-thirds would be Lebanese nationals with the shareholders represented in proportion to their contributions. Further to the original plan, by the 21st of October 1993 the CDR had completed and endorsed a detailed zoning plan for the project58.

**Figure 2-6:** Beirut Central District Detailed Plan.

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58 This was later approved by the Cabinet along with its amendments by Decree No. 4830 on the 17th of March, 1994.
For this detailed plan, the CDR and Dar al-Handasah conducted several information meetings but they were descriptive sessions that gathered limited input back. Critics often called upon the CDR to endorse more progressive planning agendas including participatory ‘citizen forums’ though this never materialised. The CDR in its defence released statements outlining the process of approval, showing that the Master Plan would in fact require both municipal approval as well as the approval of al-Tanzeem al-Madani (the Planning Directorate) before it could be submitted to Cabinet for official endorsement. So in one sense the CDR argued, the public would be represented.

Solidere’s Detailed Master Plan was headed by the Harvard-educated Ossama Kabbani who wanted to create a “lively and attractive urban core in Beirut, balancing office space, residential area, commercial and retail zones, parks, promenades, beach facilities and two yacht clubs” (Makdisi, 1997a, p679). The Master Plan split overall land area in the city centre into ‘development’ and ‘public’ areas. The public areas were designated for roads and open space. The development area consisted of any retained buildings and open space. The total land area of the Central District was approximately 1.8 million sqm, of which were 610 sqm of reclaimed land. The total built-up area capacity of the Central District was set by the Master Plan at 4.69 million sqm, of which 1.45 million was reclaimed land.

Phase I of the project extended from 1996 – 1999, concentrated on the development of the traditional BCD. Phase II of the project beginning in 2000, focused primarily on expanding the development to the peripheral areas of the BCD and onto the reclaimed land. In these two phases Solidere also developed land plots to sell to other developers, at about 571 thousand sqm for new development in the traditional BCD boundaries and an additional 260 thousand sqm from the reclaimed land.

Along with the completion of the Master Plan, Solidere soon after formally established a legal entity with offices on the 5th of May 1994, with shares fully subscribed to, presenting itself as a “healing agency, designed to help central Beirut recover” (Makdisi, 1997a, p675). Throughout the entire period of debate regarding the Master Plans, the property owners whose plots were
expropriated into the company remained sidelined, with feelings of under-compensation. Their complaints, moreover, could only be heard through a Solidere SAL-led and managed appeals process. Courts either rejected the cases completely, or overwhelmingly sided with the Solidere project.

**A New City Centre Emerges, Solidere: Places for Life**

Despite this Solidere grew, and new 'downtown' Beirut, in the eyes of many, flourished. Any viewer of CNN in 2011 would have seen an ad for 'Solidere: Places to Live'. Solidere's success was indeed applauded. Its quick redevelopment of Beirut's city centre, and its attraction of investors, created what can almost be considered as a new understanding of land tenure within the Levant region. 'Construction capability' was labelled as one of Lebanon's most valuable export commodities. A report in *Insight* in 2002 (Exportable Expertise, 2002) clearly identified 'total management companies', such as Solidere SAL, as a significant Lebanese export. Many extolled Beirut's reconstruction. Ayman Trawi, a known Lebanese photographer, describes the transformation of the city centre as “the doors of Beirut are flung...open once again, and the city is getting back all the signs of modern culture and civilisation that were missing for so long” (Trawi, 2003, p3). Others describing the Solidere project talk about a more wholesome vision of the city, in its historic glory, through rehabilitative reconstruction in its pre-war style of architecture (Khalaf and Khoury 1993; Sarkis and Rowe 1998).

Local and foreign media were giving an unusual amount of attention to Solidere. With headlines featuring titles such as 'Lebanon up from the Ashes' (Meadows, 1994) and 'The Latest Explosion in Beirut is a Construction Boom' (Boustany, 1993) Solidere was featured in the Washington Post, The Economist, and New York Times regularly in quite extravagant stories featuring "the clear statement of faith by the Lebanese in the future of their country and its capital" (Kenaan, 1994, p2) through Solidere's efforts and its launch in what may have been the largest public share offering in the Middle East (Nicholson, 1994a). In one of the more flattering articles, Solidere was
given twelve hundred words by Mark Nicholson in his article a 'Glimmer of Confidence' which featured the hopes of Lebanon's Prime Minister for rebuilding.

While to some, Solidere was rebuilding a nation, to others, replacing Beirut's traditional centre was "a collection of Pizza Huts, Safeways, McDonalds, Body Shops, Burger Kings, Starbucks, Benettons, KFCs, Baskin-Robbins, Gaps, Block Buster Videos, Tower Records and Banana Republics gathered together as a 'souq'" (Makdisi, 1997b, p24), in other words transforming the vibrant centre of the past into a generic shopping mall. Critics drafted alternative plans. Assem Salaam drafted an alternative strategy to reconstruct Beirut's city centre to restore its pre-war function as a bridge between the capital's different religious communities, and reconcile a city that emerged from 15-years of civil war divided along sectarian lines (Ohrstrom, 2007). The Solidere plan - accused the Order - ignored the two elements essential to a national reconciliation; preserving the common memory of the city and a tie to the past. In other words, Solidere "concretised the division of the city" (Ohrstrom, 2007, p1) by demolishing most of the physical memory and denying the original owners and tenants the right to return to the centre to live and work.

In the case of Solidere, while the production of the centre's urban space had been driven by the private sector, it was also closely linked to the political regime. To win the public's sympathy, Solidere SAL worked to play on feelings of nostalgia. Solidere SAL tried to associate with a reborn and reconciled Lebanese identity on the premise of reviving a 'new old' in terms of atmosphere and architecture to receive legitimacy (Kousis, Selwyn and Clark, 2011), branding itself as the modern image of Beirut. This link to the perception of 'Lebanon' and the 'Lebanese identity' has left a lasting impression on many. Many writers deemed Solidere responsible for the "dismantling of Beirut's past and for the erasure of its residents' memories" (Sawalha, 2010, p30).
Solidere SAL was not satisfied with rehabilitating Beirut's centre alone and decided to expand internationally to compete with other projects globally\(^5^9\). In a similar fashion, Solidere SAL's managers described why they believed they would be successful, commenting "the brand name of Solidere is of great importance for these projects...Solidere's corporate reputation and brand name appeal were the motivating factors" (Schellen, 2007, p2) behind its success. Philip Khoury, a Massachusetts Institute of Technology historian, declared in his overview of Solidere that "investment in Solidere more closely represents a wager on a country than an investment in a company" (Khoury, 2007).

\(^{59}\) Solidere SAL thus announced the creation of an international unit - Solidere International - to focus on fully-integrated real estate projects in the MENA region, headquartered in Dubai, UAE with USD 700 million in capital, the majority of which was raised in Egypt. The Lebanese parent company is set to retain 37.2% of the 11 million shares and management control. In November 2006 the shareholders of Beirut approved the company's move into international markets. Solidere International refused to disclose the identity of its shareholders (Schellen, 2007).
1995b, p8). It is as such that the Solidere story is best framed as one of long-lasting and massive impact with reverberations across Lebanon. The story of Abdali in Jordan was simply framed by policymakers as one which would have a lasting effect on the country.

2.4 Jordan's Neoliberalism and the New Setting for Abdali

The period of 1999-2004 marked the period from King Abdullah's accession to the throne to the incorporation of Abdali Investment and Development PSC. It was in late 2001 that the idea of a modern city centre in the Abdali site first emerged; an idea that tied strongly into a new vision for Amman. An emerging 'new guard' within the Jordanian public sector propagated agendas of privatisation and liberalisation, relying on the private sector to be the main engine for growth; where economic progress was seen as a precursor for political reform. In the rapidly expanding city with limited government resources and stressed infrastructure, there seemed to be little alternative to 'mega-projects' within the capital. This background section aims to outline the Jordanian political and economic contexts that built up to the decision to go forward with the Abdali project.

The Emergence of the New Guard Creating New Political Realities in Jordan

A week before King Hussein's death on the 7th of February 1999, following a rule of 47 years, the King announced that his eldest son, Prince Abdullah would succeed him as crown prince. The decision caused a stir. Some thought Abdullah to be a 'playboy' (Gale, 2001), others thought the King's brother - Prince Hassan bin Talal who had served as crown prince for 34 years - the wiser choice. As it was, Prince Abdullah, who had served as Commander of the Jordanian Special Forces, ascended to the throne and with him brought new ideas, connections, and a new world view.
When King Abdullah II inherited the throne in 1999, Jordan was politically stable (Bank and Schlumberger, 2004). A peace treaty had been signed with Israel five years earlier. However, economically, the Kingdom was in trouble. Jordan's economic crisis, which had started a decade earlier - caused by overspending by successive governments, in addition to a shortage of Arab economic aid - and the Kingdom's perceived political position during the first Gulf War, opposing the occupation of Kuwait and the deployment of foreign troops, culminated in a situation where traditional Arab aid (along with US aid) was lost, until about 1997 (Muasher, 2011).

With the young Monarch's age close to that of his population there was widespread hope that reforms were coming, however under the circumstances inherited, Abdullah II spent most of his energies dealing with the country's "stark economic conditions" (Muasher, 2011, p5). When Abdullah acceded to the throne in 1999, the new King did not have a "well established and uncontested primus supra non-pares (first above non-equals) amongst the national elites" (Bank and Schlumberger, 2004, p51). Indeed, he had to create new loyalties. King Abdullah worked to appoint his own men to the positions of power within the country (King Abdullah II of Jordan, 2011). As such, "a new generation of technocrats and entrepreneurs - armed with Anglo-Saxon MBAs and PhDs - began to make their mark" (Parker, 2009, p112).

The promotion of a 'new guard' to pursue King Abdullah II's agenda had been an obvious part of the independent policies pursued by the new king (Bank and Schlumberger, 2004, p54). The new members already had proven track records of succeeding in the international market. They were familiar with the terminology that would appeal to international donors and were "personal friends and acquaintances of the ruler and therefore enjoyed the king's trust, and were flexible enough to undertake political decision-making" (Bank and Schlumberger, 2004, p54). First on the agenda was helping promote Jordan's image as a modern country. These new elites were drawn from Jordan's existing wealthy families, and soon realised that "their fortunes were best

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60 The King in Jordan is considered the ultimate authority as the constitutional head of government, holding large power both domestically and internationally (King Abdullah II, 2013a).
served by leveraging state power to engage in wider networks of accumulation and influence. They provided the backbone of new, quasi-formalised economic decision-making bodies, and took part in the new agencies and governance networks being supported by USAID\textsuperscript{61} and other donors” (Parker, 2009, p112).

The King's most trusted advisors were a 'handpicked' group of political elite, often coinciding with the business elite, in the Economic Consultative Council (ECC) of which the King was the sole determiner (Hammerstein, 2010). In a sense the ECC thus became an extension of the continuing privileged status amongst a certain Jordanian class (Hammerstein, 2010). The 'new guard' were not only loyal to the King's initiatives but were seen to have ability over and above the 'old guard', as a way to ensure reform (Bank and Schlumberger, 2004). These economic reforms supported an agenda to promote Jordan's image as a modern country. While the ECC did make headway in terms of economic changes, it did very little on the political front. The ECC was dominated by people with strong economic backgrounds, and so were extremely driven by modern economic trends. Almost all political decisions were made from an economic perspective, considering how to increase Jordan's internationalisation and exports and with a strong focus on privatisation (Muasher, 2011, p23).

King Abdullah's first Letter of Designation appointed AbdulRauf al-Rawabdeh as Prime Minister with a strong urging to "promote democracy" and improve "national unity" (King Abdullah II, 1999, p1). However, the efforts (as those of the ECC) remained largely economic, though with significant and lasting impact - Jordan acceded to the World Trade Organisation in 1999, a Free Trade Agreement was signed with the United States in 2000 (the fourth of its kind in the world and the first with any Arab country), and a Free Trade Agreement with the European Union in 2002. Against this backdrop, and partly in protest for the extremely limited political reform, two-thirds of the lower house signed a petition to dismiss al-Rawabdeh's government (Ryan and Schwedler, 2004).

\textsuperscript{61} USAID is the United States Agency for International Development.
Despite economic advances, political reform remained stagnant. Much analysis has considered the reasons behind the political reform process, though instigated from above, moving very slowly. Some critics have put the blame largely on a ‘rentier’ elite that fought not to lose any of its enormous privileges. Any directives that were seen to undermine or threaten the current status quo, with the potential to create a new system, were delayed, and by many accounts “derailed” (Muasher, 2011, p23). During this time the Intifada that broke out in 2000 created ripples of perceived regional instability and reduced external tourism, trade and investments significantly in Jordan, showing just how vulnerable the Jordanian economy was (Kardoosh, 2005).

In June 2000 (until August 2003), Ali Abu Ragheb was appointed Prime Minister and headed three successive governments. Abu Ragheb - also an ‘East Bank politician’ (Observations of a Jordanian, 2011) was younger and more politically and economically liberal than al-Rawabdeh. In June 2001, during Abu Ragheb’s tenure, on the recommendations of government and the intelligence services, the King dismissed Parliament (Denoeux et al., 2003). Elections were scheduled, but consistently delayed, until the Spring of 2003 citing tensions regionally as the reason. It was during this lull of Parliament when there was a "general sense among the Jordanian public that financial and administrative corruption [was] prevalent in the civil service at the highest and lowest levels" (Bank and Schlumberger, 2004, p51) that the Abdali project was born. With Parliament dissolved, a loophole in the constitution was exploited, which allowed the government in extenuating circumstances to pass laws in the absence of Parliament. As such, 211 provisional ‘temporary’ laws were passed.

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62 The rentier state is one in which the government is the principal recipient of the external “rent” in the economy (income not associated with a productive activity). There are two different styles of rentier state economy to be found. The first is based on the type of rent accruing to the state: (1) pure rentier state economies, (oil revenue based); and (2) induced rentier state economies, including Jordan (aid and remittances) (Knowles, 2005, p11). The rentier elite are a subset of the population that benefit disproportionately by receiving additional rent allocations from the state.  
63 The Palestinian uprising against Israeli occupation of the West Bank and Gaza Strip; the first Intifada lasted from 1987 to 1993, and the second began in 2000.  
64 Article 94, Paragraph A, gives the Cabinet, with the King’s approval, the power to issue temporary laws in the absence of Parliament on matters requiring necessary measures when no delay can be tolerated.
Jordan's Drive to Globalisation and a Private Sector Economy

Economic reforms meant that by 1999 there had been a gradual reduction of high fiscal imbalances, and the implementation of a structural reform agenda. These reforms aimed to build a "new Jordanian model that is resilient to external factors and that accommodates the evolving global trends" (MOP, 2001b, p1). The model aimed to transform Jordan from a primary-driven economy, to an investment-driven and knowledge-based one. The private sector was framed as the "main engine of growth and the driving force of the economy" (MOP, 2001b, p1) and alongside civil society, the government considered it an essential partner to "reach a national consensus on the path that Jordan [was] to take to realise its developmental objectives" (MOP, 2001b, p1).

Starting in 2000, Jordan began to see a rise in economic activity reflected in growth in Gross Domestic Product (GDP) and GDP/capita (CBJ, 2011). The construction sector was amongst the leaders in contributions to GDP with rates reaching almost double that of the economy, especially in the period leading up to 2004 (CBJ, 2011). The economy also transformed to become more service-oriented with a renewed focus on real estate\textsuperscript{65}, banking, tourism and the Information Technology sector. The economic reforms were strongly on the agenda "to put bread on the table," as King Abdullah often said (King Abdullah II of Jordan, 2011). Many initiatives were launched to this effect, including the Aqaba Special Economic Zone\textsuperscript{66}.

It was during this time that the government also presented comprehensive reform plans such as the Social and Economic Transformation Plan (SETP) (Tarawneh, 2008) released in November 2001 with Dr. Bassem Awadallah as its major advocate\textsuperscript{67}. This plan was designed to stimulate private investment

\textsuperscript{65} The real estate sector is an interesting one to take note of as it is also easily interpreted in the frame of the rentier state with a 10\% property transfer tax levied on the total market value of the property at each point of sale and ownership transfer, and government collecting substantial fees for no real service rendered.

\textsuperscript{66} The Aqaba Special Economic Zone Authority is the financially and administratively autonomous institution responsible for the management, regulation, and the development of the Aqaba Special Economic Zone, the designated Free Trade Area with investment incentives in the South of Jordan.

\textsuperscript{67} Bassem Awadallah was considered King Abdullah II’s right-hand man. He is a Georgetown and London School of Economics graduate, who remains a controversial figure in Jordan.
and improve public services alongside administrative reform (MOP, 2001a). In conjunction with the plan, several large-scale initiatives were also launched during this period to help articulate Jordan's vision of economic and political reform including the Jordan-First initiative in 2002. The initiative was headed by a committee of government officials, parliamentary members, and other private sector leaders. It did not include members of the opposition. Responding to the dissatisfaction of Jordanians with the focus on the private sector and the speed of economic liberation and reforms, King Abdullah II described "the speed with which the government has to act in order to attract investments can take society by surprise and cause a lot of talk. This is the way the world works. Countries that cater to speed will win and others that let cumbersome bureaucracy get in the way will lose" (Ruwashdeh, 2008, p1).

The first few years of King Abdullah's reign witnessed a decline in international aid (Knowles, 2005, p11). Yusuf Mansur, former head of the government's think tank the Jordan Agency for Enterprise and Investment Development remarks that with a government that was burdened by current expenditures, debt and natural resource shortages, and in an era where the private sector was being turned to as the cure-all, Jordan saw a renewed push towards the creation of "Public-Private Partnerships" and the "privatisation" of government (Mansur, 2013). As part of the economic rhetoric, the government slowly began withdrawing from the economy. The private sector was looked to as an alternative, and was especially rooted in the improvement of relations with the Gulf following King Hussein's death (King Abdullah II of Jordan, 2008). In the first few years of King Abdullah's reign, the proportion of private sector spending as a percentage contribution to gross capital formation increased. In addition, both World Bank and

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68 It is important to note here that there was a decrease in all measures of the induced rentier economy during the first three years before increasing in 2002; when the United States began the War on Terror. Despite the slight increase of aid in 2002 following the United States' invasion of Iraq, international aid fell steadily, reaching a record low in 2007 at only 2.5% of GNP, and 7.1% of government expenditure - an all time low. The world economic crisis pushed levels still lower and was the primary reason behind the continued decrease in aid.
International Monetary Fund 'conditionalities' have tried to stress the need to limit the size of the public sector in the economy.

These economic reforms included the heavy privatisation of state assets, and trade liberalisation, but were not subjected to serious debate from the Parliament and received very little buy-in and were criticised (strongly almost over a decade later). As Marwan Muasher, Jordan's ambassador to Israel, the United States, and Jordanian Foreign Minister, points out, many were convinced that the state was selling assets to the private sector, and reducing the privileges that were traditionally awarded to the 'old guard' (such as employment opportunities in the government run enterprises for their tribes and supporters) (Muasher, 2011). Yet others found that these privileges were simply being transferred to an alternative new elite. The end of 2002 was also witness to recurrent riots in the south of Jordan in the city of Maan which many saw as the result of mounting tensions (Muasher, 2011). The early 2000s saw an economic boom that focused heavily on the real estate sector. This, in conjunction with the new focus on the private sector, the emergence of a new guard and the series of economic reforms tied to international organisations brought forth a different sort of economy.

New Economy Focused on the Real Estate Sector

By 2004, Amman was found to host 38% of Jordan's population and almost all inhabitants living in permanent homes; and the population steadied at about 2.5 million (Department of Statistics, 2004). Amman's main shopping centre has in the past been the city centre area, offering one of the city's limited

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69 Conditionalities are the use of conditions attached to the provision of benefits such as a loan, debt relief or bilateral aid. These conditions are typically imposed by international financial institutions or regional organisations and are intended to improve economic conditions within the recipient country.

70 Amman's population began at about 10,500 people in 1930 (Kadhim and Rajjal, 1988). In 1952, at the time of Amman's first census, the city's population was 250,000 - of which 29% were living in tents, and 8% in natural caves (Abu Dayyeh, 2004). Two abrupt migration waves in 1948 and 1967 ballooned Amman's population, and resulted in five refugee camps across the city. Amman further expanded after the Lebanese Civil War in 1975, the first Gulf War in 1991 and the invasion of Iraq in 2003 led to large influxes of refugees into Jordan. The 1994 census found a population increase of 54.6% over 1979's levels. Amman has traditionally been a city of seven-hills founded by Muslim refugees from the Caucasus at the turn of the 20th century (Oxford Business Group, 2007, p150). While Amman's growth rate steadied at 3% over the past decade, 2013 saw large influxes of Syrian refugees.
stretches of flat land for pedestrian shopping. Along with other central and eastern areas, popularity dropped as western Amman real estate emerged as the "consumer good par excellence" (Daher, 2011, p273) with higher income-families moving to the west of the city, and analysts wrote that along with other locations in the east of the city "downtown Amman had little to offer and more upscale retail is situated in west Amman and increasingly within shopping malls" (Oxford Business Group, 2007, p151). In addition, older real estate was rarely refurbished or maintained as strict rental laws meant that, similar to Lebanon, annual rent increases were extremely limited and rental contracts could not be broken without stiff penalties. In addition the contracts were inheritable across generations of families71. The older areas of the city grew dilapidated as newer neighbourhoods emerged.

The 1999-2004 period saw massive growth in Jordan’s real estate sector. The Mayor at the time, Nidal Hadid saw an unprecedented population and urban growth rate. On the infrastructure-level the early to mid 2000s brought the rapid development and construction of traffic intersections and tunnels and bridges in an attempt to control traffic. Hadid, of Eastern-Jordanian descent, was even dubbed the "Mayor of tunnels and bridges" (Parker, 2009, p112).

Across Amman various enclosed construction sites were created, "spruced up with billboards that provide a glimpse of the glittering future in store for the site" (Parker, 2009, p110). These projects were "carved by flows of oil wealth" (Parker, 2009, p110) and critiqued as one-off opportunities rather than a systematic flow of foreign investment.

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71 The Landlord and Tenants Law No. 11 of 1994 was amended in 2010 with a new draft presented to Parliament which allowed landlords for the first time to revise their rent upwards free of rent controls, making real estate investments more appealing (Abzakh, 2008 and Freij, 2012). The Landlord and Tenants Law and its final amendments were finally approved in Parliament in 2014.
By 2003, Jordan — and specifically Amman — was experiencing a real estate bubble. At that time announced projects had investments pledged at over USD 30 billion (United States Dollar). In light of this flood of investments, and taken as a sign of "Amman becoming modern" (Post, 2013) obsessed with the "Dubisation" of the city (Post, 2013) a newly appointed city council began their efforts to make Amman "a showcase for efforts at modernising government in Jordan" (Parker, 2009, p112). Alongside donor support (from institutions such as the USAID) Amman's goal was to be refashioned as a global destination city. The council was 50% elected and 50% appointed by the Prime Minister, along with an appointed Mayor. The move at the time was seen as trying to undermine the influence of Islamists within the council - while bringing on board a more "elite" and internationally oriented voice (Post, 2013). Both residually, and commercially, the real estate market trends have started to transform Amman. The 2003 United States-led invasion of Iraq forced many Iraqis to flee to Jordan. Some arrived, quite literally, with "suitcases full of money" (Mansur, 2013), which they used to buy homes in Amman's affluent
western section. Price increases of up to 400% were recorded and real estate trading increased by upwards of 74% in 2004 alone.

The attacks of September 11th 2001 in the United States also had impact as “not only did the attacks reshape Gulf investors vacationing patterns but they have also forced investors to look closer to home to invest their excess liquidity” (Global Investment House, 2008, p10). The government's efforts at privatisation and economic liberalisation further boosted the role of the private sector and prompted a further boom in the real estate market (Oxford Business Group, 2007, p150). Emerging credit facilities by banks also helped fuel the growing demand for real estate and construction (CBJ, 2012). The Amman market was awash with cash and seemingly everyone wanted to invest in land, including many foreign investors. One prominent report from the banking sector remarks that well over 1,200 new construction companies were established in the three years after 2004 (ABC Investments, 2007).

**Future Real Estate Planning Driven by the Private Sector and the Army**

King Abdullah II began his career within the army gaining experience working his way up the ranks. By May 1998, he was promoted to the rank of Major General. The Army for King Abdullah was seen as his power base - his unique edge that would provide him with legitimacy. It might have been for this reason that the army was often called upon to fulfil other ambitions and duties, and slowly, it began to have a role in development. In 2002 as part of the army framework 'Mawared' (National Resources Investment and Development Corporation) was created as a financially and administratively independent state-owned corporation that was the army's investment arm and would invest in strategic projects around Jordan. Mawared was self-proclaimed to lead “Jordan's drive towards urban regeneration and inner city development" (Mawared, 2010, p1). The company soon became Jordan's largest real estate developer, with "commitment[s] towards generating investment opportunities for the private sector, creating job opportunities, and stimulating economic growth" (Mawared, 2010, p1). It was run and managed
by one of the ultra "new guard" Akram Abu Hamdan as its Chairman and CEO, with strong influences from the then Minister of Planning, Dr. Bassem Awadallah.

Mawared was marketed, with government backing, as the ideal partner for the private sector to enter into large real estate projects. The establishment of new regulating (and implementing) bodies such as Mawared was one reflection of the Jordanian state's concentration on economic prosperity. As it says on its opening webpage, Mawared offers "vacant, fully-serviced single-owned sites that are ready for development, and facilitates the smooth processing of official dealings with all the relevant authorities" (Mawared, 2010). In addition, Mawared offers developers various "flexible partnership formulas in all...real estate development projects" (Mawared, 2010). Its influence was to be seen in projects all across Jordan, and included Jordan's major real estate projects such as the Living Wall in Amman, O-Beach in the Dead Sea, and King Abdullah Bin Abdul Azziz City in Zarqa, amongst others. Following up on the directions of the Royal Court - the administrative link between the King and Central Government - in collaboration with international partners, Mawared proposed the development of Abdali as a cornerstone of these projects within the city of Amman.

Excited by the concept of an investment such as Abdali, investors (mainly from the region) had been "scrambling to get a piece of the pie" (Robertson, 2007, p46). As a state-owned, financially independent company, Mawared was able to offer unique advantages that other corporations could not in the form of access to huge tracks of land in prime locations with the infrastructure in place. Being state-owned also made Mawared an attractive partner for the private sector offering "fast and smooth processing of official dealings with relevant authorities" (Robertson, 2007, p46). Underneath the rhetoric of Mawared was a public (state) subsidy for private real-estate development for very select urban business regional elites from Lebanon, Jordan, and the Gulf. And, Mawared made an impact. So much so that it has seemed to some of the urban critics that the creation of "public space" within Amman had been

72 It is important to note that all these projects, with the exception of Abdali are either bankrupt or on hold.
"orchestrated by partnerships between multinational corporations and the state through the establishment of new regulating bodies, such as...Mawared" (Daher, 2007b, p273). To these critics, what was seen as neoliberal corporate visions was reinforced by the State concentrating on economic prosperity and encouragement of international investment in the country and was the start of "urban geographies of inequality and exclusion and spatial and social displacement of second-class citizens, functions, histories, in favour of first-class tourism developments and real-estate ventures" (Daher, 2007b, p 273).

**Problems Emerge with the New Real Estate Economy**

Despite the major trends of growth that took place from the late 90’s onwards, several significant issues of economic importance remained pertinent for Jordan. The first of these issues was the decreasing real income of households (Department of Statistics, 2002). Rural-to-urban migration was another major phenomenon. The percentage of citizens living in urban areas more or less doubled to 72% between 1952 and 2004 (UNDP, 2004). This caused added pressure on housing, basic amenities, and demand for food - alongside rising inequalities in living standards. Jordan's high budget deficit was (and remains) one of the most significant problems in the Kingdom (Mansur and Al Husami, 2009)73. A water and potential food crisis were also thought to be possible with decreasing agriculture (UNRC, 2008). Amman is particularly struck by these issues as the highest populated governorate in Jordan and with the highest proportion of total poor.

The new reforms meant, despite relative gains in wealth on average, equitable distribution of this wealth had fallen74. The drop in poverty that was achieved was not as high as hoped for, and the gap between rich and poor continued to increase. However, on most other basic indicators such as infant mortality, maternal health, and universal enrolment in education, improvements have been seen. One of the major problems affecting the

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73 The deficit began at a level of about USD 198 million in 1999 steadily growing to USD 250 million in 2002 and reaching USD 1,378 million in 2005 (CBJ, 2011).

74 Jordan's GINI coefficient dropped from 36.4 in 1997 to 39.7 in 2007 (CIA, 2012).
government's ability to manage financial resources was the strong
government dependency on grants and aid (Mansur, 2008). Since the early
1950s, Jordan had been receiving foreign aid in the form of grants or loans,
the majority of which went towards balancing the budget. Between 1999-2004
Jordan received USD 4.8 billion in aid - or USD 149 per person per year (CBJ,
2012). The precarious aid situation, as a rentier state, very much affected
government policy towards maximising aid impacts.

Jordan's government has traditionally used the public sector as a means of
employment, and tool for rentierism - buying loyalties through helping provide
jobs for those of mainly Eastern-Jordanian background (Zahran, 2012).
Despite the structural reforms that took place, Jordan displayed features of a
'semi-rentier' state (Hübschen, 2011, p124). The state continued (and aimed
to continue) to provide patronage and distribute jobs (and sometimes even
land and money) in exchange for loyalty (Bank and Schlumberger, 2004,
p51). This was done directly through government hiring, as well as through
increased support of the private sector and army. This made it the case that
the majority of the government budget was (and is) allocated to current
expenditures (National Agenda Committee, 2006). The public sector
therefore came to be seen by the new generation of reformists to be
somewhat of a burden on the country.

With Jordan's rising food and energy prices, and growing inequality - further
complicated by the global financial crisis - many Jordanians were feeling the
pressures of more modern life in the Kingdom. State policies had gradually
moved away from 'regional politics' and elaborate social agendas at the
start of King Abdullah II's reign into "neoliberal agendas of privatisation and a
state where most vital assets and sectors had been rented or sold to the
outside" (Daher, 2011, p281). Amongst the realisation of these policies was
the Abdali project which reflected a shift towards growth through a focus on
partnerships with the private sector as the hero of development hailing "real-

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75 The Jordanian National Agenda defined the current expenditures at about 80% of total government
budget which goes towards salaries and retirement benefits, 10% to capital expenditures, and the
remainder for debt servicing (National Agenda Committee, 2006).
76 For example, Arab Nationalism and unity.
77 For example, in agriculture, health care, and education subsidies.
78 For example, water, telecommunication, and power were privatised.
“estate development’ as its new religion” (Daher, 2012). Others have noted that "the Kingdom’s prestige projects that started at the height of the credit bubble have become the biggest scars on our cities’ landscapes" (Jo Magazine Staff, 2011, p17).

Social tensions were rising, eventually culminating in Jordan's own version of the Arab Spring; tensions that were seen to be "pulling social cohesion apart at the seam" (Muasher, 2011, p 17). Corruption became the leading issue with a major effect on Jordan with the new guard accused by the Jordanian street of co-opting transparency and thriving from the Kingdom's coffers (Satkowski, 2012). Rumours of corruption circulated - especially concerning the sale of state-owned lands; specifically those concerned with Mawared, prompting Jordan's ranking on international scales to fall (Transparency International, 2012)⁷⁹. Dissenters were dubbed "anti-Jordanian" (Thesis Survey, 2012). Mawared's projects began to be criticised publically heavily, including that of Abdali, set to create "Amman's New Downtown".

2.5 Abdali, Amman's New Downtown

King Abdullah's policy shift towards globalisation and privatisation, coupled with the rise of the new guard and a host of new aggressive (Bank and Schlumberger, 2004) state entities, was the backdrop against which Abdali was launched. The Abdali case as written in this Chapter aims to tell the story of the largest building works project in the history of Jordan, at the time of its announcement; a project that was set to drastically affect perceptions and functions of space within the city, "creating a new strange way" of interacting with Amman's downtown (Thesis Survey, 2012). The story to be told sets the frame within which Abdali was marketed as a project promoting the "public benefit" (Post, 2013). It is against this backdrop that Abdali’s impact on space within the city given its breadth and magnitude will be evaluated from the public's perspective in later Chapters. Abdali’s story is not documented

⁷⁹ Both Akram Abu Hamdan the Chairman and CEO of Mawared and the Mayor of Amman at the time Omar Maani were jailed on charges of corruption, though not directly related to the Abdali project. Mayor Maani was later released with no conviction on record.
anywhere in the literature, and one of the contributions of this thesis will be to chronicle the case's history as a first step towards understanding its impact. The political strategies associated with Abdali's approval and planning appeared to some to be "manipulative" (Thesis Survey, 2012), and resulted in people feeling "disengaged" from their city (Thesis Survey, 2012).

**Abdali Creates a New Imprint on the City**

Mid-2006, a strange sight would face drivers coming through the Shmeisani area of Amman towards the Ministry of Interior Roundabout: signs on buildings stating clearly "This Building is Not for Sale" and more famously an aggressive sign in bold red print: "We Are Here to Stay!" (See Figure 2-9). This bout of signage did not stop the bulldozers, and eventually all who had once stood against selling their lands and buildings to the new Abdali Investment and Development company were bought out to clear the area for Amman's 'new' downtown. In place of the surrounding neighbourhood now stands a spaghetti string of highways essential to reduce traffic and a cooling and heating station buried in the midst of the 2-3 storey neighbourhood bordering the Abdali towers (See Figure 2-15).

The existing city centre in Amman had been a place of ―gathering‖, ―worship‖, "shopping" and "debate" (Thesis Survey, 2012). With wide pavements and a vibrant street life, it one of Amman's key commercial districts. The centre had to be physically descended to by way of stairways in the era before cars. Today, crowded with traffic, most sensible Amman residents go down by Taxi or Servis\(^8\) in order to save themselves the parking hassle. The old centre was just that – old; "just a little bit worn, and a little bit undermanaged" (Post, 2013). While still advertised in tourist guides as the original 'heart of Amman' (see Dakkak Tours, 2012 as an example), with limited municipal funding directed to the centre it slowly dilapidated. Rental laws preventing rent increases made capital adjustments on buildings unattractive to building owners, and certainly Amman's traditional city centre does not reflect the

\(^8\) A type of sharing taxi in Jordan on fixed routes for a set fee.
hype, sophistication and technology of a modern Central Business District (Thesis Survey, 2012). Further west in the more affluent part of the city is the Abdali District, adjacent to the banking district of Shmeisani, and home to such landmark buildings as the Parliament and King Abdullah Mosque. Here, the Abdali regeneration project aimed to create a Central Business District, as a mixed-use development, complete with both high-end residential and retail elements. Ambitiously, the project hopes to relocate the “heart” of the city from what is today, the rather run-down centre, to Abdali once completed (Post, 2013).

**Figure 2-9**: Part of Talal Abu Ghazaleh's Headquarters

![Part of Talal Abu Ghazaleh's Headquarters](image)

*Source: Picture author's own, 2006*

The idea to regenerate a downtown area for Amman came up in 2002 between the late Prime Minister Rafiq Hariri and King Abdullah II through Mawared as discussed in the previous section. The army involving itself in real estate development projects for investment purposes across Jordan, owned a piece of land that is geographically located near the centre of Amman and at perfect proximity to all the major hotels, banks, businesses, residential areas and the civic centre of Amman that incorporates the Justice Palace, the Court and the renowned King Abdullah Mosque.
Later that year, on the 3rd of June 2002, King Abdullah II met with a delegation representing the Saudi Oger Company81, which had already signed a memorandum of understanding with Mawared on the development of the Abdali site in the centre of Amman. Abdali Investment and Development (AID) was created as the investment vehicle - a private shareholding company (PSC) - initially, a private-public partnership between Mawared, an investment company owned by the Jordanian military, and Oger Jordan, a subsidiary of construction giant Saudi Oger82. During this meeting, His Majesty was briefed by Ali Kologhassi - a consultant working for Saudi Oger's General Director Sheikh Saad Hariri (Rafiq Hariri's eldest son) on the development of Abdali. At the time, one of the main draws of the project was that it included the establishment of an ‘American University’ and ‘Congress Palace’83, in addition to trade and entertainment centres and internet complex. The meeting, according to the Royal Court’s press release shortly thereafter was one where "His Majesty expressed full support to the project...[and]...pointed out the necessity to attract essential investors for the project, particularly, establishment of proper and actual partnership with a remarkable American University, and focusing on specialisations that correspond with the demand in the Jordanian market" (Royal Hashemite Court, 2002, p1). Abdali it seemed, embodied the spirit of modernity and progress that King Abdullah’s new economic agenda called for (Hariri, 2007).

On 23rd of November 2003, a year and a half after their initial meeting, the King visited Mawared. The King was presented with a vision of an Abdali 'Urban Regeneration Project' (as it was then named); at that time a 340 thousand sqm site planned to be a source of attraction for foreign investment and an employment generator (Executive Magazine, 2008). It was also at this time that Mawared and Saudi Oger began to be marketed as an idealised model of a Public-Private Partnership (see Executive Magazine, 2008 as an example) that would serve the general public, planning to create "an

81 Saudi Oger was a construction company incorporated in 1978 in Riyadh, Saudi Arabia, owned by the Hariri family, who were heavily involved in the Solidere project with joint board members.
82 In November 2005, however, Kuwait Projects Company (KIPCO), through its Jordanian branch, United Real Estate Company (URC-Jordan), came in as a third partner. With its additional investments in the project, KIPCO Group's total investment amounted to USD 400 million. URC-Jordan bought 12.5% of AID's shares, which left Saudi Oger and Mawared with 43.8% each respectively. AID remained responsible for implementing the project's Master Plan and infrastructure.
83 Neither the American University of Beirut or 'Congress Palace' would come to materialise.
integrated development, the project will accommodate a variety of land usages, including serviced offices and apartments, shops, restaurants, sidewalks cafés, movies theatres, public plazas, gardens walkways, water features and other public amenities" (Royal Hashemite Court, 2003).

The formula was as follows: Mawared provided the land, Sheikh Baha Hariri (Rafiq Hariri’s eldest born son) provided the finances and through his company Saudi Oger the know-how; and together they created the company AID in 2004. According to the official narrative, Saudi Oger was essential to the success of the project as an experienced and renowned investor. Saudi Oger’s know-how and professionalism were a large selling point; and served as the main explanation justifying their selection as the recipient of large public subsidies as the investor of choice on the Abdali project site area. The public had little reaction to the selection of the investor that was taken to be a fait accompli by many and not open for questioning (Thesis Survey, 2012).

Rising high above Amman, the Abdali project is seen by many to be stunning. A construction project that was to create a ‘new downtown’, a towering example of modernisation, the welcoming of Jordan to a new-era, an emulation of the successful and liquid Gulf economies, amongst other things. In an interview Baha Hariri (Director of Saudi Oger and Chairman of the Abdali Investment and Development PSC) explained the project "will endeavour to create out of Amman's new downtown, Abdali, which will redefine urban living in the city" (Al-Hindi, 2007, p19).
**Figure 2-10:** Image of Abdali in the Future

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**Figure 2-11:** Image of Abdali’s Current State

*This image has been removed by the author of this thesis for copyright reasons*
Abdali's two phases were expected to expand the overall land area to 447 thousand sqm and the investment value to well over USD 3 billion, catering to what seemed like strong demands from investors to service the project and accommodate predictions of the 40 thousand residents and 50 thousand visitors expected daily. Early on in the project - with optimistic outlooks - the completion of Phase I was expected in 2010, and Phase II in 2013\(^84\). Leading architects and their firms from around the world were called in to build towers as part of the iconic effort to put Abdali on the global map of mega-projects (Norman Foster (UK), Architecture Studios (France), Norr (Canada), etc.).

\(^84\) This seems highly unlikely with the new completion date set well into 2015. The Abdali website (www.abdali.jo) as of the 1\(^{st}\) of January 2014 had not been updated.
Table 2-1: Phase I of Abdali Project

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<th>Built Up Area %</th>
<th>SQM</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Residential</td>
<td>180,000</td>
<td>18</td>
</tr>
<tr>
<td>Offices</td>
<td>490,000</td>
<td>49</td>
</tr>
<tr>
<td>Retail</td>
<td>260,000</td>
<td>26</td>
</tr>
<tr>
<td>Hotels</td>
<td>70,000</td>
<td>7</td>
</tr>
<tr>
<td>Total Built Up Area</td>
<td>1,000,000</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>300,000</td>
<td></td>
</tr>
<tr>
<td>Estimated Project Cost</td>
<td>USD 1.5 billion</td>
<td></td>
</tr>
<tr>
<td>Total Abdali Parcels</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>Sold to Investors</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Abdali Owned (Boulevard and CMP)</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Commencement of work:</td>
<td>Q2-2005</td>
<td></td>
</tr>
<tr>
<td>Completion of work</td>
<td>Q4-2009</td>
<td></td>
</tr>
</tbody>
</table>

Source: Abdali, 2012

Table 2-2: Phase II of Abdali Project

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Land Area</td>
<td>146,729 sqm</td>
</tr>
<tr>
<td>Road Network Area</td>
<td>52,754 sqm</td>
</tr>
<tr>
<td>Private Parcels</td>
<td>63,975 sqm</td>
</tr>
<tr>
<td>Public Park Area</td>
<td>30,000 sqm</td>
</tr>
<tr>
<td>Built Up Area</td>
<td>700,000 sqm</td>
</tr>
</tbody>
</table>

Source: Abdali, 2012

As such, the massive Abdali downtown\(^{85}\) development in Amman was launched in June 2003 with the goal of creating a vibrant central business and residential district to catapult the city into the 21st century. Even the media at the time was on board with this vision. On the 13\(^{th}\) of August 2008, AID organised the largest ever media tour of the Abdali ‘new downtown’ site for local press. Members of the media were “visibly impressed” (Abdali, 2008a,

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\(^{85}\) Formally known as the Abdali Urban Regeneration Project.
as they toured Phase I of the 'new downtown'. With “cranes, trucks, workers, action…it looks like the downtown is already alive” (Abdali, 2008a, p3). Indeed, it was the case that the Abdali project constituted a significant percentage of the built-up area in Amman, reflecting its importance in the city.

**Figure 2-13:** Total Licensed Area in Amman in 2010

![Bar chart showing total licensed area in Amman in 2010](chart.png)

*Source: Data selected and graphed from Central Bank of Jordan, 2011*

The Abdali project was designed to drastically change the face of Amman, a predominantly 'horizontal' city with low-rise sparse buildings. The development will introduce the first cluster of high rises, among which is the country’s tallest tower, the 220-meter-high headquarters of the Capital Bank of Jordan. A 350-meter-long pedestrian shopping boulevard will connect the towers to the 'Central Market' mall and residential parts of the project. Job opportunities and enhanced investments were the underlying promise that went hand-in-hand with Abdali’s success (Executive Magazine, 2008). To some this project signified that "at last Amman was becoming a developed

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86 This 25% represented the Mall and Boulevard, which were to be developed by URC-Jordan (the Kuwaiti investment portion) and AID collectively (Executive Magazine, 2007). AID owns 60% of the Boulevard and URC-Jordan owns 40%, and in the mall it is the opposite: URC-Jordan owns 60% and AID owns 40%. Both were to be developed together.
city” (Thesis Survey, 2012). To others it reflected a Real Estate Construction and Holding Company model that represented little more than the corporatisation of urban forms and linkages, and ultimately diluted heritage and a unique sense of place (Thesis Survey, 2012).

Saudi Oger’s partnership was later transferred to a new company, Horizon in 2008, when Baha Hariri separated from his family’s business and created his own real estate and investment vehicle ‘Horizon’ from Monaco. Little to no attention was paid to this transfer of assets of a national project to a newly established and yet unknown company. This was despite the fact that the initial selection of an investor had depended highly upon Saudi Oger’s qualifications. It was also a little advertised or covered fact in local media. Most of the public was completely unaware of the institutional change (Thesis Survey, 2012) and those that were aware were not involved in any process that might have been used to solicit their opinions.

A Narrative Focused on the Public Benefit

The Abdali narrative promoted by the government was one of a leading project working towards the public benefit by furthering the investment and tourism climate of Jordan, bringing jobs and modernity to the capital. So much so was the project marketed and pushed by the highest political levels that retroactively a decision was taken on the 1st of January 2009 by the Jordanian Council of Ministers relaxing regulations and deeming that AID and the companies investing in Abdali would benefit from several exemptions including general sales tax and custom duties, as well as exemptions for the non-Jordanians working on the project. The perception of the project being for the ‘public benefit’ was taken so far that AID was given the right to benefit from laws in place to serve only public projects and initiatives. AID was in effect granted (through the Greater Amman Municipality) the privilege of eminent domain (the right to appropriate land). A series of expropriations took place transferring privately held land and buildings in the area from local residents and businesses to the AID to expand the project site. With AID’s
investors directly benefiting from the transfer, many found this to be an usurpation of the expropriation law by the GAM for a clearly private benefit and it was one of the main criticisms surrounding the Abdali project (this will be explored in detail in Chapter Three).

In what was seen as the lively Abdali District neighbourhood, property owners were forced to sell out and leave their historic neighbourhood as new “Gulf money” entered to invest (Thesis Survey, 2012). It is also of note that the area surrounding Abdali was not only residential. It was also a vibrant commercial neighbourhood. It was home to 152 families, including institutions such as the popular community college – Al-Quds - which had accommodated 3,000 students in addition to 250 employees, and the Abu-Setta Investment Group which included 150 employees (Al-Dustour, 2005).

**Figure 2-14:** Abdali Overpass Being Built

*This image has been removed by the author of this thesis for copyright reasons*
Perceived Property Rights Violations Counter Abdali’s Public Benefit Claims

One of the Abdali District's largest original property owners was the Talal Abu Ghazaleh Institute (TAGI), a leading company in Jordan with over 260 offices and representative offices around the world, which was in the process of building their regional headquarters. Their construction was halted, and their building threatened with demolition. The group covered its headquarters in tarps warning with attached signs that they refused the expropriation. In reaction, five hundred employees and their families at TAGI's complex insisted on a sit-in to no avail. AID was given the rights to the plots and demolished the building to incorporate the new land area into its boundaries.

Abu Ghazaleh attacked the decision in the press and in the courts arguing that his land was transferred from one private owner to another and that he as a private investor had as much ability to generate economic benefits as AID. The group even considered moving their headquarters out of Jordan. The local and national government stood with AID. An external auditor Moore Stephens predicted that TAGI had accumulated losses of USD 11.8 million between June 2005 - June 2007, as part of the freezing of the lots and
inability to complete construction. Other critics of the process were similarly sidelined, ignored and criticised.

To some the story of the Abdali project is one of violated property rights. To others, Abdali’s success was phenomenal. Within Abdali itself, the Boulevard was seen as "Amman’s answer to the Champs-Elysees in Paris or London’s Oxford Street" though with "a life and character uniquely its own" (Abdali, 2009a, p8). Its appealing edge was to attract consumers, as its plans featured the sole 'high street' in Amman, which would be characterised by international brand names similar to those found in Dubai and Beirut.

Despite the issues with expropriations, the Abdali project continued onwards. It seemed to many that the story of the urban regeneration project was "a story of firsts" which would "drastically change living and working in Amman" (Executive Magazine, 2007b, p16). Some viewed this change unfavourably, feeling that "we have forgotten about the old centre" (Thesis Survey, 2012). The project's General Manager at the time, Jamal Itani commented that “Abdali will create the city’s first central business district, in the sense of a homogenous area...Abdali will become the first retail hub in the city” (Executive Magazine, 2007b, p16). Mawared, pleased with the Abdali real estate investment branched out beyond Jordan's borders to grow internationally, in much the same way as Solidere SAL.

### 2.6 Conclusion

The four major sections of this Chapter went over the Jordanian and Lebanese context that allowed for the creation of the RECHCOs. The Case Studies outlined for the first time a comprehensive storyline for their creation in the two locations of Amman and Beirut. One of this thesis' working hypotheses is that RECHCOs are not the objective "inevitable" institutions

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87 In May 2007 Mawared launched its USD 1 billion holding company in Luxemburg as a platform to "invest in...projects outside of the country" (Robertson, 2006, p4). Initially, Mawared explained it would focus on projects in the high potential segments of the MENA market potentially in partnership with other Arab investors. Mawared International would also invite Arab and regional investors to contribute as shareholders and in 2007 was in discussions regarding mixed-use development projects in Abu Dhabi, Bahrain, Morocco and Turkey. Akram Abu Hamdan, explained: "we are cashing in on our expertise as Mawared the brand" (Robertson, 2006, p4).
they claim to be, and rather are the product of individual efforts rather than institutionalised processes for the benefit of individuals. To this end, the Chapter was able to review the large role of individuals in the process, working within their own agendas that were not publicised through dialogue at the national level. Though treated and marketed as being for the public benefit, the RECHCOs were established by a set of transnational investors that viewed the project as a private real estate opportunity, and this will be discussed further in the next Chapter.

As a result of the RECHCOs being such an individual effort, the processes by which the RECHCOs were approved were not typical of the institutional setting of the countries, and instead were ad-hoc, and did not involve public scrutiny. This will be explored further in Chapter Three. This was especially the case as both Case Studies used the public benefit tool of expropriation with massive public backlash. The Case Studies fit into part of a larger phenomenon, whereby starting in the 2000s a systematic change was seen in the Arab World which was the emergence of a new set of Arab business-oriented elites who were eligible to be both investors and targets of new 'up-to-date' spaces (Barthel, 2010). These places as shown through the Case Studies were both created for the use, and financial windfall of this elite, with luxury stores and high-end offices and residences.

Within Jordan for instance, Bank and Schlumberger (2004) look at King Abdullah II's new economic team reflecting the emergence of a new guard responsible for embedding international changes onto national policies. This is also associated with new forms of urban governance which are less democratic and characterised by more "elite-driven priorities" (Swyngedouw et al., 2002, p542). The backgrounds of this Chapter, especially for Jordan, reflected the strong urge to attract international capital to create a 'modern city'. Similarly, in Beirut there was an elite driven process working towards re-establishing Beirut as a leading city. Bringing global capital into projects such as the RECHCOs in Abdali and Solidere created a "new Arab metropolis" and so "unburdened by history they are free to create a new identity and in turn serve as a model for the rest of the Arab World" (Elsheshtawy, 2008, p2).
As is reflected in other places in the world the 'marketecture' boasted by Abdali and Solidere, described in the cases, reflects somewhat of a race amongst these projects to sign major architects to symbolise the city's place in cultural capitalism through iconic buildings. This phenomenon was part of a larger trend that changed the conditions of urban production - starting from the 1990s - with several major effects including additional urban planning privatisation (in development and management functions), internationalisation of financial organisations and expertise (Souami and Verdeil, 2006), and the expansion of partnerships. Elsheshtawy (2004) confirms that while certain globalisation processes come from abroad, through multinational organisations for instance, these processes are activated and pursued by local actors. Swyngedouw et al. (2002) describe how such large neoliberal urban restructuring projects are incorporated into local settings or "glocalised".

The projects that are being built reflect this change and try to “create a social reality that [neoliberal discourse] suggests already exists” (Lemke, 2000, p59). The related agencies "leverage state power to defend 'market requirements' against the claims of deliberative citizenship" (Parker, 2009, p111). In this sense, Amman's Abdali account is in-line with other literature on neoliberal state practice (Peck 2005). While touched upon in this Chapter, subsequent Chapters will explore how the RECHCOs' "neoliberal moment" (Daher, 2007b, p270) has different manifestations and as part of excessive privatisation in some forms translated into the marginalisation of local populations, discussed in detail in the next Chapter.

The new era of privatisation saw Abdali and Solidere's massive Master Plans bypassing any form of public participation. While the projects received public funds and government support, and were marketed heavily as being for the public benefit, certain segments of the public including landowners, those interested in preserving their city's heritage, and those with fond memories of the historic centres, opposed the project. Municipalities that had previously run and managed cities saw their roles marginalised by new bodies such as Solidere SAL in Beirut, and Mawared in Amman. Without the institutional legitimacy, the process of approval and implementation was marred by corruption (explored more in Chapter Three).
The Chapter also put in place the building blocks to build the argument that the RECHCOs were massive public undertakings with long-lasting effects. Solidere and Abdali as described above represent mega-projects in the sense that they were widely staged, given importance at the public sector level, with large and lasting impacts on the urban fabric. These projects are unique instances of private initiatives supported by the public sector, not typical of other large projects or national initiatives. In addition, with expropriation at their core alongside other public subsidies, RECHCOs are not typical of other mega-project experiences.

Both Lebanon and Jordan's backgrounds serve to show the extremely different macroeconomic and political situations that the two RECHCOs were implemented in. Later Chapters will describe how, in spite of these major differences the impacts on the cities of Amman and Beirut are similar, so some basic generalities about RECHCOs can start to be drawn. The next Chapters will begin to discuss in more detail the social, economic and political dimensions of the RECHCOs. Where the Case Studies provide the historical perspective of the RECHCOs, the coming Chapters will look to the future exploring the specific aspects of the RECHCOs' impact on citizens within cities.
3. RECHCOs and their Social Impact

3.1 Introduction

This Chapter will look at the RECHCOs from a social perspective to examine their impact on a city's citizens. As discussed in the Literature Review in Chapter One, across a range of scholarship, spaces turned places are regarded as having a strong influence on social life and organisation within the city (see works by Castells 2000, Harvey 1989, Harvey 2008, and Lefebvre 1974 amongst others). Empirically, there are two types of social impact that were identified in the Thesis Survey as recurring themes; one related to heritage the other to exclusion. Due to the RECHCOs people felt their heritage being undermined. They also felt excluded from the new space created by the RECHCOs. In the Solidere literature these two themes are also identifiable – though not always labelled analytically as such, and so the issues will form the main pillars of this chapter. The previous Chapter outlined the Case Studies that gave an overview of the RECHCO's background, and this Chapter will build upon that looking more closely at the detailed social impacts. The Chapter will discuss how RECHCOs are not merely tools for economic prosperity as framed by governments promoting them, rather they touch upon the very nature of the relationship between a citizen and their city, affecting the way that residents perceive themselves as members of the city community. This will start to fill in one of the missing gaps noted in the Literature Review, which is the lack of empirical evidence regarding urban projects within Arab cities, and the link between this and existing theoretical frameworks on the development of cities.

The main challenge of this Chapter will be to argue that the RECHCOs have a significant and largely negative effect on the social aspects of citizens within cities as massive projects affecting physical space in a way that alters urban heritage and interactions within the city prompting a loss of community identity and by creating high-end 'elite islands' where not everybody feels welcome. This Chapter will try to answer a series of questions across its main sections.
The first section deals with the link between RECHCOs and heritage in the city. The section looks at the extent to which RECHCOs affect existing urban fabric within the city by destroying or developing it from physical and functional aspects of traditional uses, and the impacts on citizens. The second section considers to what extent RECHCOs cause divisions within the city by creating exclusive spaces. Together, these sections will make up the basic pillars that will allow us to assess the RECHCO’s social impacts on the city from the citizens' perspective. For Amman, a large proportion of the analysis will be based on interviews with policymakers, the thesis survey conducted and a sweep of media archives. In Beirut, a thorough review of the available literature will be used in addition to archival research of media coverage and a series of street interviews. Combined with the literature available, this Chapter will be the first contribution – made on the social front - to the argument this thesis will make that RECHCOs do not live up to their promised narrative of development and so, without the application of certain conditions, should not be governments' choice of tool for progress.

3.2 RECHCOs and City Heritage

The Importance of Heritage in Cities

The literature pronounces the link between heritage and the experiences of citizens very strongly. Aldo Rossi observes, “the history of the city is always inseparable from its geography; without both we cannot understand…the physical sign of this ‘human thing’” (Rossi, 1966, p97). Pierre Nora helps us think of sites such as centres as "settings in which memory is part of everyday experience" (Nora, 1998, p2). This becomes even more important when reading the work of Mohammad Tahan in writing about Arab heritage. He believes that much of the turbulence now felt in the region is a consequence of Arab thought in crisis, and has argued extensively that heritage is not a

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88 Heritage can be affected in a variety of different ways – physically through a building's design and landuse functionality and through impacting social norms and the areas’ residents –and RECHCOs affect both as shall be demonstrated.
problem of the past, but rather it is the problem of the present through which Arabs pursue the future; making the destruction of heritage within our cities very much a problem of our moment (Tahan, 1993). The glory of city centres extolled in Greek literature, and discussed in Chapter One’s Literature Review, has not been forgotten and the "men in the city centre" (Plato, 2005) have continued to be what defines citizenship in the modern city. As shown, the public space of the "polis" is where the city meets, discusses, forgives, objects, and heals.

In Beirut, the centre's reconstruction had considerable significance not only for the economic future of the country, but also for its domestic policy. The condition of the Central District was so much equated with the image of Beirut that, in writing about the reconstruction of the city centre, Angus Gavin, the head of urban design at Solidere SAL, titled his work 'Beirut Reborn' [emphasis added] (Gavin and Maluf, 1996). Similarly, in a survey carried out on over 1,500 people, conducted in Amman mid-2012, well over 99% of those surveyed were familiar with the Abdali project reflective of its massive impact on the city; and almost all of those interviewed were able to give strong opinions regarding it. This is expected as the physical urban environment plays a large role in our lives. Sharon Zukin in Space and Symbols in an Age of Decline describes how effects of "visual artefacts of material culture and political economy reinforce - or comment on - social structure" (Zukin, 1996, p44). In other words, what we build becomes who we are, and defines our society embodied in Henri Lefebvre's "representational space" (Lefebvre, 1974), a consideration for city centres in Amman and Beirut.

Beirut's City Centre as the Beating Heart of the City

Saree Makdisi in Laying Claim to Beirut, notes that "the city centre is a surface that will be inscribed in the coming years in ways that will help to determine the unfolding narrative of Lebanon’s national identity" (Makdisi, 1997, p664). Beirut's centre was both the geographical and cultural heart of the Lebanese nation (Haugbolle, 2011). Its reconstruction was therefore seen
to be the benchmark for which the entire reconstruction process would be measured, and its success would play a "special role" in the reintegration of a "once and future" country [emphasis added] (Hourani, 2011, p138).

As one editorial in the business monthly Al-Iqtisad wal-Amal put it, Beirut's centre is "the heart of the capital, and is the heart of all Lebanon...the heart that beats day and night, pumping through the veins of the nation the vital flow and constant interaction" (Real Estate Agency, 1992, p42). After the Civil War the image of the Lebanese rising from the ashes as a united people was the framework under which Solidere SAL marketed its plans. The centre represented a throbbing heart for a generation of Beiruti's that had experienced the Civil War. It also represented the far past, with discoveries made by archaeologists and United Nations Educational, Scientific and Cultural Organisation (UNESCO) marking one of the world's largest excavation sites (Sandes, 2010). As part of its heritage plan, Solidere SAL participated in financing the dig and the preservation, and its Master Plan designated space for an open archaeological area (Rowe, 1998).

In Lebanon, the centre remained a focus of the reconstruction efforts, as mentioned in the Case Studies. The Lebanese population, claimed Gavin, longed for "a complete return to normalcy in Lebanon and the reunification of the city of Beirut along the pre-1975 lines, in the sense that the Central Commercial District would become once more, and geographically at least, the heart of a bustling metropolis" (Beyhum, 1992a, p61). The actual process by which the Master Plan was developed and approved will be explored in Chapter Four. It seemed that the project to rebuild and develop the Central District was destined to form an essential part of the full-scale reconstruction program in Lebanon. It was, in the hearts and minds of the people, a "keystone" of the overall reconstruction plans. The press remained positive that reconstruction would mark economic recovery for the rest of Beirut, and Lebanon as well.

In 1991, new Master Plans for the reconstruction of Beirut's centre were issued by Dar al-Handasah, as discussed in the Case Study of Chapter Two. These plans led by Henri Eddé called for an almost total demolition of the remainder of the centre. One critic at the time accused the plans of creating "a
city without history" (Hourani, 2011, p143), and, in the face of the public debate, the plans were redrafted. As noted in the Case Study, in 1992, buildings that might have been rehabilitated – and neighbouring buildings - were brought down by high-explosive demolition charges producing a verifiable “fait accompli” (Makdisi, 1997b, p25) of a destroyed centre (Beyhum, 1992a).

Solidere’s Master Plan proposed increasing the density of the downtown fourfold now that it had been cleared and its structures levelled. Effectively, many critics of the venture argued, a devastating blow had been dealt to the memory of this two thousand year old city (Scott, 2008), only to be replaced by a “mirage” of a new city (Makdisi, 1997b, p23). These efforts to clear the surface and "purify it of all historical associations in the form of its buildings" (Makdisi, 1997b, p25) were identified by the public to have been done "to render it pure space, pure commodity, pure real estate" (Makdisi, 1997b, p25).

To pretend to protect this memory, argued preservatory groups, by maintaining a few monuments while “obliterating the context onto which they were inscribed” would only lessen their true worth (Rowe and Sarkis, 1998, p132).

Solidere’s opponents were willing by any means to stop the demolition - and even tried to block the bulldozers with their own bodies. Beirut's residents, despite protests, were unable to stop Solidere and newspapers published their accounts and memories, helping transform their private nostalgia into "acts of collective remembering" (Sawalha, 2010, p30). The demolition affected Beirutis not only at the individual level, but also at the community level, as the interviews reflected, both residents and non-residents went to the centre to meet friends, chat, and shop as part of a community.

Each of the religious communities claimed a strong attachment to the city's history. For the Sunnis, Shiites, the Greek Orthodox, and the Maronites, the archaeological excavations showed physical proofs of their past. Despite this, the area was flattened and prepared for new high-rise buildings. It became clear that Solidere's plans often went head-to-head with the need for

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89 The inability of the city dwellers to stop Solidere's "calculated destruction" (Sawalha, 2010, p30) is well documented.
archaeological preservation- in the historic Bab Idriss area, for instance, a 34,000 underground car garage was planned. As the sole decision maker the company was empowered to decide upon matters relating to heritage singlehandedly, a concept explored further in Chapter Four. Solidere's destruction of heritage translated into communities losing memories of their identity within their city.

Amongst critics there was a concern voiced that Solidere's approach was not inclusive of the design opportunities that emerged from the archaeological artefacts within the centre and did not incorporate the finds into its Master Plan. Critics urged Solidere SAL to integrate the finds and museums into the downtown rather than shipping them to the national museum (Kabbani, 1992). This was to no avail. Solidere's plans were criticised for using financial criteria to decide on the preservation of buildings rather than historic significance. The BCD had a wide spectrum of buildings that represented different period styles from the Ottoman to the Colonial to the Early Modern, worth preserving. In reaction the BCD project designers chose, on their prerogative, what they felt was worth saving and modelled the centre after that specific generic style. Critics noted this might be "a reflection of the planners' ignorance of the historic responsibility with which they are entrusted" (Kabbani, 1992, p46). In response to critics Solidere formed a committee to identify "historically valuable" buildings, and so 265 buildings and monuments were designated (Solutions Group, 1997) in light of them being symbols of Beirut's architectural heritage that "imbue the new city centre with symbolic and aesthetic references to the past" (Percy, 1995, p4).

The designated buildings were allowed to be redeveloped and refurbished by their former owners, however, in order to recuperate their buildings, owners would have to pay a 12% surcharge on the estimated value of the lot, and prepare the buildings within a two-year time frame subjected to an architectural brief by Solidere SAL to preserve a cohesive image for the centre. The 12% was often beyond their financial reach (Solh, 2013). The difficult nature of the recuperation by owners made it all the more likely that they give up their plots to Solidere SAL, and that the original residents and their functions evacuate the centre entirely. Solidere's ultimate 30-year Master
Plan, lasting from 1994 to 2024, incorporated 1.9 million sqm of which 219 thousand sqm were included from Beirut's original "heroic" urban fabric (Larkin, 2009, p6). The appeal to the past includes restored Ottoman buildings upon detailed mosques and churches, though in a piecemeal and artificial manner\textsuperscript{90}. Others have seen the clearing as purifying the centre of "all historical associations in the form of its buildings; to render it pure space, pure commodity, pure real estate" (Makdisi, 1997b, p25). Once done, people felt the centre was no longer a reflection of the people of Beirut, it was no longer "ours [theirs]" (Beirut Interviews, 2013).

When it came to social aspects, Maha Yahya (2005) has looked at the 'emptying' of the Centre (Yahya, 2005 cited in Daher, 2007c) and the exodus of four thousand of the previous residents. This exodus and the change of ownership patterns meant that the city's "social memory" (Daher, 2007c, p278) shifted and with it the experiences of users and tourists. The eviction of the populations and complete elimination of the social fabric meant undermining the physical fabric so that the city would become "a dead city, an empty field open to the speculative ambitions of developers‖ (Salaam, 1998a, p132). Solidere's designs attempted to recreate the past, in a manner that would give visitors the "impression" that the neighbourhood was "built up over time" (Summer, 1995, p92) though in reality it was both devoid of its original local population and physical history.

From the interviews it seemed that this was a process that took a heavier toll on the women of the community, as the members of the neighbourhood that had woven the strongest bonds of friendship. The emptying of Beirut's centre, similar to Amman's Abdali site, meant that not only were families and citizens shaken by an expropriation process, there was also the destruction of a community that resided and worked in the downtowns that were removed. This community took with it their family ties, their daily routines, and their memories of space. The urban renewal processes in the United States, for instance, saw critics noting that eviction on short-notice created life crises for 'urban villagers' or city dwellers who needed the security of a supportive

\textsuperscript{90} For instance, Souq Sursock and Ayyas were almost completely demolished, and the southern end of Burj Square wiped out, and Wadi Abu Jmil destroyed in part. Other equally impacted areas by the War were in fact preserved, amongst them Foch-Allenby and Etoile/Maard Saifi.
neighbourhood as Herbert Gans described them (Gans, 1962). In describing the urban renewal experienced in Boston, authors have noted that any forced relocation to distant housing is almost a denial of the urban life that not only relates to the physical characteristics of an area but also the marginalisation of residents' material and social resources, as well as their identity (O'Conner, 1995).

Amman: A Centre in the Valley

Amman's experience as it relates to the theme of heritage differs slightly from Beirut's. Instead of direct demolition, Amman's historic centre found itself a victim of disinterest. The physical development of Amman was dominated by its unique topography of hills and valleys\textsuperscript{91} to which the human settlement patterns adapted. The modern development of the city began in the well-irrigated areas at the confluence of the wadis, which evolved into the original downtown Amman area. Residential development expanded outwards from there onto the neighbouring hilltops, and their names became those of the jabals they originally developed on - Jabal Amman, Jabal Weibdeh, Jabal Hussein, etc. Amman's historic centre served as Amman's Central Business District, and included a mixed-use pattern of the city's religious institutions, residential neighbourhoods, government offices and commerce. The centre linked the eastern and western residential areas of the City and provided a common meeting ground for all of its socio-economic groups and ethnicities. However, with newer commercial areas opening to the west, the Old Downtown no longer plays the largest dominant role in commerce and governments, but its markets, squares, ruins and places of worship continue to cater to a wide range of tourists and visitors.

The 1950s saw Amman's centre become a stage for political activity. Over the years its political significance has decreased, but it has remained a site of important political activity. Money came into Amman from the Gulf, through grants, investments and remittances, and the increase in wealth created new

\textsuperscript{91} Jabals or hills and wadis or valleys as they are known in Amman.
neighbourhoods towards the west of the city, though the main protests for the Arab Spring still took place there. In late 2002 a real estate boom began in Jordan. The Abdali project was launched as part of this boom, as described in Chapter Two. With a total built-up area of 1.5 million sqm, the Abdali project was set to create its high-density modern 'new downtown' to the west of Amman's original centre. There was no doubt in people's minds - as became apparent through a series of street interviews - that the Abdali project would "change the face of Amman forever" putting a "vertical in the horizontal". The development would include Amman's tallest tower and a 350-meter-long pedestrian shopping boulevard (Abdali, 2009a).

In Jordan's Executive Magazine, Jamil Itani, Abdali's CEO from Lebanon proclaimed, "An interesting characteristic of urban Amman is that it has no genuine central districts. The traditional heart of the city is the downtown area near the King Hussein Mosque and Roman amphitheatre. Yet this is a rather rundown—and heavily congested—area, with no international retail" (Executive Magazine, 2007a, p2). His ambitions for the Abdali project are for it to be something "new"; something that will change Amman to "definitely alter the lifestyle of the Jordanians, indeed the city's identity...the new downtown" (Executive Magazine, 2007a, p2). This statement presents AID's viewpoint very clearly, that there is a 'public' need and calling for a 'new downtown' that fits into the RECHCO's perspective of what a downtown should entail and include. However, it is one not completely accepted by the majority of Amman's residents.

In a survey carried out in Amman in 2012, the majority of respondents made note that they were not in favour of giving out public money to sponsor Abdali as a 'new downtown', since they believed that Amman's centre was adequate and did not need to be relocated. Amongst the comments, received as part of the survey, were that the Abdali project was "private and so could not be a centre"; and "I go to the current centre for all my shopping needs, I do not have enough money to shop in West Amman;" or "I remember going to the centre after school every day to watch movies and see my friends as a child"; or that "the centre is one of the few places I go to get in touch with being an Ammani" (Thesis Survey, 2012). Abdali's critics noted that the project had
turned its back on Amman's old downtown (Daher, 2008). Funding from the municipality, in the form of millions of Jordanian Dinars, was rerouted to the 'new downtown'; upgrading infrastructure and for marketing expenses. Abdali with its crisp tower buildings and international shopping experience was seen as the modern alternative to a decaying city centre by many policy makers. To many looking at the evolving skylines of Amman, and the sophisticated tourist structures of Beirut, what we are actually talking about is the creation of new heritage. The French journalist Francoise Sueret, who addressed this in *Le Monde*, says that Beirut has a "tradition of destructive construction", tied to a "political will to modernise" to an economic will to join the world economy and to a personal will of rulers to "access history" (Saliba, 2000, p2). However, when joining the world economy armed with a globalised political elite, one must not forget the people living in the cities that will feel the effects of the internationalisation. Heritage within the city is meaningful to its citizens. Though they may be fascinated with the modern, and clean, citizens do not see this fascination as being at the expense of their history. Nowhere is this better seen than in the survey responses by Amman's citizens to the survey question then asking whether they would choose to fund the Abdali project or a selection of different things across the city. The vast majority would opt to fund the current centre (which is outranked, but only slightly, by the municipal tax rebate option). In fact, carried on further statistically, 94% of those responding to the survey noted that they would prefer their 'tax Dinars' went towards rehabilitating the current centre rather than on a form of sponsorship for the Abdali Project (Thesis Survey, 2012).

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92 Bernard Frieden and Lynne Sagalyn have outlined this phenomenon in the United States exploring some of the local government campaigns to rebuild downtowns across the United States. Indeed, the researchers note that for more than 30 years, starting around the 1950s, big-city mayors and their allies struggled to rehabilitate city centres (Frieden and Sagalyn, 1991). These centres underwent sophisticated marketing mechanisms to help bring them closer to the higher-income populations they were to serve.
### Table 3-1: Responses to the Question: "Make the following choices by checking which of the two options you would choose from in each line"

<table>
<thead>
<tr>
<th>Action</th>
<th>Prefer sponsoring the given statement</th>
<th>Prefer sponsoring the Abdali project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide a rebate from the municipality on taxes</td>
<td>97%</td>
<td>3%</td>
</tr>
<tr>
<td>Rehabilitate the current downtown</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>Upgrade water network within the city</td>
<td>88%</td>
<td>12%</td>
</tr>
<tr>
<td>Provide more government training initiatives to support jobs</td>
<td>85%</td>
<td>15%</td>
</tr>
<tr>
<td>Create a new park similar to the King Hussein Park</td>
<td>84%</td>
<td>16%</td>
</tr>
<tr>
<td>Support loan guarantee programs</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Upgrade roads and pavements in various residential neighbourhoods within Amman</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>Upgrade sewer network within the city</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>Create funds for entrepreneurship</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>Create a fund to support tourism based initiatives</td>
<td>69%</td>
<td>31%</td>
</tr>
</tbody>
</table>

*Source: Thesis Survey, 2012*

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**The City as a Spectacle...Reimagining the Old**

Guy Debord in *The Society of Spectacle*, and others described in the Literature Review look at the changing urban world as a false one. In this commodified world, each interaction is carefully planned (Zukin, 1991). Market and design considerations replace the natural interactions of "engaged peoples" in determining the shape of new urban spaces (Crilley 1993, p137). Diversity, which is contrived, creates 'marketable' landscapes, as opposed to uncontrolled social interaction which creates 'places', though these places may not maximise investment values (Mitchell, 1995, p119). The 'disneyfication' of space consequently implies increasing alienation of people from unmediated social interaction, and increasing control by influential
economic and social actors over the production and use of space - "the idea of pure imageability, oblivious to the real needs and traditions of those who inhabit it" (Sorkin, 1992, pxii). The result is a commodified image produced by Solidere and Abdali, hailed as the 'new downtowns' by the RECHCOs themselves, the media, and local government. Yet, something lacks in authenticity. In Amman and Beirut we see RECHCOs furthering the neoliberal ideology described in Chapter One and supported at the governmental level.

Abdali has been called, many positive names in the press, a 'modern city' and 'Amman's new heart' (Obeidat, 2009). At the governmental level Abdali has been applauded by a complete erasure of the memory of an "old downtown" and its replacement with a "new heart" simply by the government at the central and local levels stating it to be so and adopting that as their narrative (Post, 2013). Local officials believed that Abdali received its vision from HM King Abdullah II, and so from the highest levels the vision of a modern Amman meant simultaneously removing the memories of an old, traditional past. The leaders in government in Jordan supported Abdali; whether Ministers or the Mayor of Amman, they sang praises. The perception of the Mayor, however, from a top-down perspective is one that cuts through what people on the street, and frequenters of the centre, feel and notice. In the survey conducted, 81% of respondents said that they were 'not proud' to have Abdali as a part of their city. When gauging overall impressions of the project, 70% gave a score of less than '5' out of '10' and very few, if any, respondents were neutral about the answers at only 3% shown in Figure 3-1.

93 The Abdali project drew comments from several Jordanian leaders. The former Central Bank of Jordan’s (CBJ) governor and Minister of Finance, Dr. Umayya Toukan claimed that the "Abdali downtown reflects a far reaching vision. A vision that aspires to make our investment climate in Jordan a competitive and inviting one" (Abdali, 2009a, p6). Mayor at the time, and later AID Board Member, Omar Maani described the project as having a "major impact on the city of Amman" in addition to being "an urban space for the people of Amman to meet and engage in social activities.... furthermore, the new arenas of the project and the quality of service that we all anticipate will be a benchmark for the city" (Abdali, 2009a, p6).
Figure 3-1: Responses to the Question "On a scale of 1-10, with 1 being the worst and 10 the best, what are your overall impressions of the Abdali project?"


It was also the case that residents who had lived in the area for more time, as measured by the survey were more likely to disapprove of the project (Thesis Survey, 2012). In comments these citizens indicated they would not frequent the downtown as a place for healing, community and reform, Abdali was an antagonistic space forced upon them from above, undermining that thing which forms communities in cities. The apparent dissatisfaction on the street is either unknown or ineffective at influencing Abdali and its architects. Rouêïda Ayache, of Architecture-Studio Paris, talks of Abdali as propelling a modern Amman whereby “Abdali will provide Amman with several landmarks that will form its future skyline and help in the orientation within Amman Circles. Abdali is expected to build Amman contemporary architectural heritage and to put the Jordanian capital on the world map of the most enjoyable cities of the 21st century” (Abdali, 2009a, p6) - and Abdali was successful in attracting big international names in architecture⁹⁴.

⁹⁴ These included Norman Foster (UK), Architecture Studios (France) and Norr (Canada); along with other top local Jordanian architectural firms.
Throughout the Abdali project it is clear that world leaders in architecture and construction were involved, from the Heights and Lofts luxury towers of Damac (Abdali, 2008a) to Claudio Nardi’s Vertex Tower, the projects described "exude a stunningly distinctive flair while perfectly complementing the overall vision that will become Abdali" (Abdali, 2007, p5). Furthermore, it seemed that the entire design concept of Abdali was physically disengaging to Amman’s residents, used to low-density development over sprawling hills. Amman’s residents seem to like its sprawled nature with 76% in the survey conducted indicating that they do not wish developers and investors to build towers. Of these, 65% indicate it will “ruin the way the city looks” (Thesis Survey, 2012) and that they "don't know the new Amman" (Thesis Survey, 2012).

The physical changes undertaken by RECHCOs were also reflected in major changes in the functionality of the city centres, as part of changes in the heritage. In Beirut, those functions that had historically made the centre a throbbing heart in the community (embodied within a bus station, cinemas and a marketplace) were commodified and brought back as profit-making components. The Solidere project in Beirut in its strive for financial success "divorc[ed] the city from its social memory" (Daher, 2007c, p276). The Abdali project, similarly, will present "fierce competition" (Daher, 2007c, p277) to the existing downtown which seemed to be suffering from a lack of economic vitality.

The introduction to Beirut’s 1994 Planning Report (Hourani, 2011) describing Solidere, laid out the project’s objectives as opposing forces between heritage and the needs of market-driven globalisation, adopting the mythology of the

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95 In 2008, Damac also announced La Residence by Ivana Trump, a USD 150 million 27 storey residential venture in the centre of Beirut.

96 Historically in Amman, high-density buildings were almost never allowed, with the law insisting on a four-storey maximum height. In 2005, Law No. 21 was adjusted to put conditions in place for constructing high-rise buildings up to a maximum of 90m. The Abdali project was to receive an exemption from this law - receiving a building regulation allowing for the construction of a skyscraper of any height. The Abdali District is one of the highest in Amman in terms of topology at about 900 meters above sea level. Towers constructed onsite will mean an elongation in the topography of the city.

97 The gap between architects and the people they plan for has been examined in the literature. Sociologist William Michelson in 1966, at the peak of emergence of plans for new downtowns in the United States, undertook a survey of potential residents. He searched his sample to see how many people in it matched the full profile that planners hoped to attract to downtown living. His conclusion was that the plans that were emerging did not match people's wishes. He titled his article, "Most People Don't Want What Architects Want" (Michelson, 1968).
'merchant republic' to reconcile them (Hourani, 2011). The report reads that the main challenge is "to integrate what remains of a rich city heritage to the new city fabric...[to create]...a vibrant city centre...to compete and occupy the place it deserves amongst Capital cities in the Middle East Region" (Dar al-Handasah 1994, p iv). The authors continue that in a situation where Beirut is in competition with other cities in the Arab World, "the creation...of a unique cultural and historic identity will have special significance" (Dar al-Handasah 1994, p13). Solidere SAL had taken an aggressive approach to its branding, presenting itself as "the protector of the city's past and the guarantor of its heritage" (Sawalha, 2010, p36). Hence the creation of one of Solidere's earlier slogans: 'Beirut, an Ancient City of the Future'. With the 'rebirth' of the centre of a capital city at stake after its destruction by war, "the pattern of development that it engender[ed] was necessary to inform the future and cherish the past" (Gavin and Maluf, 1996, p13).

Indeed the creation of a new historic identity meant that there were in fact two very different spatial and geographical imaginations in the works. Residents were unnerved through the creation of a memory gap. Some have even called the downtown 'Faransa' which means 'France' in Arabic (Haugbolle, 2011, p84). Critics of Solidere often decry its demolition of the older structures within the centre. Solidere's own rebuilding of the centre in the architectural style of the past was also seen by many to defy the purpose of what it means to be an organic neighbourhood within the city.

'Solidere's Beirut' as some critics called it has been criticised as being a mere real-estate development project where "history and heritage are merely themes incorporated" (Daher, 2008, p49). Solidere has incited communities of Beirut's to voice their attachment vocally to sites such as the 'downtown'. Fatwas have even been issued by the Sunni community (Sawalha, 2010) against both Solidere and the government. In an interview the leader of the Sunni religious party the Islamic Group - Sheikh Ahmed - explained: "Solidere's only concern is to bulldoze buildings that survived two decades of

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98 See Derek Gregory's Geographical Imaginations (1994) for further discussion of this concept.
99 Solidere SAL's handling of the "souqs" is one example of this, where the building's style has been preserved but its functionality and clientele changed, as will be described later.
100 A Fatwa is a ruling on a point of Islamic law given by a recognized authority.
war and to replace them with glass towers and sell them to non-Lebanese rich investors. Go to downtown Beirut, and see for yourself. Solidere has demolished the houses and all the old popular *souqs* and left us, the people of the city, with bitterness and grief" (Sawalha, 2010, p38).

The RECHCOs themselves seemed blind to this concern of the destruction of the past to produce a future filled with the 'new' and launched aggressive branding campaigns to represent themselves as forces propelling cities towards a better future. The branding on which the mother companies of Solidere and Abdali embarked, tried to disengage the two projects from a dismally portrayed past by focusing on modern symbolism and references. The branding used gives a lot of insight into the RECHCOs' visions when comparing the images they use and their focus on drawing historical significance and the familiar into their advertising efforts.

**Branding Beirut an Ancient City for the Future**

In trying to defend itself, Solidere SAL started on an active campaign of 'attack'. The company praised itself as a keeper of heritage. A Solidere strategist - Jean-Paul Lebas - was quoted in *Le Monde* as saying: "We have been accused of the destruction of the architectural patrimony of Beirut; that's false, and, more to the point it's not in our interest. Like the archaeology, it forms part of the marketing [program] of Solidere" (Makdisi, 1997a, p681). Even when preserving the past, Solidere SAL had framed its reasons to conform to its profit-making framework. In other words, heritage was useful when it was of commercial value.

The image and descriptions of the city's destruction were constantly called upon by Solidere SAL in its publications. *Beirut Reborn* is filled with images of a centre that had almost died (Gavin and Maluf, 1996) and its new image of the future. Solidere SAL's mission, as it was framed, was how to revive it (Gavin and Maluf, 1996). With Solidere presented as the resuscitator of a fallen city, it brands itself as a force of public good - helping us forget that it is in fact a profit-making company. In its officially sponsored material, Solidere
SAL makes little to no reference to its pre-history or to previous plans for reconstruction in the centre of Beirut. Its booklets note that it represents Lebanon's largest urban development project of the 1990s (Makdisi, 1997a). Its only reference to the city centre's recent history is to note that it is "located at the historical and geographical core of the city, the vibrant financial, commercial and administrative hub of the country, the Beirut Central District came under fire from all sides throughout most of the sixteen years of fighting" (Solidere, 1995a, p3 cited in Makdisi, 1997a, p675).

The company positioned itself to be a healing agency, to help the centre overcome its "afflictions" (Makdisi, 1997a, p675), similar to Amman where AID placed itself as an agency helping to create that which Amman lacked in its view, a new downtown. Solidere SAL makes no mention of previous reconstruction history, because officially this history does not seem to exist to the company (think of its demolition) but also because of Solidere SAL's "peculiar and contradictory relationship to history" (Makdisi, 1997a, p675). Solidere SAL's massive advertising campaign not only included posters all over Beirut and Lebanon, but also foreign newspapers and magazines. An ad in the New York Times in 1993 proclaiming, "we've invested in the future of an ancient city" is one example (Makdisi, 1997a). Solidere SAL's language of aggressive reconstruction helped shape the vocabulary of Beirut's inhabitants. The media used phrases like 'bulldozer' and 'steamroller' when describing Rafiq Hariri, as well as the Speaker of Parliament Nabih Berri. Rafiq Hariri consistently described Beirut as a "big construction site" and named his coalition in Parliament the "Group of Development and Construction" who would be "Rebuilding Humans and Stones." The symbolism of politics became that of the ability to build (Sawalha, 2010, p44).

Around April 1997, the Graduate School of Design at Harvard in collaboration with Solidere SAL organised a conference entitled Projecting Beirut. The posters were images of a destroyed Beirut in black-and-white sharply contrasted with the new colourful and lively Solidere project as the new downtown (Sawalha, 2010). The choice given to Beirut's citizens was then

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101 This media attention was supported by advertising such as large-scale glossy information booklets, maps and images. This advertising was sponsored personally by Solidere SAL's Board of Founders before the company's incorporation was complete.
framed as the old, dilapidated and boring versus the exciting life of the modern, bright and optimistic; a dichotomy that would later extend to the supporters and critics of the Solidere project itself. Indeed, Solidere actively engages in the reformation of Beirut's history for its own purposes. Solidere attempts to create what Yael Zerubavel explains is a new "master commemorative narrative of the city and nation" (Hayek, 2011, p127), a storyline that group members can subscribe to, not necessarily required to be historically truthful, but rather to have a popular appeal - a concept we see mirrored in Abdali. This storyline highlights certain aspects of Beirut's history such as Lebanon's features of being a 'merchant republic', as previously mentioned, and ignores others.

Within the frame of popular appeal, the design team led by Ossama Kabbani tried to make sure that Solidere would not look and feel like a foreign body within Beirut, though within the financial framework of the project itself this seemed impossible (Hourani, 2011). The case of the Beirut Souqs is very much at point here. In 1994 an International Ideas Competition was launched for the construction of the souqs, which at that point had been completely eradicated. In Solidere SAL's own literature we are told "the clearing of the old souqs, which accomplished the clearing and demolition of building and sites in the BCD mandated by the Master Plan, paved the way for reconstruction of that district over an area of 60,000 sqm" (Makdisi, 1997b, p22). Several designs respectful of the history of the souqs and sensitive to its integration into surrounding areas were developed.

Despite initial approval for the plan by Solidere SAL, the plans were changed as the project developed to reflect commercial reality. Solidere SAL became very concerned with real estate aspects such as marketing and leasing. Other

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As part of the Ideas Competition, the packet distributed to the competitors included photographs of Beirut's architecture and written recollections of the area from writers and poets, amongst other intellectuals, as well as an explanation of Solidere SAL's philosophy for the Souq as "an image, a memory, a place that honours tradition" (Hourani, 2011, p146). Solidere SAL appointed a panel of local architects and urbanists to judge the 350 submissions received from around the world. The proposals were housed in a major public exhibition, and the panellists evaluated each entry with foreign consultants. The consultants included Benjamin Thompson and Associates, known for New York's South Street Seaport and Boston's Faneuil Hall. Though there was no official winner announced, Jad Tabet, a long-time critic of Solidere himself, worked on one of the finalist plans intending it "feels and works like other parts of the BCD" and connects with and extends "the fine grain of the adjacent historic core of the city" (Tabet and Benjamin Thompson & Associates, 1995, p14-15). Tabet, in his design, envisioned the Souqs becoming an area where pre-war merchants could return.
questions of historical tenancy and heritage became secondary to market realities. Solidere's economists argued that economic reality could not be sacrificed for "dreams" including the disruptions that might be caused by the "traditional Lebanese shopkeeper" (Hourani, 2011, p155). One of Solidere SAL's analysts explained this viewpoint quite clearly: "Look, you don't want those guys coming out and putting their stuff on hangers hanging everywhere around the doors of their shops and them yelling to buy this or that. It is chaos. No. We cannot go back to that...We have no room for that. We want the professionals" (Hourani, 2011, p155). The idea being one of no return to a disruptive and messy past, but rather to a 'professional' and tidy future; albeit an adopted future, and a future that does not necessarily correspond to the vision of the local population for their centre.

The Beirut Souqs were set to incorporate department stores, retail stores, supermarkets, offices, exhibitions and parking facilities, with a total built-up area of 130 thousand sqm. However, while named the 'Souqs' those characteristics which in fact make up a souq are far forgotten. Solidere SAL's publications and language are nostalgic in what they promise in terms of a souq, however, this is a souq in name alone. Souqs being a place of haggling, crowds, local produce, noise and sensation, and the product of a long historical process (Hourani, 2011), does not coincide with the plan for the Beirut Souqs which include international brand names, and are quite formal and sterile in nature. Solidere SAL's marketing of the Souqs makes use of the language and memory of the character of a traditional market with its customers, while creating what at most is a postmodern outdoor mall.

Saree Makdisi goes on to point out that something "strange" happens to history when traditional souqs can be confused with a shopping mall. Soon, Makdisi continues "the generations of Lebanon will remember only the new Souq as the old one disappeared prior to 1975.... the streets of Beirut within the city centre have been witness to a proliferation of global consumer culture outlets, replacing traditional "Beiruti" outlets such as the Faysal Restaurant" (Makdisi, 1997b, p24). Despite this, Solidere SAL strongly maintained that the

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As noted earlier, Solidere SAL's 1995 information booklet explains that the Souq project is an attempt to "recapture a lifestyle formerly identified within the city centre and re-create a marketplace where merchants prosper and all enjoy spending long hours" (Solidere, 1995a, p25).
new Souqs indeed paid "homage" (Hourani, 2011, p136) to Beirut's history, built on its most famous nineteenth-century markets. This was to be done in their own commodified manner. According to Solidere SAL's experts, the Souqs would house international brands such as Armani, Guess, Tommy Hilfiger and Timberland, to "consecrate [the] Beirut city centre as a global retail district" (Solidere, 2009, p4). In this sense, despite claiming to be an 'ancient' city for the future, the branding meant Solidere’s centre was in fact isolated from the memories of Beirut's past. Beirut's no longer call the centre 'the city' or 'al-madinah', now it is simply 'al-Solidere'. As mentioned in the literature, and found through street interviews, the older names of Bab Idriss, Souq Ayyass, Khatayan and Khan Antoun Bey, have disappeared from popular vernacular, success for a company, a loss for community memory and people's perceptions of their city (Beirut Interviews, 2013).

Branding Abdali as Amman's New Downtown

Trying to find something to link it to the past, and as such to Amman's residents, early on in its creation, Mawared104, began a search for an "appropriate symbol" (Mawared, 2007) to represent the company as its logo. This search ended with the identification of the Terebinth105 tree as one strongly tied to Bedouin and Islamic traditions. A common story is that the Prophet Mohammad and his grandfather Abd al-Muttaleb sat beneath its shade on their trade routes. Though not a common tree to Jordan by any means (and far more likely to be found in Syria and Palestine) Mawared's leadership insisted that its vision and objectives were embodied in the tree, and conveyed to their team how essential it was that they locate such a tree within Jordan's geographic boundaries106 (Mawared, 2007). Mawared also created a folklore surrounding the tree, revealing and publicising in its newsletter a little-known Bedouin tradition of tying coloured strings on the

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104 Mawared is the Jordanian Army's investment arm, and the keystone partner in AID.
105 The Terebinth tree (Pistacia Palaestina) is a tree or shrub common in the Levant region.
106 According to Mawared's company history, a team was launched to search for this tree in Jordan and first identified it in Dibeen "till it became clear that it was an oak tree rather than a Terebinth" (Mawared, 2007, p1, translation my own). So the search continued until the Mawared team found one such tree near the Safawi district in Azraq.
branch of the Terebinth tree before disappearing into the desert for months, later returning to the tree to tie the strings onto their wrists and ankles for good luck.

AID could not claim to protect Amman's heritage or past, and so it created the perception of deep historical links and a mission that was sponsored by Jordan's nature (in the form of a historical tree), that made Jordan its modern self. Again, in a similar manner to the Solide case, the theme of trying to tie the past to the present is brought about, drawing on people's nostalgia of the past to market a new and aggressive future. This narrative echoes the analysis of Joseph Massad in Colonial Effects (2001) where he notes that "the 1970s was the decade to assert Bedouin culture as the basis for Jordanianness internally" (Massad, 2001, p74) whereby he describes "the architects of Jordan's "Bedouin" identity" (Massad, 2001, p158) creating folklore and traditions thought to be suited to a modern Jordan.

**Figure 3-2:** Abdali billboard advertisement in Amman designed by Leo Burnett

*This image has been removed by the author of this thesis for copyright reasons*
Across its advertising efforts, Mawared constantly tried to link backwards into the past, and introduce new components of a colourful and bright future\textsuperscript{107} (see Figure 3-2). The above picture shows one such instance. The old traditional bricks used for homes, coupled with the 'new' Lego blocks that indicate, along with the slogan, 'construction development in your country is for you and your children's children' [translation my own]. However, in the advertisement, the 'new' is reflected by the modern, colourful and artificial, almost feeding into criticisms of neoliberal architecture of 'Lego'ing society and its architecture quite literally (Jenson and Saint-Martin, 2003). While people tended to hear positive messages about Amman and Beirut (as seen in Figure 3-3), this did not seem to change their impressions of the project to a large degree. This branding did not translate into large degrees of positive public opinion, though most had heard of Abdali positively as seen in this did not alter reactions to the project (as seen in Figure 3-1).

\textbf{Figure 3-3:} Responses to the Question "Rate the things you heard or read about the Abdali Project"

\begin{figure}
\centering
\includegraphics[width=0.8\textwidth]{figure3-3.png}
\caption{Percentage Attitude}
\end{figure}

\textit{Source: Thesis Survey, 2012}

\textsuperscript{107} Mawared spared no expense for this branding. Leo Burnett - a top ten worldwide advertising company – was commissioned to lead the campaign.
RECHCOs and City Memories

Cities are "repositories of memories" (Elsheshtawy, 2008, p10) with both physical and social ramifications. Spaces in cities are inscribed with meaning by their users, and when these spaces are demolished the meaning that used to tie citizens to their cities is also undermined. Without this, as Saree Makdisi explains in *Laying Claim to Beirut*, the space in the city centre is one that can be regarded as a "blankness or, instead, as a haunted space: a place of memories, ghosts" (Makdisi, 1997a, p664). Similar voices identified the demolition of Solidere's early years as an "unhealthy expurgation of the past" (Haugbolle, 2010, p84). The destruction was presented as a means of starting a new and clean Chapter of Lebanon's history (Hanssen and Genberg, 2002). The physical heritage was equated by spectators to be synonymous with their "memory" of the city, with one noting that Solidere "demolished 85% of the city's memory" in the context of the buildings destroyed (Ohrstrom, 2007, p1).

This is felt around the world. In describing Orleans' destruction in France, Jon Calame in his essay on post-war reconstruction notes that architecture embodies a community and that urban fabric becomes inseparable from their social value (Calame, 2005). To this end, Solidere ignored the way Beirut's residents seemed to be part of, and live, within the city. Two opposing representations of the city come into conflict, described by Madani Safar Zitoun (2010) about Algeria, on the one hand a metropolis vying for economic entry onto the world scene, and on the other the everyday lives of the city's residents and their social and spatial experiences. These two representations not only exclude, but are sometimes unaware, of each other.

The Solidere project was framed to play a "therapeutic role by founding the city on a sort of salvation-like amnesia that would protect it against the old ghosts which caused its destruction" (Tabet, 2002, p68). This selective memory was set to wipe the slate clean and transform the past to provide an unburdened future ideal for real estate speculation. Other critics analysed

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108 Calame's essay similarly looks at Coventry as a case study that brought many disappointments, as pre-war residents felt their disorientation deepened and lamented the loss of familiar structures that did not fit modernised zoning requirements or aesthetic criteria (Calame, 2005, p23).
Solidere slightly differently, finding that it called upon a nostalgia from the 1950s and 1960s to market its potential (Misk, 1999). Despite this attempt to highlight nostalgia, there was a certain historical purification that attempted to wipe out the past for a clear neoliberal future. As written in *Al-Safir*, "This pile of rubble buried beneath it our childhood cries and the dreams of many Beirutis" (Sawalha, 2010, p30).

In almost the same language, the Lebanese novelist and journalist, Elias Khoury, had warned that Beirut was gradually destroying itself and suffered from "frightening amnesia". He described a city centre that was "an empty space, a placeless space, and a hole in the memory" (Sawalha, 2010, p30). Other intellectuals were concerned that Solidere's designs had no emotional or spatial attachment to their residents, while others concerned themselves with the preservation of certain buildings and monuments. Jad Tabet - a Lebanese architect - talked about preservation as a vehicle to allowing the past and future to interact. He warned of the 'Tabula Rasa' method that would erase memories completely. The blank slate has created an 'emptiness' (McDonogh, 1993) that continuously undermines representation of the centre as a vibrant community. These counter-memories present this reconstructed city "as a non-city, as an empty site lacking all the elements that would make it a true urban space" (Hayek, 2011, p168).

City residents witnessed and published their nostalgic accounts in newspapers. Solidere's 'rewriting' of history and its monopoly over the centre allowed it to frame its role as representing the past and carving out its own memories to replace the collective memories of the old Beirut centre. Intellectuals, journalists, and filmmakers objected to what they saw as 'violations' of cultural memory and history (Cooke, 2002). Cooke has noted, "the new Downtown has been made to absorb the history of the War and in the process has emptied it of meaning" (Cooke, 2002, p12).

The muting of memory was a conscious strategy on the part of Solidere SAL and because of the centre's former importance in the life of Beirutis as a "mediating space for the Lebanese" (Haugbolle, 2011, p83) the reconstruction process itself was accused of undermining what it meant to be a Beirut and Lebanese. In the Gemmayze district in 2010, nearby to Solidere, hundreds
filled the streets, holding candles and waving signs to protest the destruction of the historic French colonial and Ottoman-era buildings one sign read ‘Our History is not for Sale’ and another read, 'Beirut is not Dubai' (Ackerman, 2010).

Pierre Nora, the French historian, in *Realms of Memory* explains that as memory is threatened, attachment to place increases. He explains: “Places become important even as the vast funds of memories among which we used to live on terms of intimacy are depleted, only to be replaced by a reconstructed history” (Nora, 1998, p6). This is especially important for Lebanon where the history of urban space is constantly reconstructed. In Hoda Barakat's novel *Harith al-Miyah*, the novel's protagonist Nikola comes out of the city's destroyed centre - his home from the start of the Civil War goes through a new and unfamiliar downtown towards the sea. He walks towards a Fairuz concert (similar to that sponsored and celebrated by Solidere SAL in the centre at the launch of its campaign), but instead of seeing the horizon he is used to, he sees a "sea of empty chairs, arranged in lines that made up large squares, like block formations of infantry. In parallel lines, they all faced the shore‖ (Barakat, 1998, p175). The singer looks like Fairuz, but it isn't her. A singer, who should be the symbol of Lebanon and nationalism, is a fake, a mere look-alike. In fact nothing in the story is what it seems, and even the sea is a plastic one. Nikola nevertheless sits down but the concert never actually starts. Similarly, while Solidere created what looks like a monumental celebration of nationalism, it was not real, while it looked like it should be, something was off and instead the citizen of Beirut was left uncomfortable. Nikola in the novel sits waiting for a concert that never starts.

With 85% of the historic Central District destroyed it is hard to imagine how identity to the traditional centre might have been restored. As psychologist Eric Erikson observed, “when the landscape goes, it destroys the past for those who are left: people have no sense of belonging anywhere” (Erikson, 1976, p33). Samir Khalaf also noted that people “lose the sense of control over their lives, their freedom and independence, their mooring to place and locality and, more damaging, a sense of who they are” (Khalaf, 2002, p244).
Other critics looked at Solidere's complete obsession with preserving the appearance of authenticity and history, rather than history itself. "The spectacle here has assumed for itself, and hence has eliminated, the very function of time; it has taken on tasks and duties of history" (Makdisi, 2006, p212). This history must be cleared not only of pain, but any other emotion as well - a "prosthetic" history of sorts (Makdisi, 2006, p212). In this new history new feelings are manufactured to accompany the new history of spectacles. Similar to the phrases used to describe Rafiq Hariri as part of the reconstruction effort, the new vernacular of Solidere was highlighted in the 1996 parliamentary election material, showing the centrality of the company and its reconstruction efforts integrated into the identity and politics of Lebanon. As seen in the 1996 election campaign of Mohamad Kabbani, whose campaign slogan included the narrative that: "He is concerned about bulldozing our ruins and history in the name of reconstruction. He is the one who stepped in front of the bulldozers to protect the history of Beirut" (Sawalha, 2010). The danger of erasing the past and celebrating only niche nostalgia, erasing any messy political and social problems, is that the lessons of forgiveness and tolerance are also erased. Lessons that brought the downtown together into a cohesive society are undermined and "unlearned" (Makdisi, 1997b, p30). In the case of Lebanon forgetting the lessons of the Civil War was thought to be nothing short of suicidal (Makdisi, 1997b) where lasting peace would never be achieved without transpired participation in politics (Höckel, 2007). This concept of the RECHCO creating certain fractures in society is developed further in the next section.
3.3 RECHCOs and Exclusions and Divisions within the City

Living the "Good Life" in the City\textsuperscript{109}

City centres have long symbolised cities and groups living within them (Mumford, 1961). Projects across the world working to revitalise centres, actually work towards reinvigorating communities (Frieden and Sagalyn, 1991). The aim of this section is to look at RECHCOs through the lens of division and cohesion within a given society\textsuperscript{110} dealing with aspects of the RECHCO and its relationship with society moving forward. The working hypothesis in this section is that a privately motivated development and reconstruction process, coupled with the destruction of heritage, in the centres will only in some sense "hasten cultural degradation" (El-Khoury, 1998, p262) and collapse the new downtowns as meaningful places for the city's residents. In the previous section the physical heritage and its associated memories in the centre were examined. The branding of RECHCOs was shown to focus on heritage and historical preservation offered the RECHCOs a chance to root themselves locally, through niche, nostalgic memories, in addition to aspiring global visions that were conceived of in the form of high-rise landscapes - foreign bodies within the city.

Both the Master Plans of Solidere and Abdali were set such that the physical and economic reconstruction would hold enormous implications for Lebanon and Jordan. It was also the case that one of the greatest challenges faced by Lebanon during reconstruction was how to merge the different factions of the multi-religious society and create a sense of national unity alongside increased economic prosperity (Stewart, 1996). However, it was of note that reconstruction also had the potential to increase tensions, rather than diffuse them between the different groups and re-incite arguments between Lebanon's citizens (Stewart, 1996). In the case of Amman, the Abdali project

\textsuperscript{109} The term the 'good life' as it refers to living in cities is used by Paden (2001, p24).

\textsuperscript{110} A group is said to be in a state of cohesion when its members possess bonds linking them to one another and to the group as a whole. Cohesion can be broken down into four main components: social relations, task relations, perceived unity, and emotions (Forsyth, 2010).
was seen to turn its back on Amman’s original downtown, which is only about 1.5 kilometres away from the Abdali site, and expected to lead to "urban geographies of inequality" (Daher, 2007c, p273) and exclusion as well as spatial and social displacement. This section will look at the RECHCOs’ social impacts moving forward, that of exclusion in the city caused by the projects actively geared towards excluding certain segments of society.

By creating 'islands' of exclusive and prestigious real estate the RECHCOs, as will be explored in this section, develop 'spectacles' (Fainstein and Judd, 1999b) designed to include and target only a specific slice of the city's citizens. Within the narrative developed by the RECHCOs and its branding, while much is discussed presented portraying the city as a place for work and business with a focus on economic prosperity, much less is said about the city as a place for social justice and diversity of citizenship. This frames the question of whether the very nature of the RECHCO is, from the start, geared towards increasing divisiveness amongst communities. On this matter, Robert Rotenberg describing the nineteenth-century colonial metropolis notes, "if urban space is regarded as the product of, rather than the producer of social effects, the city’s built environment becomes a text, through which social rules and power relations become legible" (Rotenberg, 2001, p8).

**Features of Past Societal Divisions**

Both the Beirut and Amman downtowns had geographical as well as emotional significance for the residents of the city, allowing for greater degrees of social inclusion. The locations can be seen in Figure 3-4.
Amman

Amman is a city that is divided quite strongly along socioeconomic status and culture into distinctive 'eastern' and 'western' districts. The city’s east became known for lower-income groups, and the west was home to Jordan’s more affluent. West and South Amman were in fact the areas that saw the largest explosions in terms of sales and prices, though the city despite this remained mostly horizontal, with low-rise buildings, and villas, sprawling over the hills (ABC Investments, 2007). Even as the separation between the East and West grew, and multi-million dinar villas sprung up in the suburbs of Abdoun, with informal settlements mushrooming in the east, the city centre continuously brought rich and poor alike to its markets, coffee-shops and mosques.\(^{111}\)

\(^{111}\) Ham and Greenway in their *Lonely Planet* guide describe how “residents talk openly of two Ammans...Eastern Amman (which includes Downtown) is home to the urbanised poor: it is conservative, more Islamic in its sympathies, and has vast Palestinian refugee camps on its fringe. Western Amman is a world apart, with leafy residential districts, trendy cafes and bars, impressive art galleries, and young men and women walking openly arm in arm” (Ham and Greenway, 2003, p98). Omar Razzaz, former director of Jordan’s Social Security Organisation, also talks of the “two Amman’s” (Razzaz, 1996) that are part of the phenomenon slowly erasing a unifying identity. Seteney Shami describing Amman in a revealing article titled “Amman is not a City” (Shami, 2007) says “it is therefore not surprising that the
While the earliest immigrants settled in the valley around the Roman amphitheatre, an area that remains the city’s ‘geographical heart’, rapid population increases meant the city expanded in every direction. Historically, Amman’s city centre was always connected to surrounding neighbourhoods through a series of steps bringing people from all over the city down into the ‘plate’ of Amman\(^\text{112}\). The diversity of Amman was brought together in the melting pot of the centre. However, the city began to be marked by socio-spatial polarisation between upper and lower-income neighbourhoods (Abu Dayyeh, 2004).

**Figure 3-5:** Population Density by Census Block, Amman\(^\text{113}\)

![Population Density Map of Amman](image)

**Source:** Map author’s own with data from Department of Statistics, 2004

inhabitants of Amman do not easily identify themselves as ‘Ammani’ (Shami, 2007, p215). Amman’s historic centre remained a commercial “melting pot” (Thesis Survey, 2012), with stores of all types and prices located in its many market alleyways.

\(^{112}\) *Sahin Amman* directly translating into the ‘plate’ of Amman [translation my own] is the flat almost circular area at the centre of the city in the wadi or ‘valley’ that grew to become the centre.

\(^{113}\) The difference in population density is apparent between the darker shaded blocks, at higher density, and the lighter shaded blocks, at lower density, across the centre of the city in an almost curved line distinguishing the East of Amman from the West.
Amman's city centre had already been undergoing a series of activities degrading its historical status. The movement of many governmental, health and commercial uses into the west of Amman created neighbourhoods of single-use functions such as a banking sector in Shemisani, and a health district in Jabal Amman. Tight rent controls (outlined in Chapter Two) meant that owners did not often wish to invest in the upgrades of their buildings (as was the case in Beirut and Solidere too). With its booming real estate market, Amman underwent a series of infrastructure network upgrades, including highways, tunnels and bridges focused in the west of the city as the centre suffered.

Within the new vision for Amman as a modern city (outlined more fully in Chapter One) there certainly appears to be systematic replacements of the existing historic, civic and public sites with newer options westward, Abdali being the biggest example of this. One scholar, Christopher Parker, sees this as an intensification of socioeconomic and social polarisation between the east and the west of the city, as well as between the elite and isolated areas and the rest of the city. Seteny Shami of the Social Science Research Council, located in New York, further describes how there have been constant struggles amongst members of society over space within Amman, and how this has often been appropriated by or delegated to the state, which became the site of the dominant struggles in the urban process. This was a process that saw the Jordanian state creating itself at the expense of the city and urbanism. She continues that the "historical contingency that is Amman, therefore, has to be understood in a particular context of economy, state-building and cultural production" (Shami, 2007, p230).

Beirut

Beirut's Civil War tells a very different story to Amman. For a city where death and hatred amongst the population lasted 15 years, the reconstruction process would mark the biggest attempt to heal its divide. Throughout the
twentieth century, Beirut absorbed several waves of immigrants increasing both the population’s size and diversity (Khalaf and Khoury, 1993). As detailed in the Case Studies, in the summer of 1975, charged with religious and political tensions, a civil war erupted destroying much of Beirut’s urban core changing the balance of power (Fisk, 1991). The Civil War effectively divided Beirut into East and West split along what became known as the Green Line. The Green Line running by the centre of the city divided Christian East Beirut from Muslim West Beirut creating a fracture so that questions of identity became the key issue in the reconstruction process. With the centre as a meeting ground across religions and income levels Beirut’s division was mostly along religious rather than socioeconomic lines. At the time of the Civil War, the city was divided along sectarian lines with the southern suburbs housing most of the displaced Shiites (McCarney and Stren, 2003).

Exclusionary Features in the RECHCO

Both Abdali and Solidere have several different manifestations of segregation in terms of features that make them exclusionary, these features are physical (in terms of aesthetics), socioeconomic (in terms of affordability and comfort), and functional (in terms of usage).

Physical Segregation

The first type of segregation experienced by Solidere and Abdali was the physical isolation from the remainder of the city. The aesthetic interruption within the urban fabric, created a new perceived space for the centre. Within Beirut, critics have pointed out that Solidere SAL worked hard to clearly demark the BCD from the surrounding areas (Saliba, 1997b). One of the main criticisms cited in relation to the Solidere Master Plan includes the fact that it does not properly address the relationship between the Central District and the rest of the city. The planning approach of Solidere SAL was fully based on
recreating a vibrant and economically viable centre. This approach presented an analytically independent logic to the approach planners might use for planning any other neighbourhood within a city, with a conscientious strategy to absorb and promote the relationship between it and its surroundings and hold public meetings. Within the planning of Solidere, there has been no space for such an analysis to be taken, and the planners on the project did not receive systematic briefs of the surroundings. This type of analysis was certainly the case in Amman as well, with a stark contrast between the Abdali walled off from its surroundings and the lower-density run-down buildings along its edge.

Even physically, the Solidere project in Beirut, and likewise Abdali in Amman, emphasises internal connections, rather than seamless associations to the rest of the city. In Amman, the high-density Abdali stands tall in contrast to the surrounding buildings, which are just a little bit run down and housed with 'mom and pop' stores. In the case of Beirut, the layout of the Master Plan places emphasis on the relationship of the downtown to the airport, rather than strengthening historic ties. Aesthetically, perceived space\textsuperscript{114} is what gives the first impression of a project. Initially in the case of Beirut, some critics accused the "mini-Manhattan" as being mostly "profit-driven postmodern kitsch" (Hourani, 2011, p143). In fact due to a public outcry against initial plans, that residents noted would isolate the centre, the CDR forced Dar al-Handasah to scrap the scheme in favour of a new Master Plan (Tabet, 1993). At Solidere's border thousands of buildings, and the residents within them, were completely untouched by the reconstruction and rehabilitation, with no comprehensive strategy or plan to include and upgrade them. For these residents bordering the upscale Solidere project, with its modern infrastructure, the questions of when the investments would reach them and their properties was surely important (Beirut Interviews, 2013).

Both Solidere and Abdali physically plan infrastructure to provide a barrier between them and their surroundings that urbanists believe will have "adverse results on the growth and continuity of the city fabric" (Kabbani, 1992, p32). Critics observed that the Solidere Boulevard follows the track of the

\textsuperscript{114} See Literature Review on Lefebvre (1974).
demarcation line that separated Beirut during the War, and wondered at the constant reminder of the divided city. A new circumferential ring road surrounding the BCD to divert bypassing traffic through the centre was set in open trench configuration. Planners feared that the open trench system would introduce a physical barrier to the rest of the city and discontinue street life and pedestrian connections to the waterfront. Similarly the ramps did not favour pedestrian crossings and dehumanised the entrance into the BCD. The infrastructure barriers were considered a further isolationist measure, to the extent that "some observers questioned the symbolic relationship between isolating and privatising the BCD from the rest of the city, as a physically defined territory for the rich and powerful" (Kabbani, 1992, p34).

Khouri described this phenomenon as: "Now if you go to the Green Line, you would still find destroyed buildings. [Solidere] didn't think about rebuilding Beirut, they thought about taking the part of downtown Beirut that is near the sea, destroying it, and building this small, closed enclave for the big bourgeoisie." (Khouri, 2000 cited in Calame and Charlesworth, 2009, p187). Specifically, the waterfront of Solidere caused issues. Public land at the waterfront was exchanged for infrastructure in a move that was presented as a beneficial win-win for everybody. However, this effectively privatised the waterfront, which became higher density sacrificing open space and a connecting façade of the city for more private uses. This leads into the second type of segregation, which is one related to income.

*Exclusions along Lines of Wealth*

The second type of segregation is that of the centre, not merely physically or aesthetically, but by wealth. Abdali has been accused by critics of intensifying the socioeconomic and spatial polarisation not simply between the east and west of the capital but also between the new "elitist urban island" and the rest of the city (Daher, 2007c, p276). The distinctions between those 'with' and those 'without' in the city is not a new concept, Pierre Bourdieu discussed it as early as 1984. Jumeno (2004) in his work on *Playfulness in Complex Times*
Dubai looked mainly at the socioeconomic, spatial, and demographic transformation that made the people of Dubai mostly concerned with superficial images rather than deeper meanings, such that each buyer was involved in the ‘play’. In Amman and Beirut these places of ‘play’ are materialised in gated communities or exclusive zones that are guarded and closed off to all except those invited, creating, as Bourdieu analysed, a city with two types of citizens - those with access and those without. The duality between the city centre and the rest of the capital will be reinforced in ordinary people's minds because images of luxury will continue to overwhelm popular imaginations in surrounding neighbourhoods. The inauguration of the first buildings will showcase signs of uncontrolled wealth that are insulting to the rest of the city. This real estate promotion will dominate one area of the city, while deterioration will probably become more strongly felt in other areas (Beyhum, 1994, p108). Both theoretically and empirically the case holds true. In the survey conducted in Amman, a question asking specifically about which services Abdali is seen to provide to different categories including ‘all Jordanians’, a ‘certain subset of Jordanians’ or ‘does not provide’, the majority of respondents view it as providing services to a subset of Jordanians, and specifically a fifth do not see it providing improved infrastructure for Amman, such as sports facilities, playgrounds or cultural facilities (see Table 3-2) - these percentages were slightly higher amongst female respondents with children, and in several instances a follow-up complaint was heard that Abdali was not designed for “their children to play” (Thesis Survey, 2012).
Table 3-2: Responses to the Question: "Which of the following features does Abdali provide?"

<table>
<thead>
<tr>
<th>Feature</th>
<th>Provides to all Jordanians</th>
<th>Provides to a certain subset of Jordanians</th>
<th>Does Not Provide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping spaces</td>
<td>17%</td>
<td>75%</td>
<td>8%</td>
</tr>
<tr>
<td>Pedestrian plazas</td>
<td>19%</td>
<td>70%</td>
<td>11%</td>
</tr>
<tr>
<td>High quality residences</td>
<td>9%</td>
<td>83%</td>
<td>8%</td>
</tr>
<tr>
<td>High quality office space and business hub</td>
<td>6%</td>
<td>88%</td>
<td>6%</td>
</tr>
<tr>
<td>Public green space and parks</td>
<td>13%</td>
<td>72%</td>
<td>15%</td>
</tr>
<tr>
<td>Public community and youth play areas and facilities</td>
<td>11%</td>
<td>72%</td>
<td>17%</td>
</tr>
<tr>
<td>Improved infrastructure for Amman</td>
<td>3%</td>
<td>78%</td>
<td>19%</td>
</tr>
<tr>
<td>Sports facilities</td>
<td>5%</td>
<td>75%</td>
<td>20%</td>
</tr>
<tr>
<td>Playgrounds for children</td>
<td>7%</td>
<td>73%</td>
<td>20%</td>
</tr>
<tr>
<td>Cultural centres</td>
<td>3%</td>
<td>77%</td>
<td>20%</td>
</tr>
</tbody>
</table>


Further, almost three quarters of those surveyed, at 73%, would not consider buying an apartment in Abdali. Of those who would not buy an apartment, 78% indicated that it was too expensive to do so, and an additional 56% indicated that they did not believe that the project was designed for Jordanians (Thesis Survey, 2012). Opponents of the 'island' scheme in Lebanon have voiced their feeling that creating more wealthy and isolated ghettos in the city will not be in the interest of the public. In fact, critics have mentioned that one aspect of the Civil War was socioeconomic with luxurious buildings and locations targeted by the disenfranchised who felt that the system was discriminating against them. By framing the BCD under the "reconstruction" of Lebanon marketing it to be for the benefit of all as an "island of the rich", planners would be "repeating the same mistake once again" (Kabbani, 1992, p42).
Common themes across the Arab World's cities have emerged which look at the "imposed binary distinctions" (Elsheshtawy, 2008, p10), as is the case with the divisions created by Solidere and Abdali. Marko Milivojevic (1995) writing in *Middle East International* has noted that "it has often been pointed out that Solidere's vision of a new Beirut will turn it into what it once was, namely the main business centre and plugged into the rich of the nearby Arab World, an objective that seemingly has little to offer the city's poor" (Milivojevic, 1995, p14). This was shown through the project's attitudes to issues such as the functionality of the RECHCO sites.

*Segregation through Functionality*

The third type of segregation between the RECHCOs and the rest of the city is based on the functions that are to be found within the RECHCO. Downtown Beirut has been called an "amalgam of such de-contextualised history-as-culture-cum-kitsch overridden with international luxury consumer goods" (Haugbolle, 2011, p86). Urban theorists have long questioned the neoliberal model where "city space becomes an arena for market orientated economic growth and elite consumption practices, thus stripping the public sphere of its social and political dimension" (Larkin, 2009, p7)\(^{115}\).

Feelings of exclusion had functional impacts; within both Abdali's plan and Solidere's plan, public transportation has not been a priority. Indeed, the positioning of Abdali saw the relocation of Amman's main bus transportation terminal. Solidere has seen the construction of private garages for tens of thousands of private vehicles as a step towards its infrastructure improvement. However, public transportation is the great equaliser in terms of physical access across and around the city. It is the case that the relocation of public transportation that was within Abdali caused some disturbances. Of the

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\(^{115}\) Roberta Brandes Gratz and Norman Mintz, the authors of *Cities Back from the Edge: New Life for Downtown*, think about what experiencing downtown entails and lament the encroachment of malls into street culture in cities. They write that, malls have no 'streets' (Brandes Gratz and Mintz, 2000, p89). Rather, what malls include are limited pedestrian passages connected by parking lots and store entrances, leading only to other places within the mall. In contrast to this, streets link all the mixed functions of a city compared to a mall, which artificially separates and divides activities (Brandes Gratz and Mintz, 2000), quite similar in style to the RECHCOs.
survey sample in Amman, 47% used the public transportation 'all the time' or 'sometimes', and only 20% indicated 'never'. Of those who use public transportation 'all the time' or 'sometimes', the question of whether or not they were disappointed with the relocation of the terminal revealed results as follows, and can be contrasted with the general responses over the entire sample in Figure 3-6. The most adversely affected were therefore the most vulnerable in society, the lowest income levels that match those consistently using public transportation in Jordan. The disappointment levels at the relocation of the terminal were much higher with 'very disappointed' being ranked by 67% of the respondents who consistently use public transportation compared to 13% in the overall sample. Comments to this end made on the survey included: "Now I have to take two extra buses to get to work so that people with cars can get to their tower offices more easily" (Thesis Survey, 2012).

**Figure 3-6:** Responses to the Question: "Were you disappointed with the relocation of the public transportation terminal out of Abdali?"

### Overall Perceptions of Disappointment at Relocation of Terminal

![Overall Perceptions of Disappointment at Relocation of Terminal](chart)

- 1=Yes very
- 2=A little bit
- 3=Not really
- 4=Not affected

### Perceptions of Disappointment at those who Use Public Transportation "All the Time"

![Perceptions of Disappointment at those who Use Public Transportation "All the Time"](chart)

- 1=Yes very
- 2=A little bit
- 3=Not really
- 4=Not affected

*Source: Thesis Survey, 2012*
Further analysis was undertaken on functionality by looking at the Thesis Survey (2012) and asking respondents to prioritise needs. When ranking city features in need of upgrades within Amman itself it is clear that high-end office spaces, shopping areas, and residences rank the lowest on the scale compared to other needs such as sports facilities, playgrounds, pedestrian plazas and others\(^\text{116}\). This in itself gives the impression that the Abdali RECHCO was designed not with the general public in mind as a service for Amman - filling in a call for a 'new downtown' by a people requiring a centre as its narrative claimed - but rather designed out of commercial interests to maximise profit-seeking behaviour in isolation of the real needs of the city cities.

**Figure 3-7:** Responses to the Question: "Out of the List of Features Below which Needs Upgrading in Amman? Please prioritise 1-7, 1 being of Highest Priority, and 7 of Lowest"

\[\text{Score} \]

<table>
<thead>
<tr>
<th>Category</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking</td>
<td>2.5</td>
</tr>
<tr>
<td>Improved infrastructure</td>
<td>3</td>
</tr>
<tr>
<td>Playgrounds for children</td>
<td>3.5</td>
</tr>
<tr>
<td>Public community and youth play areas and facilities</td>
<td>3.5</td>
</tr>
<tr>
<td>Pedestrian plaza</td>
<td>3</td>
</tr>
<tr>
<td>Public green space and parks</td>
<td>3.5</td>
</tr>
<tr>
<td>Cultural centres</td>
<td>4</td>
</tr>
<tr>
<td>Sports facilities</td>
<td>4</td>
</tr>
<tr>
<td>High quality residences</td>
<td>5</td>
</tr>
<tr>
<td>Shopping space</td>
<td>4.5</td>
</tr>
<tr>
<td>High quality office space and business hub</td>
<td>5</td>
</tr>
</tbody>
</table>

*Source: Thesis Survey, 2012*

\(^{116}\) It is also of note that the scores within one’s own district consistently receive higher priority than the rest of the city.
Urbanists argue strongly that preserving the scale, character and socioeconomic mix around central public spaces is fundamental to both the memory of the city and its role as a melting pot (Kabbani, 1992). One of the criticisms that architects had regarding the Solidere project had to do with the previous simplicity of a public space frequented by Beirut's residents, and what they saw as the usurpation of the space by "monuments", observing a "similarity between the social and military background of Haussmann's monumental boulevards in Paris and the Beirut proposal" (Kabbani, 1992, p38). Solidere SAL's attitude was compared to Mussolini, who bulldozed medieval ruins to create a boulevard at the Colosseum in Rome. The accusation stemmed from the fact that it seemed as if the monumental feel of the downtown was intended to glorify the victory and "power of the private capital" (Kabbani, 1992, p38). What was supposed to be public space was seen as systematically privatised. This accusation of a design scheme reflecting a colonial attitude planning for a capitalist society is reported to have been completely refuted by El-Shalaq of the CDR who noted in response, "If you have a strong central power, the streets of the city are wide. They are straight. When political power collapses, they change into winding streets with dead ends" (Yahya, 2007, p248). So, in this sense, it appeared Solidere was a reflection of strong central political power - in the form of Rafiq Hariri, the prime minister and its primary investor.

"Whose Needs does it Serve?"

There are two major themes that have emerged in literature regarding the neoliberal city planning initiatives. The first involves how city administrations have been used to market cities and create new inward investments, causing changes in the form, as well as the function, of cities. The second has been how this has led to struggles over space between stakeholders (Tyler, 2000), as we have seen take place in Abdali and Solidere. Neoliberal urban restructuring has been seen to create places of "excessive consumption for

the chosen elite" (Dahe, 2007c, p266) and has been framed as the plight of the poor in carving out their own spaces within cities.\footnote{118 Within the centre, Amal and Hezbollah stood in opposition to Solidere - and negotiated with the government strongly for the squatters' rights and their compensation. Both Solidere SAL and the squatters equally accused each other of undermining the position of the other and the ‘due process’ instilled by Solidere SAL for their own benefit. Solidere SAL was accused of usurping the rights of squatters and inappropriately evicting them. Amal and Hezbollah were accused by Solidere SAL for forging registrations and encouraging families to move to previously empty buildings marked for demolition amongst other tactics (Sawalha, 2010).}

This was especially the case as it related to the expropriation of land and the eviction of certain populations in the Abdali and Solidere projects. Certainly in the literature related to Solidere, and through field work there are plenty of stories to be heard regarding tenants evicted from their homes and the effects the expropriation had on their lives. In addition, the public sector support given to these projects has meant that a strong business case must be made for their existence, justifying both why they are given special treatment and direct public subsidies, while still being owned privately. When asked about the AID expropriations regarding land surrounding the project in the Thesis Survey (2012), 61% of Amman's residents had heard of them (of those 77% had heard about them in a negative context, and 23% in a positive context). In addition to this 47% of the sample set believed that the expropriations were 'definitely not' in the public benefit, and an additional 38% believed them to be 'mildly not'. This belief was again tied to income, with 87% of those indicating that the expropriations were 'slightly' or 'very much' in the public benefit from the top income bracket level of those surveyed. These percentages can be compared to the standard question on expropriation asked in the survey not specific to the Abdali case where 53% of the sample set indicated that expropriations are generally for the public benefit compared to 8% for the Abdali case, and 59% indicated that fair market prices are generally paid compared to 7% in the case of Abdali.
**Figure 3-8:** Responses to the Question "Do you believe that the Abdali Project expropriations are in the public benefit?"

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1=Definitely not</td>
<td>47%</td>
</tr>
<tr>
<td>2=Mildly not</td>
<td>38%</td>
</tr>
<tr>
<td>3=Neutral</td>
<td>7%</td>
</tr>
<tr>
<td>4=Slightly in the public benefit</td>
<td>4%</td>
</tr>
<tr>
<td>5=Very much in the public benefit</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Source: Thesis Survey, 2012*

The case in Amman regarding expropriation is also in point. Both local businesses and residents condemned the expropriation, citing emotional and physical damages (explored in the Case Studies of Chapter Two). In both cases, local residents and uses were displaced (in Amman the major public transportation node along with its surrounding commercial stalls was relocated to the north of the city). Instead of the original property owners and residents, who themselves lived and built the areas, new luxury housing and office projects were set to be inhabited by the "shapers of tomorrow" (Abdali, 2012, p1) in both areas. These shapers of tomorrow, one Abdali promotional video notes will 'reap the rewards' of involvement - begging the question of what happens to those who cannot afford to be involved.
While the stock answer of both Abdali and Solidere is that the new downtowns are for everybody, the reality is a little different. The major direct beneficiaries fall into two main groups. The first to be discussed is the group of 'elite' residents and tenants of the new space, those are the 'distinguished' business and residential community those who 'deserve' the prestige of Abdali (see Figure 3-9). Within the framework of perceived space, the Thesis Survey (2012) conducted in Amman had the results seen in Table 3-3. The Survey indicated strongly that the majority of Jordanians perceive that 'higher-income Jordanians' and 'non-Jordanian' and 'Gulf tourists' are the main targets of the Abdali project within the city. When looking at the cross-tabulated results broken down by income level, it is interesting to note that as income levels rise, the more likely it is that the project will also be perceived as inclusive of 'lower-income Jordanians'. Lower income levels increasingly saw the project as being solely for 'higher-income Jordanians' and 'Gulf Tourists'.
Table 3-3: Responses to the Question "Who will Abdali’s customers be on a scale of 1-5, with 5 as most prevalent?"

<table>
<thead>
<tr>
<th></th>
<th>1= None</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5= Majority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower-income Jordanians</td>
<td>79%</td>
<td>17%</td>
<td>3%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Medium-income Jordanians</td>
<td>29%</td>
<td>52%</td>
<td>19%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Higher-income Jordanians</td>
<td>6%</td>
<td>17%</td>
<td>49%</td>
<td>20%</td>
<td>8%</td>
</tr>
<tr>
<td>Non-Jordanian Tourists</td>
<td>3%</td>
<td>12%</td>
<td>24%</td>
<td>46%</td>
<td>15%</td>
</tr>
<tr>
<td>Gulf Tourists</td>
<td>4%</td>
<td>7%</td>
<td>16%</td>
<td>15%</td>
<td>58%</td>
</tr>
</tbody>
</table>


The 'new downtowns' are by their own admissions pristine environments, far from the disorder and chaos of hagglers, traditional shoppers, and political and religious populism (Post, 2013). These new spaces are regulated. Very similar to the mall-experience of the United States, where a seemingly public space is highly regulated by security guards monitoring behaviour, dress-codes, vagabonds, activities such as peddling or begging, in what is actually a façade to a highly privatised space - Solidere behaves as no more than a private outdoor mall. Security guards ensure that undesirable street performers are kept to a minimum, and any "tramps or beggars" are readily evicted or not admitted (Beirut Interviews, 2013). Amman's private mall spaces have had other problems in the past with young men not being allowed to enter if unaccompanied by females. The survey results also showed this segment to be especially sceptical of the Abdali project and upset with its constitution.

In fact, when asking about drinking a mere cup of coffee in Abdali, 72% of respondents said that they would not (Thesis Survey, 2012). This rings an eerie bell of one critic who has noted a Baha Hariri interview, who in response to the question of who Abdali is for replied that the public space in Abdali targets high society and that when low-income citizens visiting the space realise that a cup of coffee is worth about 10 JDs (about USD 14) they will leave (Daher, 2013). The average individual monthly income is 140 JDs (USD 197) more or less in Amman (Department of Statistics, 2008). In being so much more expensive than the rest of Amman, Abdali revokes that which
made the city centre so popular. This theme of an elitist closed off centre will be explored more completely in the second section of this Chapter.

**Figure 3-10:** Responses to the Question "Do you think that Abdali will be more expensive than the rest of Amman?"

![Figure 3-10](image)

*Source: Thesis Survey, 2012*

The second major beneficiary group are the project's owners or investors, also not representative of the general public. The projects not only benefit their existing investors, but also focus on potential future investors. The promotional material focuses on attracting a certain niche by promoting exclusive functions for a new elite centre. The effect seen by some critics is the obvious "intent to restructure the social (class) fabric in the city" (Summer, 2005, p96). In the Thesis Survey carried out, 40% of respondents assumed AID's investors were 'Investors from the Gulf' and only 3% were able to identify Mawared as a partner (see Figure 3-11). This indicated that Jordanians know very little about the commercial structure of the Abdali project, and the perceptions are skewed to the fact that the majority of investors are non-Jordanians. The promotional material produced by AID is particularly striking in this regard. Several examples of this, documented in Mawared's newsletters, included road shows throughout Germany in 2004,
releasing detailed documentation to Jordan's embassies, and participating heavily in conferences such as Cityscape in Dubai, amongst others. Information such as the project's institutional setup, major actors and stakeholders has been released easily to these investors - especially at the international scale, but are not readily accessible to the Amman public.

**Figure 3-11**: Responses to the Question "Who are Abdali's investors?"

There is a double danger to specifically including transnational investors in the project. The first is that these investors are not tied to the geography or location of the project as local residents are with memories, social ties and a sense of community. The second is that the investors rarely live within the country. They are a mobile class making their living experiences in the city just that little bit further from the typical Amman or Beirut resident. Baha Hariri, running his own real estate business from Monaco with long-term staff located there, is one example of this. Michael Smith, of the University of California, Davis, in his 2001 work on *Transnational Urbanism* argues that the transnational investor that the modern world has seen creates a sort of "transnational urbanism...a socio-spatial agency of transnational social, economic and political networks" (Smith, 2001, p116). Leslie Sklair, writing the
same year, takes this further looking at the human agents behind the urbanism and noting a “transnational capitalist class, composed of corporate executives, globalising bureaucrats and politicians, globalising professionals, and consumerist elites” (Sklair, 2001, p4). The attitude towards reconstruction and development in Solidere and Abdali was one of little attachment to national territory, along with the hodgepodge of international rather than local experiences amongst the project's planners, and a cause for concern regarding the consequences of the reconstruction.

Beirut's plan, as well as Amman's, focuses on the 'monumental' (as examined in the previous section), the large boulevards and the sweeping plazas, rather than the smaller, narrower and more intimate settings of the Arab World's traditional centres which aim to provide more intimate human connections and social exchanges - a centre as a tool for bringing people together. The literature on gentrification as a concept is also useful to consider here, as the notion of upgrading neighbourhoods, and the replacement of original residents with 'higher-income' families is not unknown within cities. Of the literature on it, there is a consensus that gentrification and the concept of holistic planning is known in theory and practice to be "most onerous and least advantageous to those who are relatively powerless or relatively poor. Planning is, in its effect on the socio-economic structure, a highly regressive form of indirect taxation" (Gower Davies, 1972, p2), with the ability to destroy heritage and undermine cohesion as previously explained.

Though Abdali's expected impacts were measured by the Thesis Survey (2012) and its results discussed below, Solidere's impacts can be seen. Some critics have noted that the social dimension of the reconstruction was in fact the "most neglected aspect" (Kabbani, 1992, p49) of the planning initiative. Like the cases of urban renewal in the West, some of the more "disastrous social ramifications" (Kabbani, 1992, p49) are not visible until people are able to regroup and voice their opposition to the relocation. Bulldozing buildings leads to the fragmentation and destruction of the social fabric as well. Critics were strong in their stand that the socioeconomic mix that was common to the area prior to the War was in danger of being replaced by a homogenous group of both elite local Lebanese, and tourists and expatriates. The Beirut
centre saw high-end housing and hotels replace the mixed-income environment that previously existed. The role of the port (and with it the representation of the traditional mercantile middle class) has been suppressed and preference given to financial services and commerce preferred by the upper-class society and developed service sector. Others note that the middle class, known to be the main source of prosperity for Beirut from the 1940s up until the War, has been replaced by international business and financial groups (Gekas, 2009).

Despite the fact that no urban space can force people to mix, certain spaces are much more conducive than others, with the ability to put people at ease with more favourable functions. For this reason a sensitive adaptation of the impacts of the physical and spatial reconstruction was called for to develop spaces to ensure people felt a sense of belonging to the new environment, though this was not heeded. Certainly, even press releases regarding the developments within Abdali - written in Arabic to appeal to the local Jordanian market - could not fully integrate regular Jordanian press, as certain projects had no Arabic name equivalent, and could not even be transliterated effectively. This included Damac's hundred million dollar project 'The Heights' and 'The Lofts' project highlighted in Mawared's No. 6 and No. 11 newsletters (Mawared, 2006a and Mawared, 2006b), see Figure 3-12.
While top residential sale prices in Amman rise up to about USD 1,400 per sqm, with the average being about USD 300, Damac's starting average prices were significantly higher, reaching USD 3,300 per sqm in some cases and with the penthouse priced at USD 4,000 per sqm. These buildings were sold out in no time purchased by speculators (much in the same fashion as real estate in Dubai). So much so that, shortly after announcing the project of 'The Heights' and selling out within months, Damac announced its intent to construct the 20-storey 'Business Heights'. It is clear that these projects cater to an exclusive luxury market that remains relatively unaffordable to the average Jordanian, given, for example, that Damac was offering the first 25 purchasers of three bedroom apartments in 'The Heights' a free 2007 Jaguar X type along with the purchase.

Local Jordanian analysts wondered if there would possibly be "sufficient demand within Amman for such a significant amount of office and retail

\[^{119}\text{It is worth noting that 'The Heights' has no Arabic name equivalent, as none appeared necessary since this downtown is catered to those English speaking elite.}\]
space" (Executive Magazine, 2007b, p15). Jamil Itani, the project's CEO, pointed to Jordan as an attractive place for Gulf investors "with Arab nations reluctant to invest in the West. And, last but not least, Jordan is close to Iraq" (Executive Magazine, 2007b, p15), at no point mentioning local demand - implicitly Abdali real estate would be purchased strongly by expatriate Jordanians or non-Jordanian investors, most likely not living there full-time and, as such, creating something of a ghost-town in place of an active and vibrant centre (Post, 2013). Both the Amman and Beirut projects, according to Itani, concern developments to be built around a central business district with the aim to offer a homogenous development in terms of working, shopping and living (Executive Magazine, 2007b). It is clear that the planners - within both projects - had intended the project to focus on a certain type of development, and attract a specific type of clientele.

**RECHCOs' Intentional Exclusions**

In both Beirut and Amman, the planners asserted their absolute intention behind the plan that "the new spatial configuration of the plan is to create a city centre where all Lebanese may meet once again" (Kabbani, 1992, p53). Solidere SAL’s brochures show that its ambitions are to "rekindle the centre’s role as a common arena and meeting point for all, and so help reconnect the city as a whole" (Solidere, 2004a, p30). The big question for both Abdali and Solidere was whether it was a studied intention to segregate and divide the city through their RECHCOs, or whether it was an inadvertent side effect. It certainly seems to be the case that there was a systematic effort on the part of these organisations to create a space catered to a certain consumer elite and attractive for the investments of a transnational capitalist class.

It was clear to critics that the plan's spatial configuration "idealises the images of private capital power and its inclination for class segregation through creating islands" (Kabbani, 1992, p53). Looking at it from this perspective, the social reintegration, and trying to achieve harmonious coexistence between different classes in the post-war Lebanese era, was not addressed. Within this
setting, the future city centre of Beirut would be cut off and isolated from the rest of the city and the country precisely in class terms (Beyhum, 1992a).

Controlled public space also controls a list of an eligible public, space where there are certain segments of the public who are excluded and deemed "undesirable" (Mitchell, 1995). Mitchell in his discussions on public space notes those excluded from these new spaces have their identity of members of the public put in doubt and so are "banished to a realm outside politics because they are banished from the gathering places of the city" (Mitchell, 1995, p 120). Images of the public are narrowly allowed in this context, and a homogenised public for the space is slowly created. This is the very public in the case of Abdali and Solidere that is the niche clientele targeted by the investors.

Donald Haider terms the struggle cities face to attract business The Place Wars (Haider, 1992). The RECHCOs work hard to market their cities as attractive investment locations, and themselves as vehicles for attracting this investment. For this reason, one of Solidere SAL's main targets is “to reinstate Beirut as a regional and international business centre” (Douaidy, 2003, p5). The Abdali project shows Amman as an "ideal" destination for business, and itself provides "smart" and "world-class" infrastructure for "an integrated business environment in one single package in a central location‖ (Mawared, 2004, p2).

Modern cities such as Beirut and Amman, forced to compete internationally, thus used RECHCOs as tools for guaranteeing successful integration into a global economy. The cities have become caught in a crisis, whereby the 'symbolic' economy of modern capitalism must attract global portfolios of real estate investors (Zukin, 1996). This competition has reoriented the imagery of the city creating Lefebvre’s 'representational space' (Lefebvre, 1974) so that the neoliberal discourse at the policy level is actually inscribed into the urban landscape. In this case, older images are put aside and instead a "new urban order" (Short and Kim, 1999, p97) is presented. The RECHCOs have helped reinvent Amman presenting it as more of a 'global city' inline with efficiency and connectivity. Places and populations are being distinguished according to market calculations (e.g. Ong, 2000), and styles of socioeconomic and
political performance (Callon and Muniesa, 2005; Sidaway, 2007). This was reflected strongly especially in Amman where policy geared to compete for inward investments and Beirut which fought to re-attain its global ranking. This policy serves primarily to create high-end residential, commercial and office sites catering to a global rather than local clientele, and this has major consequences on the transformation of the city.

Reading the promotional materials of Solidere and Abdali, the cities of Beirut and Amman claim to be 'ancient cities for the future', 'business centres', and 'world-class smart urban centres'. Their entire purpose - in an order where jobs and investments are required for cities to position themselves - is to attract investors. As it related to Beirut, the reconstruction process outlined in Chapter Two focused on the exchange of existing damage with a modern city centre, one that was inspired by global capitals to create a global modern Beirut such that it would undoubtedly replace the war-torn image of the city. Later, having witnessed the Solidere experience, of becoming a modern capital, Amman engaged in its own flagship project to create "a new downtown for Amman" for a "lifestyle of global connectivity and cultural significance" (Royal Hashemite Court, 2003, p1).

Both the Abdali and Solidere marketing brochures liken the projects to ventures in international cities such as London and New York. However, Western society is quite estranged from normal forms of Eastern centres, in both purpose and function. The outward "external relations" and need to copy was not coupled with any form of internal understanding or "internal consumption" (Short and Kim, 1999, p107). Within this internal consumption, it seems that there was a systematic effort to not include certain groups who are not 'invited to play'. In fact, "it is only global money and a chosen few who are granted this privilege. The rest of the world cannot join 'the play,' entry to these global places of play is restricted to the majority of people and is only permitted through their involvement in the provision of services and infrastructure" (Daher, 2007b, p54).

Receiving its rationalisation through economic liberalisation and privatisation, neoliberalism in planning comes through the extended use of multi-national corporations. To this end, Fainstein and Judd (1999b) have shown how urban
culture within cities is becoming a commodity, as outlined in the Literature Review. It is this commodity culture within which Abdali and Solidere were created, driven through by powerful transnational investors, as one of the most visible ways that the global capitalist class, comprising investors, politicians, planners and consumerist elites, are engaged. Exclusion becomes inevitable. The idea is that the RECHCO creates a competitive urban image through enormous real estate and infrastructure developments in downtown areas.

It is clear for both Case Studies that tourism plays a major role - whereby a 'staged' city is presented as a spectacle rather than a lived-in city. With cities competing for tourism, AID and Solidere SAL spend millions on billboards, videos, website, TV, and newspaper ads. This staged city loses authenticity, which creates considerable tension in the urban policy-making environment" (Hall, 1996). The Solidere and Abdali urban regeneration projects show how the 'global urban models' are emerging within Arab cities. This discourse has meant that cities are laboratories for policy experiments where the underlying philosophy has been market-oriented economic growth and isolated consumption practices.

The Solidere project priced out most of the Lebanese who used to live and work there (Ackerman, 2010), and the mixed-income housing was replaced by luxury buildings where rich Gulf Arabs and investors were targeted. Angus Gavin in a Newsweek Article published in 2010 notes "Solidere has become a victim of its own success" (Ackerman, 2010, p1). The article goes on to note that comments such as "Beirut is no longer for the Lebanese" have become common (Ackerman, 2010, p1). The structures of the Abdali and Solidere projects invite exclusion by their very nature; their raison d'être as investment attraction tools for the global market is illustrative of this point. The Abdali project was part of the "state's public discursive shift concentrating on economic prosperity and encouraging international investment in the country" (Daher, 2007c, p273). Citizens were considered secondary to tourists and investors when it came to the project's planning120.

120 There are several other projects under construction in the city, though none with the magnitude of Abdali. Some of these new projects have been described as "spaces of inclusion and exclusion are
It is interesting to examine to what degree the public spaces created by the newly created RECHCO partnership actually intersect what theorists such as Habermas or Arendt term as the ‘public sphere’ compared to the extent to which they are actually private spaces for a specific transnational investor. Most critical urbanists see the consumer islands created as spaces that should be understood as a ‘comodified’ city rather than a city embracing the need to accommodate the public sphere. The spaces that are privately guarded and reserved for a certain elite are more a resource for attracting tourists and economic investments than for the residents of the city. So the question remains of "how public is public space, when it has been embedded in a context that raises such formidable social barriers that the masses of ordinary working people (…) would feel uncomfortable entering in?" (Lopate 1989, p24, cited in Summer, 2005, p112). ‘Let the Shopping Begin!’ is the slogan on the billboards that surround the Abdali site.

One of the Abdali highlights came forward during the international Retail City 2007 presentation called "the Abdali Effect – Reinventing the Retail Sector in Amman," (Abdali, 2007, p7) so that a holistic picture of Amman's retail industry was given. The Abdali Boulevard as such was there to "literally re-invent the retail sector, with global brands and an exciting outdoor experience" (Abdali, 2007, p7). By outwardly announcing the focus on the elite consumer, able to afford such a retail experience, Abdali de facto excludes all but the highest income of Jordanians and international tourists. Solidere SAL placed a focus on retail at the expense of other community spaces. While Law No. 117 of 1991 requires at least 25% of Solidere’s Master Plan be dedicated to open or green space, the spirit of the law is not strictly followed. Much of what is noted as green space are in fact inner-courtyards between buildings, unusable space around ramps, or landscaping in the form of trees lining the major roads. What was intended as open and accessible space for the public has been twisted and materialised as almost unusable space to maximise real estate. Similarly, an examination of the early plans in Abdali indicates that this is the case here too.

cause severe cases of gentrification and social and physical displacement in the city" (Daher, 2011, p289), others have referred to them as the “holes” of Amman (Parker, 2009, p110).
Critics argue that the centrality of the planning process (outlined in Chapter Four) will favour those Lebanese who belong to a "certain class" (Kabbani, 1992, p20). The land use and the type of proposed developments will not cater to the general public, but rather to the "upper middle-class, expatriates, tourists and foreigners" (Kabbani, 1992, p20). The fear amongst critics has been that creating a truly public space must be highly regulated if a private company is to control the area. This includes a mixture of uses and even percentages of buildings set aside for affordable rents and subsidised as part of the public-private partnership agreement. Critics generally felt that additional studies should be conducted to portion certain percentages to tenants from a variety of social groups.

3.4 Conclusion

One activist group, Abrand, set out to challenge and repackage Lebanese heritage and tradition through a series of posters - one the *Koussa Mehchi* or 'stuffed zucchini' transformed into Japanese Sushi with chopsticks. In other words, the typical Lebanese identity is lost and its cultural uniqueness obliterated as shown in Figure 3-13. And this is in essence the social impact of RECHCOs when negatively impacting both public space and heritage. Similar to the mere appearance of incorporating heritage in the advertisements above, Solidere twisted heritage and tradition to profit-motivated objectives (such as the Beirut Souqs). Beyhum, in his work, suggests the likely consequence is the appearance of a dual city in Beirut, with the boundary lines of the Solidere project marking the limit (Beyhum, 1992a). Certain critics have noted that the inauguration of the first buildings would begin to highlight the "signs of uncontrolled wealth that are insulting to the rest of the population" (Beyhum, 1992a, p108), and the deterioration within the rest of the city even more strongly felt. In Amman, the duality between the centre and the rest of the city was reinforced amongst residents as the images of luxury are advertised and contrasted with the surrounding quarters.
The city centre became the sole focus of the Lebanese reconstruction project, headed by Solidere SAL. So narrow was the scope of what it meant to rebuild the nation that the rest of Lebanon, and Beirut were almost to “fade away and become vague externalities” to the centre (Makdisi, 1997a, p701). In fact, Solidere's logo was simply the word 'Beirut' in Arabic. The perception, as Makdisi notes, is almost that the city is the "company's fiefdom" (Makdisi, 1997a, p701). Some critics (Beyhum, 1992a; Rowe and Sarkis, 1998) noted that where prior to the end of the Civil War there had been the Green Line, now there were other dividing lines between the centre and the rest of the city. Within the dislocation of poor craftsmen, butchers, and workers who used to inhabit the old city, "we have lost the melting pot" says Assem Salaam, who
helped found the Association for Protecting Natural Sites and Old Buildings in Lebanon in 1960, "now the city is divided" (Ackerman, 2010, p1). By ignoring the two most important elements of an urban plan aimed at national reconciliation - namely the preserving the "common memory of the city" and "a tie to the past," (by encouraging the return of original commercial and residential tenants), Solidere cemented the division of the city (Salaam quoted in Ackerman, 2010, p1). The same themes are seen in Amman where the rest of the city has little funding for upgraded infrastructure and where the original stalls and sellers were relocated out of the Abdali District.

**Figure 3-14: Beirut City Image**

*This image has been removed by the author of this thesis for copyright reasons*

Manual Castells, in thinking of networks, looks at the duality of the city and the "urban expression of the process of increasing differentiation". He continues that, “the dual city opposes, in traditional sociological terms, the cosmopolitanism of the new informational producers to the localism of the segmented sectors of restructured labour” (Castells, 1989, p277). Ultimately, where the global 'space of flows' tries to materialise at the local level there is a continuously growing distinction, so that the locally understood sense of place cannot be easily recognised (Borsdof and Hidalgo, 2008). Beirut's 'sense of place' that was the heritage within which Solidere was placed spatially was usurped by a different agenda, that of the global, of transnational investment, and the new competitive centre, which turned the centre into an 'island for the rich'. In Beirut, intellectuals were clear that the socioeconomic mix

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121 "Island planning" has become a serious issue for planners and urban designers in general. Saskia Sassen looks at this in terms of the 'quartering' of urban space (Sassen, 2001), which will create a "patchwork of discrete spaces with increasingly sharp boundaries (gated business centres, leisure, tourism, or community spaces)" (Daher, 2008, p59). Fainstein and Judd (1999b) have looked at these in terms of being bounded districts isolated from any neighbouring decay, labelling them "tourist bubbles".

celebrated in the pre-war era in the BCD would be replaced "by a homogeneous group of high income locals, yuppies, tourists and well-off expatriates" (Kabbani, 1992, p49). In other words, the financial class and upper-service sector would undoubtedly replace the old organic society.

Walking in Solidere, one sees that it is filled with tourists as well as local visitors. The ultimate question is which local residents specifically, and whether it is inclusive of the entire population. The downtown has become a commodity and a "playful spectacle", with tourists drawn to the "staged authenticity" where a contrived experience replaces the genuineness (Fainstein and Gladstone, 1999, p27) not integrated into their surrounding context. The Abdali project is set to similarly create a "downtown commodity". Its promotion as a high-end tourism project and affluent residential project for creating "a prestigious address living 'above' the city" (Daher, 2007c, p282) shows its direction in this regard. Of this, Rami Daher comments: "This pastiche replica would reduce the complexity of the real downtown experience with its details, years of evolution, and special dynamic into one Disneyfied moment with its kitsch postmodern fake building facades, yet chic, well-proportioned, and pretentious corporate architecture" (Daher, 2007c, p282).

Within these spectacle-downtowns it is not only the place itself that is a show, but its social life too. The place itself is packaged, and placed on the global market as a mere real estate commodity. An organic city centre defined by the public and its activities could never thus be reduced and sold, which automatically skews society within the border of the RECHCO. When authors such as Shami (2007) describe the city as products of people "who make space and place, discursively and materially; negotiating macro-level forces in culturally specific ways" (Shami, 2007, p218); a place where there is no negotiation can only therefore be outside of the city's walls - no longer a place where people can meet and make politics as imagined by the earliest Greek philosophers.

Within these bubbles, as described in the Literature Review, components of heritage and historic architecture are matched with new facilities that invoke the new and contemporary rather than the historic (Fainstein and Judd, 1999b).

122 This is not to say that the projects have not had community outreach. Abdali was well known in Jordan for its Corporate Social Responsibility (CSR) initiatives, launching things like their "Abdali Innovation Awards" though this has not been widespread.
In an article in the *Arab Al-Youm* newspaper on the 29th of June 2009 entitled 'Abdali Innovations', the journalist Hashem Khreisat "eloquently dispels the belief that Abdali is a foreign project, built and owned by foreigners on Jordanian soil, explaining that due to the size of the project and the contracting companies handling the job, it is easy to get the mistaken impression that this project is not destined for Jordanians. In reality, however, nothing can be further from the truth" (Abdali, 2009b, p13). He clearly explains how "some of the vital projects were in fact designed and are being built by Jordanian architectural know-how" (Abdali, 2009b, p13) yet not the values that embodied the centre that they wanted to emulate. While the full impact of jobs and investments will be explored in Chapter Five, even Khreisat's promotion of the project does not in any way indicate an array of activities that would be welcoming to Jordanians, in fact it has the odd echo of societies like the United Arab Emirates (UAE) where those who build (construction workers) are forbidden from enjoying (Batty, 2013).

In concluding this Chapter, in effect, there seem to be three major issues that made the RECHCO projects such as Solidere and Abdali extraordinary. The first is that physical heritage, and thus memories, of city residents was destroyed or sidelined which negatively impacted residents within the city. The second is that the original residents and tenants in the area were expelled which tore existing social fabric. The third is that the spatial configuration of the plans did not protect and encourage the diversity of the ethnic, religious and social classes that previously coexisted in the city through high-end functions and uses.

On the first point, once the spatial organisation changes rapidly, as is the case in RECHCOs, citizenship changes as well, in manners that allow division to surface and cause discord. The memories associated with the spaces, in this sense, can be used as tools for collective nostalgia, especially as related to the physical heritage and its destruction. Though, as a caveat, it is important to note that the relationship between these spatial narratives and national identity cannot be reduced to a simple equivalence and that whatever vision ultimately takes shape will be the catchall for issues surrounding identity (Makdisi, 1997a, p664). On the second point, with the higher-end luxury
residences and offices, the original residents were steadily gentrified and left the area. Even as visitors they were only welcome if they could afford the commercial rates applied.

On the third point, whatever the intent, such choices have indirectly created a security belt by isolating a certain elite and the lower strata of society from each other. Both the urban and political choices that have been made have encouraged fragmentation, so that space in the city has transformed from shared place to a place that must then be shared amongst those with private interests (as will be explored in the next Chapter). This results in what Edward Soja has called a city-full of "non-cityness" (Soja, 1992), which has much in the way of built environment but no sense of coherent place or a common civic life.

In exclusively targeting the affluent, such projects contribute to the emergence of a model in contrast to the sustainable city and the 'just city', characterised by 'material equality, diversity and democracy' (Fainstein 2010, Marcuse et al. 2000, Harvey 2010). Essentially based on social injustice, one can question the sustainability of cities that create schisms by focusing solely on the 'beautiful city' desires of a rich minority. Kathrin Höckel takes this a little bit further in her paper on Beyond Beirut where she says that "the very fact that the reconstruction was concentrated in Beirut's Central District cater[ed] only to an elite part of society, while neglecting the peripheral regions of the country and its inhabitants, is the central reason for the failure to achieve a sustainable peace and a robust state" (Höckel, 2007, p2). Some critics went so far as to accuse Rafiq Hariri of having paid special attention to Beirut as the capital, due to its "Sunni constituency" during his tenure as Prime Minister (Adwan, 2005, p9).

At the global scale, the institutionalisation of neoliberalism has seen the creation of investment arms, which privatises the entire planning process, and prevents political debate (explored to some extent in the Literature Review). The projects within this new global discourse have meant that "democracy becomes synonymous with free markets" (Giroux, 2005) leaving no place for issues of social equality, redistribution or even critical citizenship. The participation of citizens within the superficial Abdali and Solidere planning
process means that the frameworks are reduced to mere "commodification of their practices" (Summer, 2005, p119). The Solidere and Abdali experiences show that public space is hampered as spaces are controlled and too regularised.

Studies exploring citizenship as a hegemonic process, that seem relevant here, look at how governments work to assemble identities, fix power relations and discipline space, and how this is encountered and contested through the "spatial practices of everyday life.... viewing dominant discourses and practices of citizenship as techniques of spatial organisation" in de Certeau's terms (De Certeau, 1984, pxiv). This is the base for Chapter Four, which will look more in depth at RECHCOs' impacts on the politics of citizens within cities.
4. RECHCOs and their Political Impact

4.1 Introduction

Chapter Four looks at the political processes and impacts associated with RECHCOs, especially those distinguishing them from other mega-projects in the region. The Chapter will argue that with ineffective and inefficient government structures and systems in place, failures of policy, institutions and processes are a common phenomenon that allowed for the creation of the RECHCOs. In addition it will also argue that the uncommon procedures practiced by the RECHCOs have led to a negative impact on citizens and common ‘doing business practices’. The previous Chapter looked at the RECHCOs' social impacts, concluding that both on the fronts of heritage and social cohesion the RECHCO, despite certain positive attributes, has an overall negative impact. This Chapter now examines the second pillar, looking at the political impacts of RECHCOs, as such putting in place a separate set of arguments regarding how the RECHCO affects cities' citizens.

The RECHCOs despite being a physical project affecting material space within the city, also fundamentally affect city politics, something that was well-noted of urban projects in the Literature Review. Henri Lefebvre writes that "in addition to being a means of production, it [space] is also a means of control, and hence of domination, of power" (Lefebvre, 1974, p26). The public space loss noted in Chapter Three coincides with a change in the public sphere discussed in the Literature Review, and as such politics. The literature includes Sorkin's and Davis' "end of public space" and "the destruction of any truly democratic urban spaces" reflecting a "narrative of loss" (Sorkin, 1992 and Davis, 1992 cited in Crawford, 1995, p4). Sennett's *The Fall of Public Man* (Sennett, 1992) is also representative of the feeling that once vital sites of democracy seem to have shrunk. The described narrative looks to what

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123 Doing business practices are the standard ways that companies and investors behave in the economy towards each other and the government.
critics see as a "current crisis of collective life, which places the very identities and institutions of citizenship and democracy in peril" (Crawford, 1995, p4).

This Chapter is split into three main sections. In its first section, the Chapter will look specifically at the process that created the RECHCOs and examine opposition responses. The second section will focus on property rights and how they were impacted by the RECHCOs. The Chapter's conclusion will look at how the RECHCOs' creation changed common doing business practices in Beirut and Amman and undermined citizens’ perceived relationship with their local and national government.

The Chapter relies heavily on three different sources of information. The first are interviews of policymakers within Amman and Beirut that helped fill in the details of the approval processes described in the Chapter. The second was use of archives that existed within the Greater Amman Municipality, and the daily Arabic newspapers of both Beirut and Amman, which helped bring forth different perspectives and activities. The third was the Thesis Survey conducted in Amman, which yielded primary data relating to the political process and its impact. These three sources of information were then combined to be able to tell the story of the RECHCO approval process and its subsequent impact, thereby contributing to our understanding of how RECHCOs affect politics in the city as it relates to the city's citizens.

4.2 Aspects of RECHCOs and the Political System

The argument made by this section on the relationship between RECHCOs and the political system includes three major points. The first is that under normal circumstances, RECHCOs would never have been approved. The second is that a specific studied set of unusual circumstances were orchestrated and that led to their approval. The third is that citizens will inevitably feel devoid of power as a consequence, of the private process that causes RECHCO approvals. While the Arab World has had a history of

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124 Underlying these assumptions is the belief that citizens are ready to participate and share their political agendas with bureaucrats as long as they are offered appropriate opportunities.
inequitable urban policy (mentioned in the Literature Review) nonetheless, the process by which the RECHCOs are conceived of and approved in government has massive implications for public perceptions of transparency, and the acceptance of the RECHCOs as tools for changing cities positively. The process that is used is one through which many have felt disenfranchised, with citizens feeling that others have more 'right' in the city than they do (as discussed by Harvey, 2008). In an article published in Jordan on the 1st of February 2007, for instance - an opinion piece in one of the leading local newspapers, *Al-Dustour* - was a commentary questioning why foreign investors are placed above local investors within the Abdali project (Zubaidi, 2007a).

To this end, the RECHCOs have taken extreme care to market themselves as having gone through rigorous public scrutiny - including public presentations with select investors as stakeholder participation for instance (Post, 2013). The concept of the Solidere plan was to build an "ostensible blend of public accountability combined with private efficiency, for example, the Master Plan was to be debated publicly" (Mayaram, 2009, p108). As explored further in this Chapter, Abdali Investment and Development advertised certain types of information extremely well - so much so that over 99% of those surveyed for this thesis had heard of the project - and it promoted its relationship with the GAM and Mawared (Thesis Survey, 2012). To many critics however, this self-promotion was inadequate. The Abdali project has seemed to many in Jordan as "dark and opaque" (Hattar, 2007, p1), described as a repetition of the process of the reconstruction of the centre of Beirut.

**The Emergence of a Neoliberal Ideology for PPPs**

The RECHCOs may in fact be the physical manifestations of an international trend, in light of both the global phenomenon at the macro-level and the global context at the micro-level; both part of the hegemonic discourse that has transformed urban policies within local capitals as an accumulation of a long transnational investment process. It is inevitable that this analysis takes into
account that it "is entrenched in processes of globalisation" that may reshape the physical landscape and the urban politics surrounding it (Singerman, 2009, p3), so the question of who the city is designed for emerges strongly alongside how each sort of citizen participates in the process, and shake the conventional social contract which has linked rulers to the ruled for many decades in the Arab World, and which many see as "finally unravelling" (Razzaz, 2012, p1).

Projects such as the RECHCOs are built to recreate the international (some claim neoliberal\textsuperscript{125}) discourse (Lemke, 2000). The agencies involved "leverage state power to defend 'market requirements' against the claims of deliberative citizenship" (Parker, 2009, p111). State agencies have become much more "entrepreneurial" within these new systems (Post, 2013). Rather than acting as an "external source of regulation" (Parker, 2009, p114) they view the private sector as a close partner. They work to reduce transaction costs for investors, who they see as able to pick from numerous locations around the world. The notion of increasing "competitiveness" occupied the pro-growth reform movements in both Jordan and Lebanon\textsuperscript{126}. In other words what they try to create to attract investors is a system where "purely private risk is removed from the private investor and is then redistributed across the public at large" (Parker, 2009, p115).

Starting with King Abdullah II's accession to the throne, Jordan has been a very clear example of a nation implementing a privatisation agenda (telecommunications, energy, water). The 'Solidere phenomenon' (Daher, 2011), which materialised in the form of Abdali, is one physical manifestation of this transformation. In Beirut a similar mantra was heard, with proponents of Solidere arguing that only the private sector could "insulate the reconstruction of the BCD from political polarisation and traditional government inefficiencies," (Hourani, 2011, p141) and only the private sector, driven by such priorities, could "provide proper leadership and attract funds" (Hourani, 2011, p141) and thereby ensure that Beirut rapidly claim its place.

\textsuperscript{125}Adham, 2004; Al-Hamarneh, 2010; Barthel, 2010; Daher, 2008; Daher, 2012; Elsheshtawy, 2008; Kanna, 2010; Parker, 2009

\textsuperscript{126}The Jordanian government established the Competitiveness Unit to track economic progress as related to international indicators at the Ministry of Planning in 1997.
atop the emerging hierarchy of Arab cities" (Kabbani 1996, p66). Major opponents to the scheme hold the criticism of a neoliberal agenda very dear under the basic premise that the private sector, even in ideal circumstances, responds primarily to contributing shareholders rather than the stakeholders — local citizens. The idea for the Abdali downtown in Amman, as outlined in Chapter One, was established between Rafiq Hariri and King Abdullah II as an extension to Solidere’s 'success' within Amman\(^{127}\).

Rafiq Hariri of Lebanon and King Abdullah of Jordan actively engaged in this strategy to put their countries and capitals 'on the map' in terms of competitiveness. In King Abdullah's case the matter evolved into creating 'entrepreneurial' organisations for Jordan to progress, which generally involved public sector institutions being granted a new found financial and administrative independence hiring a certain transnational western-educated elite (Mansur, 2013). These entrepreneurial organisations operated to the sides of the typical bureaucracy, reported directly to the Royal Court and could be easily directed and manipulated. In a similar fashion Rafiq Hariri in Lebanon "ran the country as if it were his private business" (Solh, 2013).

Mawared, for many, represented a new direction on the official front, unique in its administrative and financial discretion. These sorts of institutions were thought to be able to grow their projects quickly and easily. Mawared\(^{128}\) showed new government direction to give national economic support for private sector development, and the Abdali case is undoubtedly one where "state authority becomes entwined with private agency" (Parker, 2009, p116).

The entire concept and political process was able to be designed away from communities in the case of both Solidere and Abdali for a number of reasons.

\(^{127}\) The measures of success as developed by the World Economic Forum’s Global Competitiveness Report include indicators such as ‘intensity of global competition’, ‘extent of market dominance’, ‘effectiveness of anti-monopoly policy’, ‘extent and effect of taxation’, ‘number of procedures required to start a business’ (World Economic Forum, 2013). These indicators put the onus very much on private sector entrepreneurship. Sklair (2001) looks at this as a phenomenon as globalising politicians creating the conditions for diverting state support and resources towards the major corporations within their borders to promote competitiveness.

\(^{128}\) As mentioned in Chapter Two, the state-owned Mawared entered into equal partnership with Oger Jordan - a subsidiary of the Hariri owned Saudi Oger - to create the Abdali Investment and Development designated with the aim of being a private land development company. Mawared as described on its website is committed to “generating considerable investment opportunities for the private sector, creating job opportunities, and stimulating economic growth” (Mawared, 2010, p1). Mawared also advertises itself as “the ideal partner for the private sector” and offers “flexible partnership formulas” to facilitate “the smooth processing of official dealings” (Mawared, 2010, p1).
Weak Local Government

Beirut's Local Government

The end of the Civil War showed the Lebanese state in a need of being (re)built from nothing. Emerging from a 15-year war in 1990, Lebanon ultimately found itself as a "country virtually without a state" (One Humanity, 2011, p1). There were two major institutions that arose after the Civil War as being responsible for reconstruction (Stewart, 1996). The first was the Council for Reconstruction and Development, which was a government entity, set up in 1977 and reframed in the 1990s which was responsible for reconstruction outside the BCD. The second, decidedly was Solidere SAL, other government entities had little influence. Beirut's municipality however was barely functioning - and had no Mayor. Out of the twenty-four members on its board only four were still alive, and no new members had been appointed. One of the last acts of the previous government right before it resigned prior to the elections was to give formal approval to the Dar al-Handasah Master Plan on the 15th of October 1992. And so, it was in this atmosphere of 'national anxiety' (Lebnani, 2010) with the outcome of the elections and a distracted public that the Master Plan was approved with little "debate over its merits" (Eddé, 1997, p132). Elias Sarkis worked to equip the CDR with all the necessary tools to bypass all routine and normal regulations which were known to encumber other governmental agencies. This was in a similar manner to Mawared which in part was to help avoid cumbersome bureaucracy bothering investors, where it was thought "in order for this project to succeed, the investors together with the State realised that it could not be facilitated through regular governmental bodies" (Daher, 2008, p. 50).

The CDR by 1990 had become one of the key institutions in construction and redevelopment within the Beirut Central District. With none of the regular bureaucratic constraints, the agency was expected to undertake reconstruction with a certain ‘private-sector’ efficiency. The CDR was
therefore designed to be an instrument to assist public institutions (Salaam, 1993) and to cut through any red tape associated with public sector regulations in a timely manner. It was the CDR's independence and privileges that would begin to play a very large role in the decision to use a private company for the BCD. In Beirut, the CDR remained the main tool for implementation and infrastructure within the rehabilitation process. Rafiq Hariri, as the "self-appointed custodian" (Adwan, 2004, p10) of the reconstruction effort, had relatively complete control over the CDR, and as such, through the entire chain of related services. In addition, the CDR's authorities did not remain static. Instead, its authority grew and it started to borrow, requesting Central Bank bonds that were outside of the regular budget. It also appeared that the CDR was 'outside' of most of the official accountability mechanisms (Leenders, 2002). The relationship between Solidere SAL and the municipality had been problematic from the start. The political positioning between "the country's powerful groups and individuals often used Solidere as a battleground" (Nasr and Verdeil, 2008, p16), and the municipality had no ability to control the company; though attempts were made to derail certain aspects of the project, and features such as the Beirut Souqs were stalled as a direct result of conflicts between Rafiq Hariri and some of his opponents in the various state and municipal institutions.

Cutting through bureaucratic red tape appears to be a major theme in both the city cases. In fact, the RECHCOs themselves were designed in order to have an autonomous body able to work around government bureaucracy, to be competitive and efficient away from local processes perceived as cumbersome by the RECHCO. With the engagement of the private sector as the leader of development, government institutions took a backseat and the very functions that they aimed to protect were hijacked. As such, it is possible to understand Solidere and Abdali's story both as a profit-making effort by a set of private sector investors, and a gap in the democracy and durability of the existing local government institutions (in Lebanon's case, a result of over a

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129 This was manifested in a variety of ways, for instance the CDR relocated to a Hariri-owned building. Critics argued that "in Europe or the United States, a similar connection would have been regarded as a potential conflict of interest and a possible source of political embarrassment" (Kabbani, 1992, p15).

130 The Solidere experience has been criticized as part of the CDR's "distribution of state assets and institutions...to...collect profit in both political and financial currencies" from different parties and stakeholders (Adwan, 2005, p6).
decade of war; in Jordan's case a combination of lack of funding, expertise, and genuine democracy).

To this end, it was easy to manipulate the required decision makers into approvals. The private sector actors involved went so far as to place "facts on the ground" before debates and discussions even began within the legislative bodies (Solh, 2013). Rafiq Hariri, for instance, and his team gathered the necessary funding to launch Solidere, as well as a finalised plan for the project. Rafiq Hariri's Oger Liban, with no official appointment, began reconstruction and independently commissioned a Master Plan from the Arab consultancy group Dar al-Handasah (Khoury, 1995a). In 1983, under the Dar al-Handasah plan the bulldozers entered the city centre and without any official clearance began clearing rubble from the War. These bulldozers seemed to be clearing "ordered spaces" (Beyhum, 1992a, p34) methodically. While it was unannounced, it was generally agreed that Rafiq Hariri was behind the clearing (Salaam, 1996). After an interruption due to the breakout of fighting, by 1993 when the Dar al-Handasah plan was properly ratified, about 80% of the structures in the city centre had been damaged beyond repair. At this point however, no Master Plan had been officially approved for the area, and despite Law No. 117, the CDR was seen by many to be acting beyond its mandate. The almost silent acceptance of Oger Liban's actions served a dual purpose. The first was to indicate to Rafiq Hariri that an abandoned BCD avoided by property owners was not altogether noticeable by the general public. The second was that the government seemed willing enough to circumvent the regular bureaucratic paths of

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131 During the War the centre was deserted and had slowly become a notorious red light district, rarely visited by its original property owners. As such, the clearing was able to continue without drawing a lot of attention to itself, either from the media, or the owners of the lots being cleared. This demolition was carried out without the approval, authorisation, or interference of any official or governmental institutions. In 1984 another round of fighting forced the cessation of all activities in the centre, and the active shelling in the Central District caused even further damage. In April 1992, demolishing within the BCD zone began again directed by the CDR, in an "alleged" (Haddad, 1998) attempt of stabilising the area from the danger of condemned buildings and to preserve public security.

132 Mid-May 1992, the Civil Research Organisation held a large symposium at the Beirut Carlton Hotel titled "The Beirut of Memory; the Beirut of Sharing; the Beirut of the Future: The Politics of Reconstruction and the Public Interest". This symposium addressed the issue from a variety of angles and produced categorised recommendations as: 'administrative', 'legal', 'social', 'architectural', 'financial', and 'economic'. The symposium ended with the recommendation by participants that the "state honour its responsibility ensure democratic paths are followed and to maintain an open dialogue". The symposium also unanimously called for the stop of all demolition activities in the centre, to freeze the appraisal committees' work and requested that the government publicise the expropriation of the land. The 'public' the symposium stated had the right to approve the "politics of reconstruction" before any redevelopment plan was implemented (Solh, 2013).
authorisation for ensuring legality of projects within the BCD. The forceful private sector, coupled with weak municipal government institutions meant that the local government platform was completely sidelined. This is reflective in Amman's story as well.

Amman's Local Government

The Abdali RECHCO was able to push certain positions that were approved by feeble institutions at the local level and strongly driven by national central-government priorities. In the case of Amman and Jordan, the major (partly) democratic institution charged to uphold planning regulations within Amman is the GAM, with its half-elected, half-appointed council; and a Mayor appointed by the Council of Ministers. The GAM as a first line of defence for Amman's citizens in the Capital, for instance, were we able to think of it as such, was bypassed. The Jordanian government early on in AID's structure and setup announced its full and irrevocable support for the Abdali project, financially subsidising the project through a series of upgrades in the surrounding area (Executive Magazine, 2007b). The Abdali Master Plan under royal directives was not questioned within the municipality. In fact, planners working on the Amman Master Plan later recall that all other high-density mixed use development sites required four months of debate, analysis and discussions at the technical and Amman City Council level and were presented to the public in open forums as well as specialised sessions with the unions, Chambers of Industry and Commerce and civil society. The exception was the Abdali project which was inserted as a "done deal" (Post, 2013), even though it did not fit the criteria outlined by the planners in terms of infrastructure, public space, and other requirements, and was excluded from all public debates.

During Mayor Maani's era, the GAM worked to reinvent itself and redefine its relationship with the city in a role that went beyond services and utility provision. The focus was entrepreneurship, and the GAM expanded its role as an 'investment promoter' for the capital. This role was considered too limited,
and a more powerful institution was looked to in order to help empower investors further, in the form of Mawared for real estate ventures. In addition to this, with the GAM a new era of exclusive governance appeared to grant the Mayor decision-making powers that ignored traditional Council channels.

With the backing of the military and Royal Court, when Mawared approached the GAM about Abdali, it did so from the top. One critic notes that the "boundary between regulator and investor and even public and private" is ill-defined, "in Jordan's neoliberal urban restructuring, the boundary between 'state' and 'civil society' is very blurred, transparency is non-existent, and public information is minimal" (Daher, 2008, p53). Though the GAM was a local democratic institute, the municipality was incited to play an additional role by using its official and legal mandate to help usher the Abdali project through. With directives from the Mayor to support Mawared and AID over any other investors, the GAM began to rescind from its role as a neutral observer, to act as a hefty lobbying agent to convince residents and businesses around Abdali to sell out to the company\textsuperscript{133}.

\textbf{Cronyism and RECHCOs}

As part of their effort to maintain smooth and beneficial relations in government, the RECHCOs strategically positioned people of loyalty in Amman and Beirut on the boards of relevant corporations and institutions. Whether people of influence in politics or business, they were selected to help further the organisations' connections to government and facilitate approvals. The strategy put the power in the hands of the selected few while disenfranchising the traditional local democratic institutions.

The AID Board had six members initially - three appointed by each partner. The representatives of Mawared were at the time: the Mayor of Amman, Khalid Wazani (head of the Social Security Organisation), and Akram Abu Hamdan (Mawared's Chairman and CEO). Saudi Oger appointed Baha Hariri,

\textsuperscript{133} Other instances of the GAM pressuring residents to sell out to major investors will be explored more in Section 4.3.
in addition to Abdulaziz Nwaiser and Ali Kologhassi, both powerful Jordanian businessmen. Omar Maani - the Mayor of Amman - was appointed on the 18\textsuperscript{th} of June 2006. Many criticising the decision, with TAGI amongst them, found it to suffer from a conflict of interest. It was also noted that the Mayor of Amman was charged with the right to sign on behalf of the company (AID) to buy and mortgage land and real estate within Basin 14 of the Abdali District; as well as order expropriations on behalf of the GAM (Talal Abu Ghazaleh International, 2007a)\textsuperscript{134} and so in effect had the right to either purchase the land or force its sale.

In Beirut, though advertised to the public, the process of final selection was not more transparent and the representatives on the board were not free of criticism. When Nasser Chammaa was made president of Solidere SAL in 1994, he also received additional considerable decision-making power and influence (Summer, 2005). Some saw them as a "collection of private interests and powerful individuals who gathered together as Solidere SAL's Board of Founders in 1992" (Makdisi, 1997a, p672)\textsuperscript{135}. The conflicts of interest seen in Amman were also observed in the case of Solidere. For example, at the negotiations of the agreement of Solidere's contract for infrastructure work, the parties involved were Solidere SAL's Board of Directors - where Rafiq Hariri was heavily represented as the largest shareholder on the one hand, and as Prime Minister on the other, along with the CDR - where the former director of Oger Liban sat. In other words, Rafiq Hariri negotiated contract terms with himself (Leenders, 2003, p321).

**Confusion of Public and Private Interests**

One of the major strategies employed by Rafiq Hariri was that the employees were placed in charge of critical state institutions such as the Central Bank,

\textsuperscript{134} Mayor Omar Maani's wife Eng. Maisa Batayneh also sat on the AID Board for a period of time before being replaced.

\textsuperscript{135} The Board of Founders was to prepare a detailed plan to be submitted for approval to the authorities, along with a phasing plan. In addition, the company was also to be run by a Board of Directors - of which at least two-thirds would be Lebanese nationals with the shareholders represented in proportion to their contributions.
the Ministry of Finance and the governorship of Mount Lebanon. This strategy was labelled "colonisation" by Saree Makdisi (1997a, p613). The Council of Development and Reconstruction was amongst the most important of those, and was the key institution in charge of the reconstruction of the country under Rafiq Hariri's influence. The new and improved CDR offered the platform that Rafiq Hariri was waiting for and so he began infiltrating it amongst other organisations that were involved to a large degree in the decision-making process of the Central District development.

In 1991, there was debate over whether Rafiq Hariri himself should become president of the CDR (Leenders, 2003, p321). Fadel El-Shalaq instead, as noted in Chapter Two's Case Study, became its President. El-Shalaq was the founder of the Oger Liban branch owned by Rafiq Hariri in 1982, and became head of the charitable Hariri Foundation in 1984. Hashim Sarkis, in *Territorial Claims*, observes that this in effect meant "the main private organisation in the building industry [had] taken over the official planning advisory body. The agency that the government used to control private development [had] now reversed its role" (Sarkis, 1993, p114). Later on in 1996, El-Shalaq became a minister in the Cabinet. Nabil Jisr - who was another high-ranking officer in the Saudi Oger branch - replaced him\(^\text{136}\).

Indeed, the development marked the start of "the state's abdication of its authority" (Makdisi, 1997a, p670) and the beginning of the 'Harirism' discourse which culminated in 1992 when Rafiq Hariri became Prime Minister. El-Shalaq, despite being head of the CDR, still had a private office in Oger Liban, and his staff on the CDR were scheduled to move into new headquarters in the BCD, renovated at Rafiq Hariri's expense. As Verdeil points out, the Prime Minister's private office at Oger Liban was consulted on major decisions and often gave out technical expertise regarding different public projects. Oger International regularly undertook consultations within the CDR (Verdeil, 2002, p83). In this way, Rafiq Hariri was able to keep control of the "circuits of political decision-making" (Summer, 2005, p65) which allowed

\(^{136}\) Other prominent personalities included Fouad Siniora, who was an Oger Liban employee and later became Minister of Finance, and Prime Minister. Starting in 1998, Beirut's Municipality was headed by Abdel Munim Ariss, who was another known Hariri ally. Hariri appointed his own Legal Counsel Minister of Justice, and gave his first-cousin's husband the role of head of the Higher Appraisal Committee as well as assigning him to the Higher Judicial Council.
him to push his project for the city centre through despite important public contestation. Agents within the public administrations and government were able to use public policies easily to further very specific private interests. Rafiq Hariri and Solidere were so tied together that when he was replaced by Hoss, in 1998, a major slowdown began reflected in the halting of major projects (Nizameddin, 2006).

For AID, its persons of influence consisted of like-minded officials spread across Jordan's major planning and real estate sector who would promote King Abdullah II's vision for a modern Amman. Akram Abu Hamdan was a known friend of the Jordanian Royal Family. Ali Kolaghassi as a Saudi Oger executive, and involved with Jordan's largest real estate ventures (in Amman and Aqaba) was often found to be seated next to King Abdullah II at functions, and was received by him in the Royal Places on official presentations regarding the developments. Omar Maani and his wife Maisa were also close personal friends of the King and Queen. Placing allies into decisive positions within the existing administrative institutions meant that the Jordanian and Lebanese leadership could be sure of the loyalty of key institutions.

**Strong Investor Influences**

The reconstruction of the centre had captured Rafiq Hariri's attention starting in 1993, when his company Oger Liban took over the reconstruction project (mostly through the start of demolition work). At the Taef Agreement at the end of the War, Rafiq Hariri took up the initiative again and financed his plans with funds from Oger Liban, soliciting Dar al-Handasah to start the process. Rafiq Hariri's engagement and involvement in the project was quite large, in making subsequent plans (that were personally financed) and through raising the private funds required for the revitalisation of the centre (Verdeil, 2002, p83). The investors also worked hard to increase their control. Rafiq Hariri, who had originated the idea, had been slowly working his way into the Lebanese federal government system.
The state, after the War, was forced to start reconstituting itself and so
following the summer of 1992 the last transitional government resigned and
was soon replaced by a new Parliament and Rafiq Hariri as Prime Minister,
though the elections were boycotted by large numbers of the population
(Khazen, 1998). Soon after, amidst a comprehensive reconstruction Rafiq
Hariri and President Hrawi both extended their mandated terms by an
additional three years through changes in the constitution. As noted in the
Case Studies of Chapter Two, the stories of Solidere and Beirut are very
much stories of power, which actors have it in the city, and how they employ it
to achieve their goals. Rafiq Hairi can be considered the key figure in the
total reconstruction of Beirut's City Centre.

Once elected to office in 1992, his control over reconstruction intensified even
further with a verifiable transfer of power. He was now able to use official
government powers coupled with his extreme influence as an investor and
was no longer limited to working behind the scenes. As such Rafiq Hariri
became a name synonymous with "the truest catalyst behind the
reconstruction of Lebanon" (Stewart, 1996, p496). Some observers estimate
that Rafiq Hariri used personal funds upwards of USD 5 million
redevelopment feasibility study (Partner, 1995). Rafiq Hariri became the
largest shareholder in Solidere SAL, owning 7% of the company officially.
Despite the fact that the Law No. 117 of 1991 openly sets a limit of 10% per
individual, various sources put his total holdings in Solidere SAL at up to 19%
through various third parties (Verdeil, 2002, p83). To preserve this investment,
Rafiq Hariri through the reconstruction cycles was seen to act primarily as a
rich businessman rather than a prime minister, which was needed to establish
the state’s power and legitimacy. This allowed other sub-state actors to build
up constituents (Höckel, 2007), as will be later explored in more detail.

Rafiq Hariri’s large financial gains from reconstruction were not without their
controversy – even within his own government. In 1994 Rafiq Hariri went so
far as to resign from government after his Cabinet ministers questioned some
of his real estate dealings and potential conflict of interest (New York Times,
1994). However, soon after, he withdrew his resignation after mediating steps
by Syrian President Hafez al-Assad brought reconciliation between Rafiq Hariri and Parliament Speaker Nabih Berri (Jansen, 1995).

With the placement of like-minded individuals - and friends - across all key government institutions, in the case of both Beirut and Amman, Solidere SAL and AID were able to easily influence and persuade outcomes to their advantage. In Beirut, high profile visits from Jacque Chirac and Kofi Annan tended to support Solidere (though it is worth noting that neither visit was directly linked to the project). In Jordan similar visits promoted the project trying to elevate it to levels of international acceptance. The investors themselves were almost celebrities (Mansur, 2013). The Abdali project was initiated between the late Rafiq Hariri and King Abdullah II in 2002, and Baha Hariri his eldest son soon took over. Baha Hariri, with his close ties to King Abdullah, and ranked No. 432 on the 2007 Forbes Billionaire List was said to have a net worth of USD 2.2 billion. It was Baha Hariri rather than his institution - Saudi Oger that interested the highest decision-makers within AID. This became very clear when Baha Hariri split from the Hariri Group and established his own company Horizon in 2008, and operated this vehicle from Monaco, as explained in Section 2.5 on the Abdali Case Study. The personalities of the investors themselves were the only requirements it seemed for the Jordanian government.

The GAM facilitated Baha Hariri's almost celebrity status - indicating that he was the 'end-all' decision-maker as it related to matters of expropriation. A meeting between the Mayor and the landowners on the 16th of May 2007 saw the Mayor promising them a meeting with Baha Hariri to help them by convincing him to purchase the lands directly without resorting to expropriation. The strength of these investors was also seen in Rafiq Hariri's domination, as a single private actor (a Sunni Saudi-Lebanese) was only

137 In Jordan, on numerous occasions, Mr. Mouhib Itani, CEO of AID at the time, emphasised that the project originated with a "generous gesture by His Majesty King Abdullah II to persist with the requirements of the age" (Albawaba, 2009, p1). The Abdali project similarly saw visits by HRH Prince Raad bin Zeid: the Ministers of Tourism and Antiquities, HRH Feras bin Raad, the Minister of Information and Communication Technology, as well as the Prime Ministers on several occasions, hosting ceremonies under their patronage. In a press release regarding the cornerstone of the Abdali Boulevard, the company noted that the ceremony was attended by the "most prominent" Jordanian and world personalities (Abdali, 2008c). On the 10th of June 2014, King Abdullah II and Queen Rania attended the opening ceremony of the Abdali Boulevard.

138 Baha Hariri created Horizon as an international construction conglomerate specialised in investment and development of large scale real estate and construction projects.
possible in light of the marginalised state institutions that had been worn down by the War. The fact that these institutions were sidelined meant that Rafiq Hariri had the ability to take over tasks completely and could influence political decision-makers and as such achieve transfers of power in favour of planning proposals. Similarly, Baha Hariri's ability to manoeuvre so swiftly in Amman had much to do with his association with Mawared and the Royal Court. This special treatment of a select category of investors bred a certain level of resentment. The survey carried out in Amman found that most residents - at 58% - do not believe that the GAM treats all investors equally (Thesis Survey, 2012). Instead, some investors receive priority compared to others.

**Figure 4-1:** Responses to the Question: "Do you believe the GAM treats the Abdali investors and other investors, including Amman's residents equally?"

![Figure 4-1: Responses to the Question](image)

*Source: Thesis Survey, 2012*

**New Management Staff and Planners**

The role of planners within both the Abdali and Solidere projects is very large, and their expertise and previous project experience contributes very strongly to the different economic, social and ideological project components. In Jordan, Abu Hamdan marked the ushering in of a new era of the promotion of
'digitals'\textsuperscript{139} - a new generation of technology minded foreign educated leaders within the government. These leaders slowly infiltrated the organisations they ran with new neoliberal ideas, weeding out any 'old guard' concepts, as was explored more fully in Chapter One.

The private planners and consultants working on the plan were a "powerful transnational group" involved in the downtowns (Summer, 2005, p74). These specialists acted as think tanks to service the "private interests of the investors from behind the scenes" (Summer, 2005, p74). One of the first things that Akram Abu Hamdan undertook was to create the Urban Workshop, as an independent non-profit urban studies centre, which conducted master planning efforts. It is almost an investor 'strategy' in both Beirut and Amman to have planning and consulting offices entrusted fully with the project plans - sometimes appearing as 'third-party' outsider specialists who will give their objective and unbiased opinions. The role of the technicians was both professional and ideological. As became apparent through the work at the Urban Workshop, the specialists hired were responsible for creating 'best practices' which are modern, and globally competitive, in what planners see as being in-line with international progress and norms. As a means of objectivity, both projects also relied on the 'studies' undertaken by their designated experts\textsuperscript{140}. The physical design of these new downtowns is the product of professional ideologies of the planners who are in positions that make them so powerful they realise professional visions and define what makes a competitive city as a result. Ossama Kabbani of Solidere SAL provides an understanding of his role as a planner to be in the service of investors stating that, "we are not planners for the sake of planning like public planners. We are doing planning from sound economic criteria, because Saudi Oger, if they would do the project, it has to be a feasible (profitable) project" (Summer, 2005, p79).

The competitiveness of a city and the downtown that will be created is left almost entirely up to these 'transnational professionals'. It is also the case that

\textsuperscript{139} 'Digitals' was the nickname used for the group of foreign-educated technology savvy public sector employees newly appointed to high-level positions.

\textsuperscript{140} These include Dar al-Handasah Group (Shair and Partners), Middle East Economic Consultants, Urban Workshop, as examples.
the planning networks are linked to the capital investments. When comparing across both projects, it is of interest to note the combination of the same planners on both. AID CEO Jamil Itani worked in Lebanon, and Saudi Oger is owned by the Hariri family and the company worked directly on Solidere. With such strong relations and matching in schools of thought, it is unsurprising that the plans so accurately reflect the investor ideology underlying them. The Hariri family’s company Millennium Development strongly belongs to the Saudi Oger network. Ossama Kabbani was hired by Millennium Development to develop the Abdali Master Plan, and the architectural design of this plan was assigned to the Lebanese Arab Company for Engineering and Consultancy (LACECO) (Feltman, 2006) who were also involved with Solidere. Angus Gavin, from the London Docklands often called for inspiration from this project when designing for Solidere. Loyalties, especially ideological, are also built up over time. Ossama Kabbani was a Harvard-educated planner, fully sponsored with a scholarship by the Hariri Foundation, and worked for Solidere SAL since the revisions of the first Master Plans in 1993, and since 2001 he has consulted regularly for the Millennium Development group for large-scale urban redevelopment projects. In 2003, Kabbani moved from Solidere SAL to Millennium Development to head up a new role as Saudi Oger’s lead expert for the Abdali project. Kabbani was initially highly critical of the reconstruction plans. Shortly after his critiques (Kabbani, 1992), Kabbani was invited to join Solidere SAL as the second man in the Urban Planning Department, and he was involved in the studies that modified Dar al-Handasah’s initial plans, which critics describe him approaching with a more pragmatic attitude.

Divorced from local accountability to be found within the traditional municipal civil service, these planners educated abroad with international experience are the decision makers as it relates to the RECHCO plans. It was this lack of local accountability, weak local government and civil society, alongside the lack of real information the public had (discussed in Chapter Three) that in part explains the oppositions’ response. In mid-July 1992, the Cabinet voted on the basic structure for Solidere SAL. As described in the Chapter Two Case Studies, opposition within the Parliament was minimal. The opposition
was a silenced minority as the plan passed, and none of the six objecting MPs returned for a second term. Other architects and planning professionals were also silenced by several different strategies. As relating to the Abdali project the opposition was far less organised than in Beirut's Solidere. Writers and critics wrote lone news articles; architects spoke out at exclusive symposiums. The residents themselves, while agreeing on principle, were unable to group their case with that of the more prominent Talal Abu Ghazaleh, and indeed many were easily subverted from the cause by financially lucrative offers from AID outweighing the alternative from the GAM. Out of the property owners, only the Talal Abu Ghazaleh Group took the case to court on the principle that the expropriation was wrong. The other smaller lot owners were unable to gather sufficient momentum to challenge the municipality, which did not play an independent enough role. Though they held several meetings, they were easily overpowered by the strategies used by the investors and the municipality.

RECHCO Strategies Dealing with the Opposition

*Strategy One: The Alternative is Worse*

In the case of Amman, as outlined in Chapter One, projects like Abdali were framed as the only way forward for government. In Beirut, the option of the Real Estate Holding Company was framed as the sole choice, and quickly adopted within government. Solicited research at the time indicated that the company was the only viable solution (Middle East Economic Consultants, 1985). In both the cases of Solidere and Abdali, the national government turned to the projects as the advertised solution for the need to create jobs, and attract investments and tourism. In both cases, the government "claimed no responsibility for a RECHCO-less economy" (Post, 2013) if such large projects were not allowed by the public.

Solidere SAL adopted different tactics to deal with the critics to the Master Plan. In response to criticism, Solidere SAL reminded the public of the Dar al-
Handasah plan and the revisions that were made to it. The original plan - as an example - included an 80m wide boulevard to rival the Champs Elysees in Paris (described in the Case Studies Chapter). Solidere SAL promoted the new Master Plan that was ratified by the government as highlighting "the intended reintegration of the Central District within the greater Beirut metropolitan area" (Makdisi, 1997a, p667). In contrast to the original Dar al-Handasah plan, Solidere SAL’s proposal would also include preserving buildings in the relatively small core area from the Grand Serail to Martyrs’ Square. Critics were quick to comment that the 1991 Dar al-Handasah plan looked "deliberately like a red-herring" (Makdisi, 1997a, p679) so that the new Solidere plan would inspire praise and compliments when compared to what might have been. However, this new plan as described in the Case Studies received little public input.

In the Abdali case, the threat of a 'much worse' alternative came across in a different way. The GAM used the threat of expropriation as a stick to encourage owners to sell-out directly. Owners were also bound to act by their financial situations, whereby those who sold out to the Abdali project early on would receive immediate cash compensation at a slightly higher value compared to those who waited for the threatened expropriation, or might be forced to fight for a more lucrative valuation through the courts.

**Strategy Two: Assimilation**

In the case of Beirut, opposition academics and planners were 'compensated' with opportunities to participate in the reconstruction project within an 'embedding strategy'. While most experts declined this 'corrupting' cooperation (Beyhum, 1992a) two prominent architects were won over and their approval for Solidere was highly publicised. Up until the 1996 elections the government contained some opposition critical to the project. The 1996 elections saw all these oppositional figures losing their seats replaced with a much more passive Parliament (some described as being there purely for the pursuit of wealth). Slowly the opposition were systematically removed from
positions of power. Critics such as Leenders (2002) argue that Rafiq Hariri bribed unwilling Parliamentarians into accepting Law No. 117 by offering them free loans issued by banks in which he was a large shareholder and a pre-subscription of Solidere SAL shares undervalued at the time.

In Amman, the media\textsuperscript{141}, alongside major government institutions such as the Jordan Investment Board, the Royal Court and the Social Security Organisation were all proponents of the Abdali project. The opposition (with the exception of Talal Abu Ghazaleh who had the funds for sufficient self-promotion) were unable to receive equal representation. The media, with the government's support offered a 'you are for us or against us' perspective for the Abdali project, and opposition to Abdali was labelled as "unpatriotic" (Thesis Survey, 2012). In street interviews, a certain minority issued statements such as: "those opposing Abdali hate Jordan", "people are jealous of Abdali's success", and "we should rally around Abdali for the good of our country" (Thesis Survey, 2012). This was also the case for Solidere, where public participation was discouraged by the project's supporters. In Ayman Trawi's (2003) introduction to his picture book of the city centre, the opposition to this project are strongly denounced: "Under the banner of patriotism, they attacked its architectural, cultural and legal aspects, thus trying to keep Beirut in the age of darkness, its squares desolately empty and the threat of civil strife looming in its horizon" (Trawi, 2003, p2).

In the cases of Amman, some of the tenants were 'bought out' of the neighbourhood property owner committees and offered large compensation packages. This was done often enough that committees effectively dissolved. In the Abdali District, meetings with Baha Hariri and promises of immediate and higher compensation than would be the case through expropriation found some owners ducking out early and agreeing to sell, weakening the overall resolve of the opposition. In the case of Solidere, a counter-committee of former owners and tenants were established with close links to Solidere SAL.

\textsuperscript{141} In 2010, Freedom House downgraded Jordan's ranking to 'not free'. Amman's Centre for Defending Freedom of Journalists carried out a poll of 505 media professionals in 2009 and found that self-censorship was practiced by 95% of respondents. State-owned media such as Jordan TV have always been subject to direct interference at the level of ministers or state security. The two major Arabic dailies are publicly-owned - Al-Rai and Ad-Dustour - of which the government owns 60% and 30% of shares respectively.
Maher Daouk - the symbolic chairman of the counter committee, and later a member of Solidere SAL’s Board of Directors - was selected as the close cousin of the President of the Coalition of Rightful Owners of Downtown Beirut, Omar Daouk. Other members and spokesmen were threatened (for instance with investigations of suspected tax evasion). Single committee members not wanting to be targeted did not speak out publicly against the reconstruction project any longer.

The mosques in the BCD were 'assimilated' in a different way and had been seen to 'sell out' their constituents to preserve their own land (Schmid, 2002). Economically, the religious foundations wished to maintain the highest rental income possible from their properties to preserve their causes. The inflation during the War, and the inability to break free from old lease agreements made the religious foundations susceptible to interference from Solidere SAL. With strong constituent backing, and land protected by waqt, Solidere SAL was forced to find a way to appease these institutions. The scattered and fragmented waqt estates in the BCD represented a huge obstacle, so Solidere SAL presented a strategy of 'land reallocation' (Schmid, 2002) to combine smaller plots, which would appeal financially to the mosques. They would receive alternative larger plots rather than through compensation by shares in the company. By agreeing to congregate their lands - and secure them with higher rents - Solidere SAL had effectively bought out the mosques' opposition, and so they did not lend a hand to opposing the project on behalf of their constituents in the area. The mosques therefore, did not corroborate Hezbollah’s fatwa and remained silent as private lands were expropriated. No religious courts or proceedings were found in the expropriation process as the mosques stood strongly by Solidere SAL (Schmid, 2002)\(^\text{142}\). When it came to the Christian constituents, the religious foundations were offered positions on the company’s Board of Directors and building contracts were often given to Greek-Orthodox or Maronite families with strong influences on decision makers (Schmid, 2002).

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\(^{142}\) The expropriation was done for the waqt through the concept of tabadul - a mechanism designed to deal with the inalienability of waqt being compatible with the needs of society. For tabadul, detailed rules concerning its application were developed to make sure that it remained an exceptional mechanism, did not induce any economic harm and that the perpetuity of the endowment (not asset) was maintained (Hoexter, 1997).
Strategy Three: Sidelining

Part of sidelining the opposition involved responding to their concerns in ways that misrepresented the project. The Lawyer Mohammed Mughraby, as head of the Lebanese Lawyer’s Association, indicates in his narrative regarding Solidere that there were certain key elements that were used to convince the Parliament to pass Law No. 117 (allowing for the creation Solidere SAL) that included marketing it in a manner that gave MPs at the time the impression that the company would strictly be an arm of government (Ohrstrom, 2007). This fed into one of the RECHCOs’ main strategies, employed in both Amman and Beirut, which was simply ignoring the opposition by marginalisation. The Higher Urban Planning Commission denounced the Master Plan on the 17th of July 1992, however the plan was approved nonetheless - with no legitimate public approval process. The 'Engineers' Union' report, that was given to government on the 24th of September 1991, never received a response (Beyhum, Salaam and Tabet, 1996, p18). As the plan was being publically debated in unofficial forums, formally it built up official support in Parliament and the Cabinet, where official decrees and laws were being crafted. Similarly in the case of Abdali, there were simply moments that the government chose not to respond. For instance, despite letters being sent to all levels of government, including the Prime Ministry by property owners, residents, and Talal Abu Ghazaleh, no responses were received. TAGI sent well over 30 written letters and a judicial warning to the GAM - all also unanswered. The Council of Ministers ignored official complaints by TAGI with no registered response and approved the expropriation143.

143 Official Gazette No. 156 dated the 9th of April 2007.
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Strategy Four: Removing Recourse

The weakened government structure allowed Solidere SAL to accumulate large amounts of power. While Solidere SAL was progressing in terms of its incorporation, Rafiq Hariri was entering the Lebanese Federal Government strongly. The government was in a state of reconstitution right after the War and following the parliamentary elections in the summer of 1992, the last of the transitional governments resigned to be replaced by a new Parliament and newly appointed Prime Minister Rafiq Hariri. Rafiq Hariri’s power was not reduced by the election boycott, and there were few within government willing to listen to the opposition’s objections. In August, with the public focused on the first elections held since 1973 - and in which Rafiq Hariri was running - the Cabinet ratified the Master Plan. It was then approved on the 14th of October 1992, which was the last session of the Council before its recess, leaving no further options for legislative recourse.

The courts, generally the point of recourse for citizens, did not play an active role in this case. Strong court systems are an essential pillar of the citizens’ right to due process. In the cases of both Solidere and Abdali, weak courts were essential to the companies’ ability to continue to bypass traditional approval procedures. As, mentioned in Chapter Two’s Case Study, when incorporated, Solidere SAL had several different instances of litigation by original property owners to deal with. These owners wished primarily to repeal the decree outlining the limits of the BCD and the lots within it, and the process by which compensation would be decided. The cases were either not allowed to reach trial, or were dismissed. The courts themselves were filled with pro-Rafiq Hariri judges (Haddad, 1998). Those that brought forward criticisms or cases against Solidere SAL soon found themselves the subject of

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144 Strong is defined by three major characteristics: independence from political influences; impartiality and competence. Its quality depends on its ability to provide fair hearings, and its efficiency depends on it completing trials within a reasonable time (Wolff, 2007).
145 Further discussion of the judgments they issued related to property rights can be found in Section 4.3.
aimed investigations; even lawyers extensively involved in the anti-Solidere cases were targeted\textsuperscript{146}.

Most of the court proceedings that were initiated by the opposition committees were immediately refused by the courts, or alternatively delayed for many years. On many occasions, Rafiq Hariri was also accused of bribery or using his strong influence as premier over the special courts. Often critics pointed to the fact that proceedings that were previously frozen were suddenly reopened after 1998. There was, however, sufficient momentum gained so that the process of Solidere SAL continuing on its mission was almost inevitable after Rafiq Hariri left office. As such, with the courts refusing to hear the arguments, in Beirut, the Solidere plan had no opportunity for legislative recourse once it was approved. Similarly, in Amman, the Higher Court of Justice refused to hear the case, in addition to lower court refusal to hear from the property owners, as will be explored more fully later.

4.3 RECHCOs and Property Rights

Section One of this Chapter looked at the overall process of approval for the RECHCOs and the strategies for dealing with opposition. This section will focus on the issue of property rights within the RECHCO cases to understand the set of circumstances that allowed for expropriation to be used as a development tool for the private company. This Section has several major goals. The first is to argue that the process of expropriation itself in the cases of the RECHCOs had certain fundamental issues relating to equity and fairness that must be addressed, and as such undermined property rights, including compensation. The second is to argue that on a philosophical level the process of expropriation inherently undermined certain citizen rights to

\textsuperscript{146} One such example was Mohammad Mughraby who has often spoken out against Law No. 117, citing it as unconstitutional - violating Article 15 of the Lebanese Constitution that guarantees the protection of private property under law (Ohrstrom, 2007). mughraby began to accept large numbers of cases by property owners against solidere SAL pro-bono. Late 1995, attempts to discourage Mughraby began through threats and political pressure (COMBAR, 2012). Beirut's public prosecutor (COMBAR, 2012), Fawzi Abu Murad, wrote to the council of the Lawyers Association at Beirut asking for the permission to prosecute Dr. Mughraby for the crimes of "malicious prosecution and slander to the reputation of the Lebanese State, the justice system and the security services" (COMBAR, 2012).
benefit select investors, and as such gave rise to widespread perceptions of government failure at the local and national levels.

Property in the region is especially important, and often thought of as the "means by which people gain power, not only at the local level, but at the national and international levels as well" (Nader, 1985, p5). Within the analysis of secular property rights in the Middle East, the literature identifies four separate idioms of the ways in which property law is used: property as an idiom of social relations; a means of control and centralisation; a means to gain personal power and achieve mobility; and a means of social engineering (Mayer, 1985). These idioms tie property into the citizenship experience and as such it becomes an especially important issue in Middle Eastern societies.

The right of private property is, in literature, considered almost a natural, or inalienable human right. They are considered 'natural' not in the sense that individuals are born with them, but rather that 'force' of these rights is recognised as valid by moral and rational people apart from the provisions of laws (Waldron, 1990, p19). Property is not a two-way relationship between a person and a thing, but rather the legal relations are embodied as a relationship between people. Property rights are a fundamental measure for the experience of citizenship within the city and also heavily affect the terms of doing business in the city (Mansur, 2013). While property rights are seen as inalienable rights, their application is a direct public sector choice. The literature has long observed that, "the security of property rights, however, is not a natural occurrence; rather, it is an outcome of policy choices and social institutions" (Levine, 2005, p61). Indeed, the government must be both powerful enough to define and enforce property rights as well as abrogate those rights (North and Weingast, 1989). In both the cases of Abdali and Solidere traditional rules for expropriation were undermined.

There are three basic principles of property ownership that should, in a state that values principles of private property, be available to the same individual (Mayer, 1985). They are the power of disposition, or being able to sell your property; the power of use, being able to employ your property as needed; and the power of exploitation, or using your land to its fullest advantage. Within this relationship, a private landowner has a claim right against other
private owners to protect their land. This right is only to be undermined by the eminent domain powers of government (Mayer, 1985). These rights are generally based on two principles. The first is that the land must be expropriated for the public benefit. The second is that the compensation for the land reflects fair market value, and is of immediate nature in cash value (Beyhum, 1992a and Mayer, 1985).

Several aspects related to Solidere and Abdali directly affect basic understanding of property rights. In Solidere, the compulsory owner and occupant participation in the RECHCO, and the withdrawal of occupation and return rights was imposed on existing property owners and residents. Those who resided in the centre were obligated legally to vacate their dwellings; and received shares in Solidere SAL rather than a direct cash payment for fair market value. In addition, physical boundaries were dissolved and smaller lots combined into more developable parcels. In Lebanon, small private owners continued to oppose the scheme as an unconstitutional interference with private property rights, especially as they viewed the Solidere project as consistently undermining these rights (Rowe and Sarkis, 1998). Original property owners in the city centre genuinely felt that their democratic rights had been compromised. Some owners felt religious rights had been undermined and the new government did not give high regard to Islamic jurisprudence by incorporating waqf properties into the project and exchanging them with others (Qahf, 2000, p2). In Amman, the property owners discussed sit-ins blocking the major roads into the Abdali District in protest of the expropriation. This discontentment spread to Amman's residents as a whole. 89% of those responding to the Thesis Survey who had heard of the Abdali expropriations had heard of them in a negative light (Thesis Survey, 2012).

Samir Khalaf in Lebanon's Predicament describes how post-independence, the Lebanese clung to domestic ownership, as was the case with most post-colonial countries. The new Lebanese state remained suspicious of foreigners buying land in the country, and was also careful not to extend too far into the holdings of its population (Khalaf, 1987). Planning thus had a relatively antagonistic relationship with Lebanese society (Mayer, 1985). Planning,
intuitively, involves curbing certain freedoms, and the Lebanese have in general always "resisted such restrictions" and continued to "perceive any plan as an unwarranted infringement on the private use of property" (Khalaf, 2001, p86). In Jordan, land has been tied to family heritage and tradition, ownership being almost a pillar of "Jordanianness" and citizenship (Massad, 2001).

To this end, the failure of large development projects to meet certain social goals can be attributed to lack of recognition by national and foreign development planners of the pluralistic nature of law and of property concepts in the Middle East (Nader, 1985, p20). They believe that many of the conflicts that occurred as a result of these area development schemes could have been avoided if planners had taken into account traditional legal institutions. The cases of Abdali and Solidere had several main complications that they had to deal with:

1. The expropriation was undertaken by a 'private' not a 'public' entity which meant that essentially the government was forcing the transfer of private ownership from one private citizen (entity) to another. Opponents viewed this as unconstitutional

2. In both the systems of Lebanon and Jordan land is highly prized as a form of financial autonomy and citizenship.

3. The burden of proof in expropriation is on the appropriator to prove that the expropriation serves a larger public benefit. As Chapter Five will explore further, demonstrating that Solidere and Abdali are in fact in the public benefit was not a straightforward task if done objectively.

4. Eminent domain was rarely used in Lebanese law, and considered fundamentally unjust to property owners - depriving them of the commercial improvement of their property only to be used when absolutely necessary (Solh, 2013). In both the Jordanian and Lebanese cases the procedures for the government to expropriate for purely public projects such as roads is an arduous procedure involving deliberations. For a private company to be able to carry out these procedures including detailed discussions and negotiations with
communities would be a highly stringent burden. The property owners argued that they themselves were able to pay or borrow money to reconstitute their properties.

5. Appraisal processes were not transparent and undervalued the properties (with property owners in Solidere given shares rather than cash compensation).

6. The Solidere project forced property owners to associate with third parties.

At its most extreme, Solidere was seen as a "revolutionary way of circumventing the public administration by selling a piece of the capital city to a company, mostly owned by public officials, instead of simply creating a parallel institution" (Adwan, 2005, p10). By doing so, the company made clear the view that the reconstruction process in and of itself was an extremely "lucrative investment" (Adwan, 2005, p10), and in the case of Amman's RECHCO it seemed, at the expense of basic rights of citizenship including the "sacred" (Thesis Survey, 2012) right of private property.

In both the cases of Abdali and Solidere, in order to ensure that the expropriation was fully perceived to be in the 'public benefit', the need for the expropriated land had to appear urgent and necessary. In the case of Solidere, amongst the reasons given was the inability of landowners and tenants to rehabilitate their own properties, due to both financial restrictions, as well as their sheer numbers. By the time Henri Eddé published the plan in 1991, estimates put the number of landowners at about 250,000 which is significantly higher than the 40,000 originally listed. Claimants ranged from individuals to large Western companies (Robison 1993). The tangled property rights of private owners, tenants and squatters within the city centre were extreme to the point where the government claimed paralysis as it related to redevelopment (Baz, 1998), though it is of note that this sort of expropriation was not implemented elsewhere in Lebanon. The project was framed as a legal solution to establish Solidere SAL as a joint-stock company where shares could be allotted in exchange for property rights (Kabbani, 1992). Solidere SAL and the government argued there was no means possible to
translate owner and tenant rights financially except through share options that would ease coordination, despite the fact that other war reconstruction experiences around Lebanon or internationally did not advise the process (Solh, 2013). In Amman, the need for expropriation was framed in a very different manner. It was setup as an urgent call for infrastructure development for new roads\textsuperscript{147}. AID would go ahead and purchase the roads (through expropriation if needed) directly from the owners according to the new design of the Abdali District. It is of note that all alternative designs equally efficient in terms of traffic absorption were ignored (Darawi, 2006 and Talal Abu Ghazaleh International, 2007a)\textsuperscript{148}.

**Interruptions to a Clear Process of Expropriation**

In Amman, the Zaamta neighbourhood within the Abdali District saw businesses and residents forced to move as owners were pressured into selling property to AID or having their real estate expropriated by the GAM, and transferred to AID for inclusion in the project (Thesis Survey, 2012). In early 2006, executives within the AID approached residents and business

\textsuperscript{147} The Regional Committee within the Greater Amman Municipality in its decision No. 367 dated 30\textsuperscript{th} May 2005 noted a need for extra roads for traffic purposes. This was seen by critics to be contrived as these roads which had previously been internal to the Abdali project were redesigned along the project’s borders to maximise real estate development space, and new infrastructure required was placed at the outskirts. To pressure owners into selling, the GAM had certain plots rezoned to include them in the Abdali Master Plan by rerouting roads through them, thereby providing more development land for the Abdali District and preventing the owners themselves from having any use for the land. It could now argue a ‘public benefit’ infrastructure argument for the expropriation. The designs produced by the GAM were commissioned by the Lebanese company, LACECO whose representatives attended certain meetings at the GAM. LACECO was a company closely related to Solidere in Lebanon, it became clear to those attending the meetings that these external consultants were acting as an authority within GAM regarding planning (Post, 2013). There were at the time - even within the GAM - alternative routes described by engineers, explaining different potential impacts of tunnel and highway routes; some much more direct and straightforward than those proposed. The GAM did not heed this advice and went with the more complicated option (Post, 2013). Talal Abu Ghazaleh sponsored a study of alternative routes and published a description of the findings in several of the local papers providing evidence that they were of lower cost and higher effectiveness (Darawi, 2006), but to no avail. The new LACECO plan curved the two streets to include TAGI’s land rather than putting it through Abdali’s land, which to the TAGI representatives seemed purposeful to force TAGI to demolish their two buildings.

\textsuperscript{148} In June 2007 in a series of articles on Abdali, a popular Jordanian daily - Ad-Dustour - noted that similar expropriation cases, involving roads (such as the new ‘Jordan Road’) running through extremely dense areas were solved with community facilitation, with no instance of a property owner going to court to argue that the expropriation was not in the public benefit. The author noted that the lack of inclusive public dialogue in the Abdali case was a major factor for the higher levels of criticism (Saif, 2007).
owners in the area, including Talal Abu Ghazaleh International\textsuperscript{149}, with the intent of purchasing their property as they expanded their project to the Phase II size given the surge in demand and investment in Phase I (Talal Abu Ghazaleh International, 2007a). They were also approached by the GAM’s Mayor at the time – Omar Maani – who intended to persuade a sell-out to Abdali Investment and Development.

This persuasion was not without some forms of coercion, and as the Mayor was met with resistance of owners unwilling to sell, the municipality employed several major strategies. The first major strategy was to place the plots that AID wanted to buy-out 'under study'; a tool with provisions within the municipality's law which gave the municipality the right to freeze development (construction), mortgages, sales and subdivisions of plots as an area was being planned\textsuperscript{150}. In effect, this change meant that if owners did not sell out to AID, they would be prohibited from effectively exercising most of the major ownership functions on their properties. Among the plots placed under study were the Talal Abu Ghazaleh headquarters currently under construction and one of the major plots directly on the Abdali project's border. The GAM was aggressively negotiating sales.

Nearing the end of 2006, at a loss for how to move forward and continue on the construction of its headquarters, TAGI wrote an official letter to the GAM to understand what the study was, its objectives, and when it was planned to end so that it would know what to do with the land – the GAM never responded. The 'under-study' tool was an effective one and did place massive pressure upon the residents and building owners\textsuperscript{151}. As time went on, it became clear to property owners that the 'under study' position would be lifted and land sales permitted if it was to AID. No land sales were allowed to other parties. Local newspapers reported on this issue: the \textit{Al-Dustour}, on the 1\textsuperscript{st} of February 2007 ran an article questioning the GAM’s decision of so easily

\textsuperscript{149} The TAGI is more fully described in Chapter Two's Case Studies as a leading auditing, accounting and consulting business in the Middle East.

\textsuperscript{150} On the 5\textsuperscript{th} of June 2005, the GAM undertook to send an official warning to TAGI prohibiting them from using the plots or continuing to build.

\textsuperscript{151} An article in one of the Jordanian dailies, written at the time, based on a series of interviews with inhabitants looked at the large losses and delays they experienced, especially on the loans taken out by some owners (including TAGI at annual interest rates exceeding well over 7%); contracts with architects and builders by others (Sa'aydeh, 2007a). Furthermore, all vocational licenses on the designated plots were not renewed meaning that no commercial enterprise now had a legal license (Zubaidi, 2007b).
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removing the 'under study' tag from one of the land-plots when an owner had sold his plot to AID (Zubaidi, 2007a).

During this time period, the Mayor of Amman met with TAGI representatives several times to talk about the fate of their real estate. Each time an attempt was made to persuade TAGI to sell out their properties, and the Mayor told the TAGI group that if they did not sell he would be forced to expropriate (Talal Abu Ghazaleh International, 2007a). On the 10th of February 2006 AID’s Vice President152 firmly spoke out in the newspapers that if the Abdali District residents did not sell out to AID, the company would forcefully purchase the lands through expropriation by virtue of the GAM (Talal Abu Ghazaleh International, 2007b), speaking as if the company controlled the municipality’s choices. This was especially important due to the fact that the GAM had recently come under large public pressure for not acting in the ‘public interest’153 as it related to expropriation. According to TAGI representatives, what made these meetings with the Mayor especially unnerving was that AID representatives were present at each of these meetings taking place mostly within the Mayor’s office. Even with the pressure of putting the plots 'under study', the Mayor was unable to convince TAGI, and so at a meeting in his office with representatives of AID present, he told them that TAGI’s buildings could not be excluded and would cost AID millions of JDs in losses (Talal Abu Ghazaleh International, 2007a). Therefore the Mayor explained, there was no other solution but for TAGI to sell out to AID. The Mayor also informed TAGI that he was empowered by the AID chairman to present a very lucrative and attractive financial offer. Otherwise, the Mayor informed TAGI if they did not sell he would expropriate (Sa’aydeh, 2007b).

While the first strategy was to freeze use of property by placing it ‘under study’, the second major strategy became trying to pressure owners to sell by threatening expropriation. For those other property owners unwilling to sell out

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152 This was done in a press release in Arab Al Youm 10/12/2006 (Darawi, 2006).

153 This was seen to be the case in the Jordan Gate incident, which set an unfortunate precedent for the GAM. Under the decade-old Mayor, Nidal Hadid, who was replaced in 2006, the GAM had involved itself in various initiatives under the directive of promoting investments. Amongst these was the Jordan Gate, which included two high-rise towers on the ‘Sixth Circle’ in Amman (Golden, 2006). The GAM had expropriated the land for the Jordan Gate from its original owners with the intent of creating a public park. It later used the land as an asset to enter into an equal partnership with the Bayan Holding Company which would undertake the construction of the tallest two towers in Amman (before the Abdali project was launched). No public park was established (Wardam, 2007).
to AID, the Mayor was clear that the properties would be expropriated. Expropriation carried with it the risk of under-valuation (with the municipality able to claim 25% of certain plots for public services such as streets without payments) as well as delayed payment times – as long as several years - which would leave residents in a stressful financial situation, whereby they would not have the financial means to replace the home that they were forced to vacate until several months later. Many residents as such sold their properties, however many more did hold out. The advantage, as Umm Wael – a resident of the Abdali District – mentioned in an interview conducted was that the amount was paid automatically, while the GAM amount was projected to take several months if not 'years' (Thesis Survey, 2012).

Constitutionally, expropriation could only be undertaken for projects in the 'public benefit'. AID had already been marketing the Abdali project as working for the overall benefit of Jordan. Abu Hamdan, the project’s director, indicated strongly that the Abdali project should be given all the support needed as the project was "changing the face of Jordan" [translation my own] (Darawi, 2006, p25). As the owners steadily refused to sell, the GAM eventually decided to move to the extreme that the AID had threatened initially and expropriation became the tool of choice. Within 'Basin 14' of Amman's land area, 12,400 sqm was the total land area to be expropriated. The Abdali project, in addition to forcing a host of streets and overpasses on the surrounding neighbourhood rather than internalising the infrastructure expansion inside the project, had also, much to the astonishment of local environmentalists received exclusive permission from the Ministry of Agriculture allowing it to uproot well over 750 trees.

The residents of the District were outraged at the GAM's expropriation of their lands, and threatened publically and in the press of protests closing down the main Abdali District road leading to their homes (Wardam, 2007). At a meeting held on a Saturday evening on the 12th of May 2007, the residents - in the presence of their Parliamentarians154, brainstormed putting together more aggressive actions to prevent the GAM from expropriating their lands and real estate holdings. The residents of the Abdali District grouped, and

154 Mamdouh Abbadi, Odeh Qawas, Zuheir Abu Ragheb, and Marwan Sultan.
attended several meetings to decide what to do about the expropriation. The residents fully expected the "GAM might send police officers to extradite them from their homes" [translation my own] (Sa'aydeh, 2007c, p14) and banded together to write a letter to the Prime Minister. TAGI also sent an official plea letter to the Council of Ministers to urge them not to approve the expropriation.

No response was received from the Prime Ministry to either letter. Interviews at the time showed residents in the area begging for the expropriations to end (Al-Rai, 2007). Many of the residents also noted that after the Expropriation Decision, the GAM approached them again to sell the lands directly to AID (Maani, 2007). Indeed, several area residents in the Central Weibdeh Basin attended a meeting with the Mayor of Amman soon after on the 16th of May 2007 - six days before the Council of Ministers decision - and decided to suspend their protest (Raa'i, 2007) where the Mayor promised to help them maximise their financial returns by selling directly to Baha Hariri.

TAGI criticised the GAM for allowing AID to build on their lands, and noted that if the Council of Ministers allowed for the expropriation to move forward (Al-Dustour, 2007), they would appeal to the higher court. A Kuwaiti investor also made a public statement that AID had - even before owning the land - offered him TAGI's land to build upon – indicating it would not be used for infrastructure development as was being argued by the GAM (Al-Dustour, 2007). The residents that did not sell out and instead proceeded with the expropriation process received an official letter ordering them to vacate their properties within 3 months of receipt of the letter in preparation for demolition, and to visit the expropriation department within the GAM to ask about compensation. TAGI along with the others received this notice. This decision looked to be especially demanding for the residents, as the time period allowed for residents to leave their homes ended on the 20th of September 2007 - coinciding exactly with the end of Ramadan, at the start of Eid al-Fitr a major Muslim celebration, making it an especially difficult time to ask families to relocate (Thesis Survey, 2012).

It such became the case that from June 2005 to well over two years later TAGI had not been allowed use or exploit their land, with it being classified

\[155\] Dated the 20th of June 2007.
'under study'. In effect, Abu Ghazaleh was arguing that effectively the municipality had facilitated a massive transfer of private ownership from one set of owners to another (Kayyali, 2008), as such causing him to incur high internal losses. Controversy reached its pinnacle on the 3rd of July of that year, as a large chunk of the expropriated property was sold to Abdali Investment and Development after being expropriated for roads by the GAM. This transfer is evident in the registration documentation at the Department of Land and Survey. TAGI filed its appeal to reverse the transfer in August 2007. The court reached its decision in March 2008. The legal battle concluded, and the court ruled that the expropriation decision taken by the Council of Ministers on TAGI’s property was legally sound. TAGI was required to evacuate its premises. The Higher Court of Justice refused to hear the case on the 6th of March, 2008156.

In Beirut, Solidere SAL was able, by Government Decree, to directly expropriate all the property of the Beirut Central Commercial District in exchange for company shares without the intermediary of the Beirut municipality. The constitutionality of this decree was challenged many times. However, the company continued to operate with almost state-like powers, and included many government officials as shareholders so that these arguments were never likely to affect the outcome (Adwan, 2005). The entire project, and concept, of such a large private real estate company was entirely unprecedented. It was a painfully new manoeuvre and involved a large private-to-private transfer that was previously unheard of in Lebanon. Pursuant to Law No. 117, ownership of all real estate properties in the BCD, and all leases and other rights in such properties were compulsorily extinguished and deemed by operation of law to be contributed in kind to Solidere SAL. All loans, mortgages and other encumbrances against such properties were discharged by operation of law (but attached to the values of the Class A shares distributed amongst property owners as compensation instead of cash), and the city centre was transferred to the private firm.

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156 TAGI also filed a criminal case against the Mayor of Amman for submitting a ‘misleading’ memo in which he stated that the GAM did not authorise the sale of land to AID to the Prime Ministry. It will also file a civil suit against the GAM in the near future for reparations and compensation in the tens of millions as a result of the expropriation (Talal Abu Ghazaleh International, 2007a).
Property owners accused Solidere SAL of expropriating buildings that did not need repairs, and interpreting the Master Plan unjustly to expropriate more than required. Many tried to take Solidere SAL to court, though as discussed in the previous section, this was not always possible as at the time many courts refused to hear these lawsuits. However, more recently some have started to be heard. In one famous example, the Khayyat family filed a lawsuit against the Solidere SAL chairman Nasser Chammaa and his assistant, Zahi Naaman, accusing them of illegally seizing their building, demolishing it and annexing it to Solidere’s area of operations (Haddad, 1998). Nothing has so far come of the case.157

Appraisal Methods

In order to complete its Master Plan, Solidere required the expropriation of all independently owned land-plots in the centre, and a way to value each owner’s share contributions. The Appraisal Committees formed by Solidere SAL consisted of one judge, two engineers, one real estate appraisal expert and one economist. The Committees were commissioned to give opinions on land-values within the BCD.158 One economist sitting on one such committee announced that, in his opinion, the actual present value of the land was zero, since there was no transaction, or sale, of land possible in the area until it had undergone massive reconstruction, indicating that the land therefore had no value. The Appraisal Committees began their work as required by Decree No.

157 The lawsuit was turned down for over half a decade till a Beirut public prosecutor was granted permission by the premier’s office to investigate the role of the CDR president in the centre’s reconstruction in 1998. The family lawyer, Mohammed Mughraby believed that the departure of the Prime Minister Rafiq Hariri from office prompted the move. He notes that prior to this, “everywhere we turned on behalf of the Khayyat family and their tenants, we faced a dead-end because of the total bias of the police and the administration in support of Solidere against the legitimate interests of our clients.” (Haddad, 1998). Solidere SAL’s lawyer in all conflicts of such a nature has been Mr. Shaker Abu Suleiman, a member of Parliament and the Chairman of the House Committee on Justice and Administration (Mugraby, 1998).

158 The Primary Appraisal Committee included a judge of the tenth degree as president, and the other members were required to have at least five years of work experience. The Higher Appraisal Committee (after which there was no further recourse) had members of ten years of professional experience on it, and included a judge of the fifth degree. The Primary Committees were entrusted with assessing the overall value of the properties subject to a review by the Higher Committee. The Distribution Committees were charged with splitting the assessed value between each of the respective rights holders (landlords and tenants). Each beneficiary would then receive the appropriate number of shares in the company for the value of the land.
2237 by publishing an announcement in the Official Gazette and three local newspapers inviting all property right holders in the BCD, for a period of three months, to submit the real estate numbers of their respective properties, as well as requests, pleas, written remarks and supporting documents, and to provide an address to which notices could be served. It was to be during this time period that the Board of Founders determined which properties if any could be returned to their owners. The provision applied to buildings that were still standing, in a condition that did not preclude their intended use, and were real estate properties not covered by the reorganisation according to the plan and guiding layout of the Central District.

The committees appraised the value of each of the properties. Each beneficiary would receive a number of shares in the new company equivalent to the appraised value of the property. The committees were permitted to act like courts, and so they applied certain procedural rules for the submission of demands and documents. All decisions could be appealed before the Higher Appraisal Committee, however this was the last recourse and no cases would be accepted through the traditional court systems. Many saw the empowerment of the committees with the legislative authority of regular courts of law as 'unsuitable' for what should be standard procedural nature (Beyhum, 1992a). There was also a fear that the government had abandoned its role as public defender to a private corporation. The RECHCO bylaws supported this noting that even if the Higher Committee issued an unfavourable decision it could not be appealed even for reasons including 'abuse of power' no further contestation would be allowed (Solidere, 1994)\(^{159}\).

Mughraby denounced the actions of these committees, and pointed out that they were distinct from courts in two ways. The first is that the committees based their actions on the literal interpretation rather than the comprehensive intended 'spirit' of the law. The second was that the judges were placed on the committees in their capacities as 'civilian experts' meaning that they were not required to uphold their judicial oath. Later, Mughraby accused at a national press conference that the special commissions headed by the judges

\(^{159}\) Solidere SAL's bylaws asserted that the compensation decision of the superior committees was final and could not be further contested under the law (Solidere, 1994).
estimated appraisal values that were worth no more than 5% of the actual land value. In addition to the under-valuation experienced by certain property owners were the forcible evictions experienced. The 'Coalition of Rightful Owners of Downtown Beirut' claimed that from the start of operations, only 100 of the original 5,000 families - a mere 2% - remained in the downtown. The number of businesses fell from over 15 thousand to 950, just about 6%. Those who refused compensation from Solidere SAL and vowed to stay were harassed - trash services were stopped, water and electricity cut off, some were physically evicted, and others threatened with physical harm (Haddad, 1998)\textsuperscript{160}.

The Appraisal Committees submitted their appraisal of the properties in February 1993. The total value stood at USD 1.1 billion. The Middle East Economic Consultants (MEEC), who had been involved with the background research and documentation relating to the Solidere project, corroborated the appraisal of the property. Property owners were given a period of three months to object, ending May 1993. However the objections and criticisms were so large that in October, 1993 - in response to backlash from property owners – Solidere SAL's Board of Founders created a draft list of 159 redeemable lots valued at USD 370 million. The property owners who wished to recuperate these properties were required to surrender corresponding amounts of shares in the company as well as an additional 10-12% of the property value for services. Somewhere between 100 thousand to 150 thousand property rights holders originally held 50% of Solidere SAL's shares\textsuperscript{161}, and private investors made up about 20 thousand individual cash contributions for the rest of the stock – eventually, of the property investors, 5% had property that was returned from the company capital\textsuperscript{162}.

\textsuperscript{160} The evictions grew physical and more violent. On the 15\textsuperscript{th} of July 1998, Constantine Doumani, the husband of Victoria Khayyat, chained himself to the Khayyat Building in an effort to stop Solidere SAL from demolishing it. Police arrested him and the building was torn down. Doumani later told the press: “We were fighting the strong who were overpowering the weak” (Haddad, 1998, p1).

\textsuperscript{161} Solidere SAL was authorised to fund itself in two distinct ways. The company issued Type A and Type B shares. Cash subscriptions would be issued in the form of Type B shares that could be sold on the market - these would balance the appropriated land asset. The landowners would be compensated by receiving Type A shares (Solidere, 1994).

\textsuperscript{162} The relationship was criticised with examples of cases such as the Haddad family who accepted Solidere SAL stock options in exchange for their land. At the time, in 1992, their land was valued by Solidere SAL at USD 800 per sqm of built-up area. By 2007 the plot had reached upwards of USD 20,000 - although at that time the family had still not recouped the nominal value of the property (Ohrstrom, 2007).
Unfortunately, between 1994 and 2005 Solidere SAL stock plummeted and many of the original owners sold out early, redeeming cash for their expropriated properties at a loss (Beirut Stock Exchange, 2013).

As part of the appraisal there were many notable instances of corruption regarding the appraisal. Judges hired by the CDR were prompted to appraise at almost one-seventh of the property's original value by being paid between USD 1,000 - USD 4,000 per property evaluation. Seven committees headed by judges had accepted payments that totalled in the range of USD 350,000 in the four years between 1993 and 1997 (Ohrstrom, 2007). So, property owners matched with defunct valuation and appeals processes were unable to sufficiently guarantee their right to fair market prices and immediate compensation, and due to the strict cash subscription schedule, Solidere SAL had vested interests to reduce the appraised values further.

In the Abdali District property owners also felt their properties were undervalued by the appraisal committees. The residents and other property owners, having heard of the upcoming and well-advertised 'new downtown', had no intention of selling for the regular market prices. Their properties were soon to be bordering a prestigious new downtown. Their demands shot up, and the initial prices to be found for land and buildings in the area soon trebled in value.

163 In one documented case, the CDR sued Solidere SAL in 1999 for failing to compensate the state agency for the payments made to the judiciary on its behalf (Ohrstrom, 2007). The scandal was uncovered when the CDR, under orders from the Court of Accounts which could find no authority in the Lebanese budget for such spending, brought action against Solidere SAL before a Beirut court to recover the money (CGGL Staff, 1999).

164 At its Initial Public Offering, Solidere SAL raised USD 650 million. The first land sale in July 1995 was reported in the Al-Hayat Arab daily newspaper to be USD 950 per built-up sqm. Using this rate as an estimate for Solidere SAL's 4.5 million sqm means a rough figure for the company's worth of USD 4.275 billion (Makdisi, 1997a). Solidere SAL's original value however, was set at USD 1.17 billion, which was significantly below (25%) of this rough estimate, hence leading to the conclusion that the properties were consistently undervalued properties. The reason behind this was Chapter VIII of Article No. 3 of Law No. 117 obliging Solidere SAL to setup a schedule to outline project phasing six months following its incorporation. This in effect meant that directly following the appraisal's completion - the company had exactly six months to allocate the cash subscriptions and provide the necessary liquidity (that must exactly balance the land value). This meant that the lower the appraisal value, the lower the amount of money that the company would have to raise.
Abu Hamdan of Mawared complained to the press that landowners in the area were making "ridiculous" demands (Darawi, 2006, p25). Government appointed committees were given the task of valuing the land. Most property owners felt that their properties were undervalued, and a significant number went to the courts (Mayaram, 2009). Similarly, within the Abdali case, property rights come into play with the expropriation of land for the purposes of development estimated by government committee\(^{165}\). The odd role of the municipality as both facilitator and regulator of sales caused sufficient distress amongst property owners that several of the landowners tried to sue the GAM for its interference had their cases refused to be heard by the courts (the 21\(^{st}\) of December 2005). By April 2007 many of the residents had already sold properties to AID for fear of them being expropriated (Khitan, 2007). Many of course complained that the forced sell-outs to AID were at a compromised price, rather than the appropriate market price. Examples from interviews

\[^{165}\text{In more recent proceedings that took place after Omar Maani left the municipality and with looming corruption charges over the former Mayor that remained without conviction, the GAM agreed to pay more than USD 8.5 million to a local firm in compliance with a court ruling over a four-year-old dispute, including an interest rate of 9% over the time period that TAGI was not compensated (Talal Abu Ghazaleh International, 2007a). The smaller property owners, who could not afford similar court cases were not similarly compensated (Neimat, 2012).}\]
given were sold at approximately USD 900 per sqm of built-up area\textsuperscript{166} (Thesis Survey, 2012).

In a survey carried out in Amman a series of questions were asked related to expropriation. Of those respondents who had property expropriated, as mentioned in Section 3.3, when it came to the Abdali project specifically, 85% believed that the expropriation was not in the public benefit (Thesis Survey, 2012). In looking at the market price, in general in Amman 59% of residents who have had property expropriated outside of the Abdali project believe that fair market price was paid. When it came to the Abdali project, of those who had property expropriated, the following results were noted showing that the overwhelming majority believed that the price paid for the property was unfair. Abdali, it seemed, was a different beast in terms of expropriation:

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure4-3.png}
\caption{Responses to the Question: "Was the Abdali Expropriated Price Paid Fair?" directed at those who had property expropriated}
\end{figure}

\textit{Source: Thesis Survey, 2012}

\textsuperscript{166} Prices in the higher-end areas of Amman have been seen to reach USD 1,400 per sqm as noted in Chapter Three.
RECHCOs and the Public Benefit

While the issue of appraisal and defining and achieving immediate fair market value was important, the link between public benefit and expropriation also gave rise to protest. Article No. 15 of the Lebanese Constitution specifies that private property is protected entirely by law and that expropriation is only permitted in cases where the public benefit is assured and fair market value offered for compensation. The same is true for Jordan’s expropriation laws, as outlined in Article No. 11 of the Jordanian constitution. Lebanon’s CDR commissioned a French Constitutional Law expert to analyse the constitutionality of the Law No. 117. The final report was clear that the law itself did not conflict with the Lebanese Constitution, however the report cited that “the potential abuse of its implementation could result in constitutional as well as legal conflicts” (Kabbani, 1992, p24). In Amman and Beirut a general feeling of unfairness was present. In the case of Amman for instance, the Talal Abu Ghazaleh firm was an entity producing jobs, investment potential and contributing to the economy as the Abdali project would. Other owners resided in their properties, a local college used its property to establish a Community College employing hundreds and servicing alongside it hundreds of students, the property owners did not understand how AID would surpass their efforts at being for the public benefit.

Within the arguments presented, one Jordanian Member of Parliament - Odeh Qawas - was clear in his criticism that the actions against land owners and tenants living in the Abdali District, whose properties lie between Al-Quds College and the Talal Abu-Ghazaleh Group offices extending to the Armed Forces complex and which were acquired by the AID, were a "trespass on the rights of citizens and all standards of humanity" (Al-Dustour, 2005, p1)\textsuperscript{167}. A previous Mayor of Amman and Member of Parliament, Mamdouh Abbadi, explained that through his own experience what was happening in Abdali was for a private rather than public good (Sa'aydeh, 2007c). Others were afraid

\textsuperscript{167} In a memorandum addressed to each of the Prime Minister, the Chief of the Royal Hashemite Court and the Lower House Speaker, Qawas appealed for justice for the residents of the area and assistance in restoring their rights (Al-Dustour, 2005).
that the expropriation decision would have repercussions on investors’ perceptions in Jordan.

Within this frame of undermining other citizen’s rights, the public benefit of a private company’s real estate project was not clear to many. In addition, the mechanism through which the expropriation was being undertaken was murky as the municipality and AID were acting as almost one body. In Beirut many critics spoke out about this through discussions and literature. In *Les Cahiers de L’Orient*, Nabil Beyhum - a Lebanese urban sociologist - argued extensively that Solidere represented the ultimate 'confusion' of public and private interests which was symbolised by Rafiq Hariri and his governmental power (Beyhum, 1992a). Rafiq Hariri, in Beyhum's opinion usurped the public by private interests. The opponents and property owners - such as Constantine Doumani - complained extensively that the government was mainly catering to the company's needs with excessive leniency (COMBAR, 2012). Moreover, it seemed, that with the government's haste to create Solidere SAL it gave only very vague outlines as to its purpose, and responsibility, especially towards the public.

The law does not take a rigorous approach to defining public benefit. Violations of the 'public benefit' clause were not previously seen in Amman (Saif, 2007). In both Jordanian and Lebanese law there is no systematic definition for 'public benefit'. Generally under the definitions of public use that are considered appropriate, are inclusions for public safety, health, morality, peace, law and order, and public projects, such as highway and transit. However much is given for consideration of the spirit of the law. Even in the most benign of expropriation cases, such as those by public entities for a road, for instance, the owners of the properties often fight aggressively for what they consider the abduction of their private holdings. Often, the affected parties – as in both the cases of Lebanon and Jordan - take the government to court to preserve their titles.

The public benefit also had different implications in Solidere as it related to the non-property right owners, the squatters. In the case of Abdali, there were no squatters present in the area, though there were long-term area residents. The issue of squatters is unique to Solidere and further complicates the
property rights concepts explored. Hezbollah - as the unofficial representative of the centre's squatters, amongst others - spoke out about Solidere SAL's expropriation citing Islamic Law that protects people from giving up property against their will (Schmid, 2002). Within the city centre, Amal and Hezbollah were very much in opposition to Solidere. The relocation of squatters was long seen as a potentially divisive issue for Solidere (Hanssen and Genberg, 2002). The Solidere reconstruction effort was witness to squatters who were forced to abandon their temporary homes and possessions as construction crews moved in for demolition. The squatters were mostly Shiites and were well supported by Hezbollah - the only 'real' threat it seemed to Rafiq Hariri's project (Höckel, 2007, p6). Essentially, Solidere SAL was ordered to pay large amounts of compensation to carry out its plans quickly and avoid (violent) clashes while evicting people from their homes (Höckel, 2007).

The refugee issue offered what was seen as a 'bargaining chip' for Solidere SAL, as the squatter issue gave them leverage with Hezbollah, Amal and the mosques (Schmid, 2002). The compensation and alternative accommodations given for the refugee families meant that perhaps Solidere SAL's waqf violations could be overlooked by the religious groups. Solidere SAL's plan was to go ahead with their notion that even religious protected land could be expropriated. While the official compensation rates for squatter families were set at between USD 8,000 - 12,000, in the city centre the rate rose to USD 100,000 as Solidere SAL attempted to 'buy off' the religious opposition (Schmid, 2002). Solidere SAL turned this to their advantage and used it to engineer a certain 'political premium' (Ohrstrom, 2007) to help ensure Shiite community support for reconstruction. The cost of repatriating the almost 4,000 Shiite refugees squatting in the building was estimated at USD 50-60 million. Solidere SAL however, paid Amal USD 250 million to distribute as it saw fit (Ohrstrom, 2007).

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168 They were accused by Solidere SAL of forging registrations, and encouraging families to move to previously empty buildings marked for demolition amongst other tactics (Sawalha, 2001).
169 The Civil War found many Shiite refugees from the South of Lebanon and Eastern Beirut taking up accommodation in the Western part of the Capital. At the time of the ceasefire, more buildings near the Green Line were squatted by this group, which was supported by Hezbollah and Amal - the Shiite parties - and so they became rather powerful (Schmid, 2002). Hezbollah was already popular for fighting the Israeli occupation in Southern Lebanon at the time.
4.4 Conclusion

As illustrated in the strategies outlined above, the Solidere and Abdali model of development automatically discounted open discussions between different private and public groups, because doing so would alter and slow down decisions for investors reducing time value of money, leading to lower profit generating abilities. This section will discuss why the exclusive process was detrimental to the RECHCO experience, for while Rafiq Hariri employed certain strategies in the BCD project that were successful in the city centre, the tactics left a trail of embittered constituents that would haunt him in future projects, as shown below.

**RECHCOs Created a More Antagonistic Society**

When the Lebanese stopped believing in the credibility of the democratic process, they started moving towards a more violent and resistant approach in the form of guns over dialogue (Harb, 1998). This lack of involvement in the process of reconstruction was especially discouraging given the need for post-war Beirut to unite the various religious factions to work together. The elitist process also failed to truly address the needs of the poor (Makdisi, 1997a). Lack of affordable housing was a problem that became urgent, as squatters were removed from the Central District (Whittington, 1994). Sheila Carapico writing on the case of Yemen within the Arab World notes that the suppression of civil society may ultimately lead to violence. She also demonstrates however, for her case study, that "democratic experiments" (Carapico, 1996, p316) are not likely to begin at the state's level and are far more likely to arise from civil society. Critics have noted that the sidestepping of a public consultation that appears to mainly benefit the elite would have negative repercussions. Meaning that, progressively, more aggression might be noted.
Moving back to the Introduction of Chapter One, the lack of civic engagement allowing for forms of agonistic citizenship have left citizens in Beirut and Amman with the inevitability of becoming antagonistic. When unheard and unable to change their governments through dialogue, citizens inevitably are forced to hijack space. Interests that are excluded from the political order become highly charged and politicised (Kalyvas, 2010). This move to resort to violence and physical demonstrations to portray presence are the result of a systematic disengagement of the public from the approval process, and the general perceptions of corruption. Late 2006 well into 2007, this was manifested in a tent sit-in in the Beirut Central District. Where at first the political power had moved the marginalised citizens and squatters out of the centre, the trend was reversed when hundreds of pro-Hezbollah activists from the South moved back to Beirut's Central District to stage a long-term sit-in. The sit-in prevented normal daily routine business within the centre, temporarily jeopardising its economic success.

**Loss of Legitimacy in Political System**

The low legitimacy and credibility of the RECHCO approval process was amongst the most contentious factors for citizens (Thesis Survey, 2012). The weak institutional state structure was, as outlined above in the case of the RECHCOs, "exploited by individual actors to increase their power and influence...this has had the effect of tightening traditional patron-client relations" (Höckel, 2007, p13) and was concluded by sacrificing integrity and the stability of state institutions, which would potentially undermine long-term national development. The confidence of citizens in the institutions that did exist thus slowly faded as bureaucrats abused powers and tried to monopolise state resources.

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170 Hobbes (1651) outlines a view that citizens are not obliged to submit to the government in cases where the government is in fact too weak to act appropriately. For others when a government fails to secure natural rights (Locke, 1689) or satisfy the best interest of society, or what Rousseau (1763) calls the 'general will', citizens may withdraw their obligation to the social contract. Locke (1689) was the first to argue that individuals would in fact form a state that would provide a 'neutral judge' to its members, and that the contract was void in cases that this did not happen. A more agonistic society, allowing for more dialogue would be the ultimate goal. John Stuart Mill did much to advance the idea of government by 'discussion' (Mill, 1859).
The weak state's limited capacity to set up a planning central agency, for implementation and monitoring of reconstruction, after the Civil War allowed Rafiq Hariri as a private entrepreneur to initiate "his profit-oriented trickle-down development strategy" (Höckel, 2007, p14). As a result of the systematic failures in the process in Beirut, which did not stop public abuses or create a comprehensive plan for reconstruction, state institutions lost legitimacy amongst its citizens, and reinforced their dependence on sectarian leaders instead (Hanf, 2003). The ordinary Lebanese citizen was slowly alienated from the centre, and the needs and interests of the worst off segments of society were not recognised or taken into consideration. Similarly, the average Ammani was neither part of Abdali's approval process, nor its target audience. The major parts of the population therefore felt extremely neglected by their government and withdrew support for its projects (Höckel, 2007).

The reconstruction process in Beirut saw a state that remained weak and fragmented. In Amman, the citizen's elected representatives in the municipality and in Parliament could do nothing to stop the project. The mediocre performance of the state institutions meant it was unable to fight corruption and guarantee basic welfare provision for everybody to the extent that national integrity was secured. In Lebanon, this weakness allowed para-state actors such as Hezbollah to take advantage establishing 'states-within-the-state'. Rafiq Hariri's focus on the Beirut Central District reinforced his notions of decentralisation thereby weakening the central state and creating a more confrontational state (Höckel, 2007). The weakened institutions were unable to stand up to reconstruction politics and prevent resources from being utilised for personal and parochial gains. This perpetuated the instability, with new conflicts over assets and identity. The same may be held true for Amman where weakened institutions gave rise to a surge of corruption.

Other authors have criticised the institutional framework surrounding the approval's process. Assem Salaam, a Lebanese architect, planner and former head of the Syndicate of Engineers, points out, "clearly, privatisation should never be a choice when the administration is weak and its institutions are ailing" (Salaam, 1996, p132). In its place, resource priority should be given to
reinforcing the state institutions capable of playing a role in the formulation of development policies and programs as well as ensuring optimal implementation (Salaam, 1996). In Amman the low legitimacy of the municipality acting as Abdali's advocator alienated residents who felt sidelined from the process when interviewed.

Projects Marked by Lack of Public Participation: People feel left out

Any public participation in the Solidere and Abdali approval process was limited and superficial, as described by the process above. The Thesis Survey undertaken in Amman reveals that the ordinary Ammani citizens are not even aware of the investors and stakeholders involved in the Abdali project, specifically Mawared (only 3% of Ammanis identified it as an investor) compared to 27% who were identified Baha Hariri (Thesis Survey, 2012). In the survey carried out, 71% of respondents felt that they should have been invited to a public meeting regarding Abdali to discuss it, and an additional 77% indicated that they would participate had they been invited to do so (Thesis Survey, 2012)\textsuperscript{171}. The choice of participation was the governments'. Instead, the planning politics created spaces that - though may be visited by the public - are not within the public sphere, as debate is not welcome in them. Communication with Amman and Beirut is invariably "from above, through the representation of future towns on fancy billboards and nicely designed brochures and information booklets that are presented to a limited public" (Summer, 2005, p120). So while the public knows of the existence of these projects, citizens cannot interfere. The result of this specific sort of freeze on public participation is to discourage local democracy. The institutional setup for these projects, almost at a default, undermines the capacity and potential for average citizens to participate in the planning process. At the same time, through favouritism and inclusion, transnational

\textsuperscript{171} The UDC examples in the UK reflect the fact that while cooperation between the public and private sectors is admirable, the relative strengths of both must be taken into account to ensure the limitation of coercion in negotiations (Clayden, 1990). The community, in the form of the Docklands Boroughs, had a position of powerlessness (Oc and Tiesdell, 1991). They were only able to delay development through calls for public inquiries and other 'procrastination' measures (Oc and Tiesdell, 1991).
investors and economic elites are empowered instead (Swyngedouw et al., 2002; Brenner and Theodore, 2002). In both Jordan and Lebanon it strongly appears to be the case that plans for projects such as Abdali are inherently developer driven in their politics, rather than community driven.

It is of note in both cases that local government is usurped in the process, bypassed as the national government steps in to overshadow decisions and ensure that the project is pushed through by the highest levels (and later international markets). From the perspective of ordinary citizens, national government is far less accessible than their local city council, and so when the government closest to the people ignores the citizens, the impact is considered greatest (Post, 2013), and the projects categorised unfavourably. In the series of survey questions outlined below, Abdali appeared especially unpopular (Thesis Survey, 2012).

**Table 4-1:** Responses to the Question: "Should we have more projects like Abdali?"

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1= Definitely</td>
<td>9%</td>
</tr>
<tr>
<td>2= Maybe</td>
<td>14%</td>
</tr>
<tr>
<td>3= Neutral</td>
<td>19%</td>
</tr>
<tr>
<td>4= Not Really</td>
<td>32%</td>
</tr>
<tr>
<td>5= Not at all</td>
<td>26%</td>
</tr>
</tbody>
</table>

*Source: Thesis Survey, 2012*

**Table 4-2:** Responses to the Question: "If neutral or no (3, 4 or 5), which of the following would change your mind?"

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restrictions and monitoring</td>
<td>34%</td>
</tr>
<tr>
<td>Public participation</td>
<td>64%</td>
</tr>
<tr>
<td>More building regulations</td>
<td>42%</td>
</tr>
<tr>
<td>Other</td>
<td>27%</td>
</tr>
<tr>
<td>Nothing</td>
<td>8%</td>
</tr>
</tbody>
</table>

*Source: Thesis Survey, 2012*
In talking about the future, residents were split on whether being denied a chance to participate this time made them want to participate even more, or give up participation entirely, so disenfranchising them from further participation in the process (Thesis Survey, 2012). Those under the age of 35 were most likely to answer '5=a lot less' showing that the negative impact was mostly highly felt by the youth category. However the healthy large '1=a lot more' category was the greater issue.

**Figure 4-4:** Responses to the Question: "Did the Abdali project in any way make you want to participate by voicing your opinion to do with development in the city more or less?"

![Bar Chart](chart.jpg)

*Source: Thesis Survey, 2012*

The process by which the urban mega-projects were approved reflects how the existing political structures within Amman and Beirut were able to adjust resources to rebuild spaces based on the current ideologies of those with high-level positions in government. The process driven by a certain elite and transnational group begs the question of just who the projects are being designed for and what the consequences are on local democracy when the
average citizen is shut out of the process. On whether residents thought that they would be given a chance to participate in the future, most believed now that Abdali was approved they would have fewer opportunities to do so.

**Figure 4-5:** Responses to the Question: "Do you think you will be given a chance to do this in the future?"

![Bar Chart](chart.png)

*Source: Thesis Survey, 2012*

Ong (2006) generically outlines a technique of government premised on a hierarchy of social groups and entitlements to build or participate in particular processes of spatial production. This technique facilitates access to, and participation in, the production of space to certain groups over others. There is little local specificity however to which the entitlement is granted, and capital may thus trump other prerogatives, including citizenship. This is seen clearly in Amman and Beirut's RECHCOs where investors are placed in the process above citizens.
Segregation

Critics claimed the private sector has enjoyed almost exclusive leadership, whereby the state barely even had a monitoring role (Salaam 1998a, Corm 1996), meaning that not all societal categories were included and cared for. Beyhum (1995) and Salaam (1998b) look at how the Solidere planning process has displaced certain groups - namely the poor - and instead put investors and contractors at the heart of the process. George Corm, the Lebanese economist and Minister of Finance, put it best when he said, "clearly, it is the Lebanese population, resident or emigrant, that is the missing element from the actual process of reconstruction" (Corm, 1996, p96). The sidestepping of a comprehensive consultation process with the public focusing on niche elite would inevitably have negative repercussions (Calame and Charlesworth, 2009). This resulted in a project where the discourse was based on exclusion. Nabil Beyhum argued, this project represents nothing less than a system of class segregation, whereby the future city centre of Beirut will be cut off and isolated from the rest of the city and the country precisely in class terms (Beyhum, 1992a).

In the eyes of many the needs and interests of society's poorest segments were barely recognised. These were the main reasons why significant portions of the population felt neglected by the government. In its haste to create a regeneration vehicle, the government excluded participation from the Solidere project entirely (Sawalha, 2010), and the same is true of Abdali. The Solidere project had found that participation was shifted in Lebanon from the thriving pre-war merchant class of the majority to an exclusive minority corporate class (Saliba, 2007). Ultimately Solidere's failure to "cater to and integrate the city's periphery and hinterland led to a loss of government legitimacy and credibility among its citizens and weakened state control in the marginalised regions" (Höckel, 2007, p1). After losing their homes in the centre the citizens, now relocated to the Southern Suburbs, could simply not afford to live in Beirut anymore and withdrew support from Rafiq Hariri, turning to Hezbollah instead. Hezbollah easily created "territorial domination" and was able to establish "autonomous governance structures" parallel to the existing
state institutions (Höckel, 2007, p1). In Amman, residents turned to the streets, with sit-ins and cries of corruption, though the effect was much more minimal than the Arab Spring seen across the region.

It was into this context that Rafiq Hariri proposed his new Elyssar project to government and Parliament to be a similar structure to Solidere SAL\(^{172}\) (Shami, 2003, p67). The project was framed as infrastructure rehabilitation work through a private real estate company legitimised by the same law which established Solidere SAL, but was quickly derailed by the residents of the area. The lessons taught by the city centre were that the conventional means of appeal against injustice through the legislative system were not effective at preserving 'democratic rights', rather 'non-democratic means' were the more effective tool as revealed by Elyssar (Saliba, 2000). While Elyssar began as a private agency much the same as Solidere SAL it was forced to become public by outcries by (sometimes armed) community representatives for the area's constituents (Harb, 2001). The project allowed for the representation of resident interests in both the project's decision-making process and its implementation\(^{173}\).

### Major Investors Expect Similar Treatment: The Institutionalisation of Privilege and Changes to Doing Business

One of the main arguments behind the lacking public participation process was the need to provide a 'good' business climate through catering to the

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\(^{172}\) The Elyssar project (Harb, 2001) planned to reorganise the south-western suburb of Beirut. The area was known for being inhabited by Shiite Muslims and for illegal housing and other commercial activities, where about 80 thousand of the 120 thousand strong population are considered illegal residents. The Elyssar project was set on 5.6 million sqm of land to develop coastal areas and allow for Beirut's expansion. The basic idea behind Elyssar was to relocate the illegal residents in new social housing units to free the coast for urban development through a new zoning plan.

\(^{173}\) As the project began to be formed, the neighbourhood committees began to mobilise themselves and to obtain information about the project, and what it meant for them as residents, although in part information, was monopolised by several key actors (Harb, 2001). The squatters that had been relocated from the BCD did not want to be affected again. Their response this time was much more violent and Law No. 246 of 1993 which created the framework for planning the Southern Suburb was soon rethought (Harb, 1998). The power struggle which followed brought with it modifications to the technique and process. The state, rather than a private company soon became the main actor in the new reorganised project. Amal and Hezbollah had joined forces in order to pressure the government into rethinking the Elyssar project setup (Harb, 2001). As such, it was decided that the rehabilitation would be undertaken by the owners and residents themselves without the interference of a third party.
demands of business interests and elites as a major goal for the Solidere and Abdali projects in Beirut and Amman. As outlined in Chapter One, this new business climate was essential as the cities competed on the international front for investments. A more attractive city for investors is one that caters to their need to bypass what they see as ‘red-tape’, and as such institutionally these are the changes that began to be implemented. An article that appeared in The Daily Star on the 27th of June, 2004 illustrates the competition logic that frames such projects. To this end, other cities appeared almost envious. One author writes that Beirut’s centre has set the standard for international and regional businesses in the region, and with Amman revamping its commercial centre in the form of Abdali; "Damascus should start planning now for what it has to offer" (Husrieh, 2004, p1)\(^\text{174}\).

As the Abdali and Solidere projects progressed, other transnational investors began to expect similar ‘fast-tracked’ treatment skirting the regular bureaucracy. And, the government was responsive. Special units staffed with western-educated technocrats were setup to service the elite investors. The GAM created the Special Projects Directorate, whose staff would follow-up on all permitting procedures - in essence it provided a One-Stop-Shop for investors. In addition it became widely known that the Royal Court was the best place to pursue support for projects by those select investors able to use their connections to bypass set processes. Through the Royal Court and directives from the Special Projects Directorate, investors were able to bypass the standard review procedures and committees established to ensure a certain degree of public scrutiny for mega-projects. Mawared itself was one such institution, created to facilitate large privately funded projects, with the weight of the public sector fully behind it. In Beirut, we see a similar situation, with the case of the Investment Development Authority Lebanon (IDAL) founded in 1994 with a One-Stop-Shop created in 2001 with the power to supersede authorities in issuing administrative permits and licenses at that one location (Krijnen, 2010). The IDAL was seen to clash with the existing practices of building permit applications (Krijnen, 2010)\(^\text{175}\).

\(^{174}\) Written prior to the outbreak of violence in Syria.
\(^{175}\) In fact the related institutional authorities undertook to strike.
The fast-tracked process with little scrutiny gave rise to accusations of corruption. Without the ability of the RECHCO investors to setup a unique set of circumstances that would lead to their approval, the RECHCOs would not have been approved as quickly or been granted the extent of public sector support and subsidies they were. The Thesis Survey carried out in Amman reveals that most of Amman’s citizens do not believe that the process of Abdali’s approval was transparent. From comments it seemed like the very process gave rise to significant doubts regarding the equality of citizenship and stirred quite high degrees of anger related to their system of governance; only 11% of respondents regard the process as transparent (Thesis Survey, 2012). Many cited ‘Abdali’ as one of the reasons for their marching in the over 700 protests that took place in Amman in 2012 as construction began and towers rose (Thesis Survey, 2012).

**Figure 4-6:** Responses to the Question: "Do you think the process of licensing Abdali was transparent?"


The entire process of Solidere and Abdali’s creation was marked with increased amounts of individuality and clear instances of corruption given the limited public participation, and limited oversight. Assem Salaam argues that
“entrusting Beirut’s Central Business District...redevelopment to the CDR is a typical example of the dangers inherent in the state's abdication of its role in orienting and controlling one of the most sensitive reconstruction development projects in the country” (Salaam, 1993, p198). Charles Adwan of the World Bank, in looking at *Corruption in Reconstruction*, writes that the precarious position of Solidere at the border between public and private gives it jurisdiction while "escaping the control and accountability of the public oversight agencies and mechanisms" (Adwan, 2005, p10). Solidere's "grey" status worked to nurture the confusion between public and private that existed in Lebanon leading to "flagrant" conflicts of interest and abuse of public office (Adwan, 2005, p10). The same can be said of the process that allowed for Abdali.

While Solidere SAL and AID had assumed certain public privileges and responsibilities, they were private companies governed by certain commercial laws. At the time, even being a publicly listed private company did not include or impose any strict standards related to transparency, disclosure or protection of the minority shareholders and stakeholders. Solidere SAL therefore had control over its jurisdiction without being subject to public oversight and accountability. For AID, as a private company not publically listed, the requirements were even lower. Self-profiteering soon emerged strongly within the two cases. Within Abdali, for instance, one of the biggest contracts was the USD 300 million construction of the Boulevard that was given to Saudi Oger (a company owned by the Hariri family, also the RECHCO's main investors) (ArabianBusiness.com, 2007).

In 2003, Theodor Hanf of the University of Bonn and the Sorbonne carried out a representative survey of the Lebanese's opinions concerning their political leaders (Hanf, 2003; Leenders, 2003). He found that this expansion of corruption contributed to the build up of public resentment and general discontent. An *Al-Nahar* poll in 1998 identified corruption as the nation's second highest priority problem after the Israeli occupation in the south176. Civil society movements began aggressively targeting corruption, and as such

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176 MP Najah Wakim documented corrupt deals and threats by government officials, the financial windfall of which were astronomical (Blanford, 2006).
the Lebanese Transparency Association was formed. International organisations grew to be involved, and by 1998, members of the same Cabinet were actively accusing each other of chronic corruption (Adwan, 2005). In Amman, the residents’ objections to Abdali meant that Mawared’s file was transferred to the ACC resulting in its remaining projects being frozen.

In tracking an international corruption index starting about 2004 onwards, the index consistently indicates that corruption is on the rise in Jordan (Transparency International, 2012). This finally ended in a series of active public protests in 2011 and 2012 that manifested demands for the reduction of corruption across Jordan (with the number of strikes and protests counting in the thousands) (Shaoul, 2012). Mawared was not the only cause, but certainly a contributing one for ordinary citizens to demand that the preferential treatment reserved for investors be given to the general public as well. In Lebanon, other indicators from the public and in the literature indicate that corruption was highly perceived within the country (e.g. Khal, 2003). The reconstruction process can become extremely lucrative if abused and so is especially vulnerable to corruption. Adwan goes so far as to describe post-war Beirut as an organised political system of “keptocracy” (Adwan, 2005, p 15).

177 The United States Agency for International Development launched large media awareness campaigns, and the United Nations launched a pilot integrity project through the Centre for International Crime Prevention and the National Integrity Steering Committee. The European Union and the World Bank exerted pressure on the government to improve institutional legislation.

178 As a result of continued public protests regarding corruption and political reform, amongst other major policy issues, in October 2010, the Prime Minister at the time, Samir Rifai referred a report on the financial and administrative performance of Mawared to the Anti-Corruption Commission. As previously mentioned, several key players involved in the process were jailed. In March 2011, the Government of Jordan dissolved all municipal councils in the country, and Omar Maani, as Mayor of Amman, was relieved of his duties. On the 13th of December 2011, he was detained for “failure to perform his official duties” (AFP, 2011) and was later released on bail. Akram Abu Hamdan, the former CEO of Mawared, was also implicated in a corruption case (Neimat, 2011)
Figure 4-7: Jordan's Corruption Perception Index, 2001-2011

Source: Data selected and graphed from Transparency International, 2012

With the changes to doing business focused on a certain elite class, the citizens of the city began to react negatively to the lack of transparency and equality in the process. In a survey in Amman, only 33% of respondents indicated that the GAM treats 'Other investors and Amman's residents' equal to the 'Abdali investors', with the remaining two thirds of respondents believing that the treatment is unequal. When we look at the responses of those who have dealt directly with the GAM licensing process the percentage that believe the GAM treats all investors equally drops to just under 10%.

Moving Forward

Jon Calame (2005), writing on *Post-war Reconstruction: Concerns, Models and Approaches* notes that "when municipal authorities are severely weak or disorganised, active professionals must turn to other institutional frameworks" (Calame, 2005, p28). In the case of Beirut and Amman, the answer for these professionals might have been in the form of a surrogate - private investment. In other words, the city centre projects of each were not guided by local or
community agendas in the political sense, but rather by pure market forces with the economic 'invisible hand'.

The state's limited institutional capacity with no central planning agency to be held accountable for the projects was, in Amman and Beirut, what allowed the private entrepreneurs in both cases to continue on 'profit-oriented' strategies with little oversight. The "vacuum left by the state being unable to adequately fulfil its basic functions" (Höckel, 2007, p13) meant that powerful transnational investors as well as other para-state actors such as Hezbollah moved in easily to fill the gap and usurp the process for their own benefit. In Lebanon, reconstruction after the War was inevitable. It required significant funding as well as a developed institutional capacity. In Jordan, projects such as Abdali were framed as the economic future. While the speed and efficiency of (re)construction was important, the lack of an integrative approach caused embitterment and perceptions of alienation from the space the RECHCO created.

The example of Solidere in Lebanon is a clear case for how even when democratic institutions do exist they may yet give way to corruption in the event of insufficient public scrutiny and public ability to change and reform these institutions to serve the purposes of transparent and engaging rehabilitation. Adwan notes that the "extension of wartime elites into post-war politics seems to be a common post-war feature. Their abuse of power, capture of state institutions, and appropriation of public assets seems to be an additional common factor" (Adwan, 2005, p17). The results of the attempts at consensus building in Lebanon have been captured instead by "former warlords or well-connected millionaires" (Adwan, 2005, p17).

Both Abdali and Solidere supporters argue that their 'need for speed' realises efficiency and economic returns (explored more in Chapter Five) that an inclusive and lengthy public negotiation process would not include. In effect, they are arguing that efficiency outweighs the need for legitimacy. The balance between legitimacy and economic growth may be more complicated than is realised. Transparent processes are required. As shown, the credibility of the process was essential to the perpetuation of peaceful dialogue. The two cases of Amman and Beirut frame economic recovery and construction as
being profit-motivated rather than community-related. As such, accountable to shareholders the responsiveness to the concerns and expectations of local residents was minimised in the RECHCOs. The civil society that existed attempted to intervene in the process, however the lack of systematic coordination and strategies employed by the RECHCOs for silencing the opposition explored here meant that these attempts were often ineffective.

Frederick Cuny, writing more than two decades ago (Cuny, 1983), notes how this form of polarity most commonly generates distrust and discourages public participation, which then decreases the 'potency' of relief efforts. This type of warped process is found in Beirut and Amman, where the city residents are seen as beneficiaries to a pre-set scheme rather than clients to whom the scheme will be held accountable, though the extent to which they are actually economic beneficiaries will be explored in the next Chapter. As a result, this Chapter noted that the RECHCOs do have an impact on citizens' perceptions of, and involvement in, politics in the city, and that this impact is largely negative. RECHCOs are built devoid of meaningful public dialogue and input, and leave citizens disenfranchised. At the local level, people primarily turn to their municipal governments as the first order of democracy, and getting their voices heard. When "local" power is usurped to the national level and misdirected, the vacuum that remains leaves citizens with an uneasy feeling that they are battling for existence (Thesis Survey, 2012). Moving forward from this, the next Chapter will explore the third pillar of the economic impacts of RECHCOs on the cities' citizens and complete the picture of the social, political and economic impacts.
5. The Economic Impacts of RECHCOs

5.1 Introduction

Overview

From inception to completion, as a basis for their public funding and support, RECHCOs depend on their ability to frame themselves as vehicles for the public benefit. The previous Chapters looking at the social and political impacts analysed the narrative used by governments to promote RECHCOs as development tools. This common justification is seen across the 'prestige model' of real estate development around the world (Loftman and Nevin, 1995)\(^{179}\). In the cases of Solidere and Abdali, the RECHCOs promoted themselves as harbingers of modern urban planning and governance to secure physical regeneration in declining areas in addition to being economic stimulation for a depressed economy through putting Arab capitals on the "map of global cities" (Post, 2013).

The Real Estate Construction and Holding Companies as 'development' tools of local governments easily portray a link between business interests and urban policy. As described in earlier Chapters, local authorities and public agencies respond to shifting investment patterns to attract additional entrepreneurialism to their areas (Harvey, 1987; Mayer, 1989). With places competing for investments they must create the 'right' business climate (Mansur, 2013). As an example, the LDDC had offered financial incentives to help attract businesses and commerce to the Docklands area (Page and Fidgeon, 1989). Local public agencies, supported by the national government, must be seen to be responsive to the needs of the business community – and this comes at the cost of exaggerated incentives, support of public funds, and

\(^{179}\) Some of the earliest versions of large projects similar to RECHCOs are to be found in the UK. The London Docklands, for instance, was seen as a form of 'prestige model' that was implemented as part of an ideology of privatism that put the private sector at the centre of urban revival. The public sector was responsible for creating the "right" conditions – whether financial or policy based – that would ensure the Docklands' success (Barnekov et al., 1989; Loftman and Nevin, 1992).
other subsidies. The promotional literature associated with Amman and Beirut similarly strives to attract investors and shows the extent of incentives and benefits offered, in the form of tax exemptions and other lowered costs. The Lebanese and Jordanian governments in this context were concerned with "the harnessing and creation of growth" (Smyth, 1994, p34), and held the RECHCOs up as examples of development and increased economic opportunity. Solidere SAL's leaders, for example, explained that they were doing Beirut a "favour" by agreeing to undertake the reconstruction of the downtown area (Calame and Charlesworth, 2009, p188).

David Harvey looks at public-private partnerships and locates them at the heart of 'urban entrepreneurialism' to show how external sources of funding, direct investments and new employment sources are at the centre of city policy (Harvey, 2008). In a paper on the relationship between the development of capital cities and state making, one researcher explains: "the spatial dynamics of the country seem to confirm the idea that consolidation in the capital city is of prime importance for national state making." (Höckel, 2007, p14). The capital's centres were imperative to the nation as a whole, and were where the most important political and economic decisions were taken.

Despite this, the extent of support offered to what are completely private companies, has been a point of criticism for many observers – as it has been extensive in nature. Some critics have noted that underneath the rhetoric of minimising the state's involvement and promoting private development, employed by the proponents of neoliberal urbanism in both Beirut and Amman, lies a public subsidy of a private real estate development – the development required direct costs from the government. Critics complained that the public cost related to reconstruction during a national crisis of such vast proportions should never have been "chained to [a] profit motive" (Calame and Charlesworth, 2009, p189). Critics writing about Solidere

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180 Similarly, within the UK, the government released a statement on 'Action for Cities' detailing their urban policy objectives and spending. The relationship with the private sector through real estate 'prestige projects' was placed at the centre of policy (Berry, McGreal and Deddis, 1993) in order to remove constraints – whether physical or infrastructural – so that the development potential would "become realisable, and private capital would be attracted to invest in the area" (Oc and Tiesdell, 1991, p312).
similarly indicate that "the approach was a totally speculative one geared toward maximising the return on investments and not oriented for the people of Beirut themselves" (Ohrstrom, 2007, p1).

The Case Studies outlined in Chapter Two looked closely at the narrative the RECHCOs used based on their existence as tools for development and expansion of the public good. Each of the companies responsible for Solidere and Abdali developed their own messages regarding investment, job creation and tourism gains as a basis to convince policy-makers of their usefulness and efficacy. The propagated benefits included the following aspects to 'sell' the plan:

a) Job creation, both in the construction and post-construction phases.

b) Investment attraction and creating a critical mass of highly desired investment with positive externalities spilling over into the whole economy.

c) Tourism with expanded visitor numbers.

d) City upgrades through improved aesthetics, healing a dying area that required regeneration, and expanding and upgrading existing public space.

e) "Cleaning-up" as a motivation for regeneration with a promise to reduce crime.

f) Public space and facilities expansion within the city.

g) Modern infrastructure upgrades for a smart city.

To this end, RECHCOs' proponents argued, this type of economic development could not be created by the private sector alone without some form of government support, as the projects ran the risk of not being financially viable as well as having insufficient means to cover capital expenditure (Calame and Charlesworth, 2009).\(^{181}\) Given cuts in public expenditure at local levels, local authorities seem to support large flagship

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\(^{181}\) The literature has aimed to evaluate the linkages between urban regeneration and the development in the investment process. The risk element in major development schemes (such as Canary Wharf) is high to both financiers and developers, and so more use of private-public partnerships is likely to be seen (Berry, McGreal and Deddis, 1993). Literature has shown the elevated risk of inner-city property investment, showing the motivation for using UDCs.
projects such as RECHCOs because there "seems little else that they can do to attract private and public sector resources for physical renewal projects and to prove that they still have a role to play in urban regeneration" (Bianchini and Evans, 1992, p. 247).

This Chapter will serve as the third pillar in the impact study, which is the economic pillar, with the social and political impacts of RECHCOs having already been discussed, and this Chapter will strive to quantify the costs and benefits of RECHCOs to give a monetised value of their impact upon cities and city residents. Chapters Three and Four discussed some of the more intangible costs and benefits, including perceptions of city residents with regards to transparency, process, public space, accessibility and bringing the city together. This Chapter now aims to also look at some of the more tangible aspects including investment levels, jobs, and tourist gains amongst other things.

Solidere and Abdali present two interesting cases in this regard. Solidere has been completed for 10 years with tangible results on the ground, and Abdali is still in the process of completion, and has strong public opinion relating to it. This Chapter attempts to synthesise the different opinions related to the RECHCOs in a rough exercise that will help guide us towards an answer on whether RECHCOs have a positive or negative economic impact by weighing the economic advantages and burdens. The literature, also, does not conclude the best mode of evaluation of these projects. In terms of costs, the burden is both direct and indirect. Direct costs have included tax incentives, expropriations, and infrastructure contributions amongst other issues. The indirect costs include the fact that RECHCOs have been thought to skew markets, crowd-out the private sector, and abuse monopoly power in order to secure sustainable economic gains based on a trickle-down effect182.

The calculations presented will be based on published figures and related estimates from the government, NGOs and the companies themselves, and collected figures from interviews and the Chapter’s goal is to provide a rough indication of the overall costs and benefits. In return for offering the promised

182 Loftman and Nevin (1995), looking at the UK found that the evidence provided by policy makers and academics has indicated that publicly subsidised prestige projects provided little benefit to the poor and in some cases exacerbated their problems.
economic benefits, the RECHCOs were readily offered a package of incentives and financial support.

**Methodology**

In order to answer the overall question of whether RECHCOs should be promoted as positive development tools, an analysis covering all relevant 'cost' and 'benefit' aspects is required. Within the literature available, Solidere has received some attention, but the work remains rudimentary and piecemeal with no quantitative tally of benefits such as job creation, investment generation or tourism attraction. Abdali has received no coverage in the literature as a very new project. Works from Europe, specifically the UK looking at the Urban Development Corporations, and other large public projects do help to guide potential evaluation processes. However, these works evaluate projects that are purely public - rather than privately - owned, which may be quite different to the Abdali case in Jordan and Solidere in Lebanon.

With little to go by in the way of quantitative evidence it is suggested that, even historically, decisions regarding the initiation and nature of large real estate projects similar to RECHCOs tend to be based on political and professional insight, rather than hard evidence and appraisal (Falk, 1986, p151). In the case of Abdali and Solidere, this entailed massive financial costs that tend to be wholly underwritten or heavily subsidised by the public sector. In terms of the information required, accessing master plans and basic financial information is relatively easy, however detailed information regarding exact figures related to incentives and job creation and costing remains more difficult. This is true of other similar large projects worldwide (Imrie and

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183 One of the central criticisms that has been made regarding the introduction of the UDCs into Britain is that they were enthusiastically accepted by policy and decision makers without a critical and objective analysis of the associated 'successes' and a breakdown of the beneficiaries and losers (Barnekov et al., 1989; Boyle and Meyer, 1990; Hambleton, 1990, 1991; Loftman and Nevin, 1992, 1994; Atkinson and Moon, 1994). The outset of the project did not strictly define those parameters that would conclude success for the project, such that some critics noted "the conflicting reactions to the LDDC's performance stem from an inadequate definition of regeneration its success literally being in the mind of the beholder" (Oc and Tiesdell, 1991, p320). In a sense this meant that there were no objective government quantitative (or qualitative) indicators that would define success.
Thomas, 1999a). Examples such as Canary Wharf were evaluated more qualitatively or measured against key quantitative indicators (Oc and Tiesdel, 1991).

The analysis for Abdali is based on a widespread survey. Asked across Amman, by residents of different areas, weighted according to population density, a quick valuation of how much worth the city's residents place upon the Abdali project was ascertained through responses to a series of questions. This was then compared to the statistics tabulated on the project's overall costs and benefits. The logic chart in Figure 5-1 illustrates how the rationalisation of the project might be understood. Within this analysis, trying to determine an absolute quantification of various qualitative elements is difficult. However, putting a value to the various cost-benefit elements becomes meaningful as a rough measure to evaluate the RECHCO's success and their ability to deliver on the promises that were used as their justification. Trying to put a 'dollar' value on the different elements is therefore important. Amongst major critics there remains "clear merit in trying to evaluate inner city property investment opportunities in the language that institutional investors understand" (Berry et al., 1993, p255). For the purposes of the analysis of this Chapter only the major costs and benefits will be incorporated.

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184 From the UK, literature has shown the long-term use of stated preference surveys for public goods to assess willingness-to-pay which has been commonly used for almost thirty years (Azevedo et al., 2003). In 2009, the Department for Communities and Local Government began a series of studies on valuing the benefits of regeneration looking at potential costs and benefits (Department of Communities, 2010). Within this document, a stated preference survey as a non-market valuation approach was used. Similarly, stated preference for valuation has been propagated by Earnhart (2001). In 2009, De Souza, Wu and Westphal looked at 100 publicly assisted redevelopment brownfield projects in two US cities (De Souza et al., 2009), also using this approach.
Issues with Methodology

There are varied implications for the RECHCOs within the Middle East – while citizens experience the RECHCOs and can qualitatively talk about their experiences, measuring the effects quantitatively to reach to a fair assessment of the economic impacts is more difficult as the numbers do not readily exist. While some costs are very apparent such as the cost of taxation exemptions or public contributions to infrastructure, others are less clear. On the cost side are their implications on property rights, as landowners and investors lose confidence in a system where the sacred rights of eminent domain are used precariously for a private company framed as being for the 'public benefit'. In both cases, the projects displaced local uses and residents. The Abdali project forced the displacement of Amman's major transportation terminal. This terminal was also home to hordes of informal vendors, and a buzzing life, as one sees surrounding major transportation nodes. The transportation terminal was relocated to the edge of Amman's city centre as an alternative. Other costs such as the monopolies of a "certain elite" in decision-making, the "prioritisation of certain communities over others"
(Thesis Survey, 2012) and the creation of exclusive space can try to be roughly quantified through people's stated preference financial questions (Thesis Survey, 2012).

For Solidere, quantitative evaluations in terms of job creation do not exist (only Solidere SAL itself produces some estimates of job creation and investment statistics it seems). In addition, other impacts are less easy to calculate. Certainly in the cases of Solidere and Abdali, some impacts are visually very clear. Looking at the 'before' and 'after' images of the city centre, to many observers, the centre was transformed from a pile of rubble, devastation and refugees into a global downtown (Trawi, 2003). Especially when compared to the reconstruction efforts in the rest of Lebanon, many felt that "it was nothing short of remarkable" (Executive Magazine, 2011, p12). The urban planners involved in the project emphasise that they have created an economically viable downtown that will help drive the revitalisation of the entire city (Gavin and Maluf, 1996).

The costs and benefits are very important for countries such as Jordan and Lebanon. The rentier social contract is deeply rooted in a dependent relationship on the State for the very basic needs of life, hence the powerful metaphor of the Tunisian scholar Larbi Sadiki, dimuqratiyyat al-khubz, or 'democracy of bread' (Sadiki, 2010) which has sustained Arab regimes for a long time, but is also bringing about their demise as it becomes impossible to sustain and manage. The RECHCOs need to be understood in this perspective as part of the public sector's ability to provide jobs, increased economic activity and investment. The government's inability to continue to create public sector jobs, and subsidise food and fuel in the context of rising international price resulted in considerable fiscal pressures and gross economic distortions of incentives in the private sector.

Across this Chapter, as a result, is a comparison of both qualitative and quantitative costs and benefits to decide if the overall RECHCO is a positive project. This is important to examine as it has longer term impacts on the rentier state that is at the heart of government in Jordan and Lebanon as explained in Chapter One. In effect, this Chapter's contribution to the overall argument is to put in place the final piece regarding RECHCOs' economic
impact, which along with the political and social will provide the reader with a complete picture going into the conclusion.

5.2 RECHCOs' Promised Benefits

RECHCOs promise many things as their platform and contribution towards the development of the city (promises echoed by local governments). Through promoting their ability to create jobs, investment, expanded numbers of tourists, or otherwise, the RECHCOs use economic justifications to lobby for additional benefits and in some cases it defines their entire raison d'être. In the case of Solidere and Abdali these promises were in the form of a modern world-class city centre (see Chapter Three for example). Prestige projects such as RECHCOs are often considered amongst the most "effective mechanisms for achieving the physical transformation of declining or previously neglected parts of urban areas" (Loftman and Nevin, 1995, p303). The proponents of large projects such as RECHCOs argue that they provide "high profile and visible symbolic evidence of success and renaissance which will arrest the spiral of decline in urban areas" (Loftman and Nevin, 1995, p303). To this end, these sorts of projects behave as visible symbols of change creating spaces used by location and national politicians to "bolster their own political status and reputations" (Keating, 1991, p159). Through this they seem to become important place-marketing tools to attract private investment.

Prestige projects facilitate the physical restructuring of urban areas (for instance through introducing and promoting new land uses and infrastructure) to meet the new patterns and demands of production and consumption activities (Tavsanoglu and Healey, 1992). Thus prestige projects represent important tools in aiding cities, and deprived locations within them, to come to terms with the process of wider economic restructuring. This process of spatial restructuring, inline with the changing world economy is deemed essential to ensure the continuing economic survival of urban localities.
The symbolic high-profile nature of these projects is used by local authorities to promote their local districts, both nationally and internationally. It is also set to aid authorities in their process of creating new urban images (Bianchiniet al., 1992; Wilkinson, 1992; Loftman et al., 1994). As such, these projects have even been called an integral part of the marketing tools utilised by cities in defence of their position in the national and global hierarchy and to attract footloose private investment (Harvey, 1989; Hall, 1993). The flagship projects act as a large advertisement 'hoarding' where the implied message for the area is that this is the best place for others to spend and invest (Smyth, 1994, p21). The Beirut and Amman narratives do not differ significantly from this. In Solidere's case, Rafiq Hariri's vision of reconstruction was clear – to transform Beirut from a 'nowhere land' into a prosperous modern capital.

Rafiq Hariri's major objective through Solidere was to restore economic confidence, powered by a trickle-down strategy on two fronts. The first was from Solidere SAL's investors to the lower-income residents of Beirut unable, or unwilling to participate in the project. Much of the optimism felt was based on the second pillar of the trickle-down effect that assumed the economic prosperity that was derived from the reconstruction of Beirut would spread across the country and so boost both the national and local economies. Rafiq Hariri perpetrated restoring economic confidence in the country and creating a safe, sanitised and politically neutral environment. Rafiq Hariri also attempted a symbolic move towards peace where the "brilliantly rebuilt city centre" was set to "overcome the memories of war and destruction" (Höckel, 2007, p5). In this sense, Rafiq Hariri assumed both economic prosperity and social reconciliation would bring about long-lasting stability and revert the Lebanese state's fragmentation, and promised that Solidere SAL was the ideal mechanism to achieve this.

The Solidere project was set to generate economic prosperity through increased demand for skilled and unskilled labour, estimating it would provide upwards of 5,000 temporary, and 100,000 permanent, extra jobs\(^\text{185}\). The project would generate flows of capital from Lebanon in parallel with expected

\(^{185}\) It is interesting to note that the statistics that were generated by Solidere SAL in 1995 have remained unchanged to date (see Gavin, 2010 as an example).
reductions in the budget deficit – and this would improve the Lebanese Pound’s exchange value. The Solidere initiative imagined for Lebanon would help to reactivate both the financial market and the stock exchange to have positive effects on the public’s expectations and consolidate confidence in the future Lebanese economy. The project’s rapid development meant that by 1999 there were 1.2 million sqm that were set to be completed, including an additional 2.1 million sqm by 2008 and a final 1.1 million sqm by 2018. A significant part of Solidere’s value proposition was the knowledge that even if the government had sufficient finances to undertake reconstruction it was unlikely that the public sector would even be able to complete the project so efficiently. Solidere was promoted as the clearest message to be sent that the War was over and Beirut was recovering (Solidere, 2002c, p12). For these reasons it was offered the right of expropriation and a series of economic incentives and tax exemptions. Solidere SAL also had certain obligations towards the public. Article No. 61 in its bylaws included it being responsible for earmarking a certain percentage of funds received from cash subscriptions for restoring buildings; drawing up a time schedule for the execution of the project; financing and ensuring the execution of the construction of roads, squares and parks at the expense of the state; and at the request of the CDR, financing the rehabilitation of the government and municipal buildings located in the area.

Amman’s Abdali project was based on similar promises of “glory” (Post, 2013). Abdali accounts as one of the largest projects in Amman – the Jordanian capital – and in terms of its magnitude and impact on the various economic sectors and activities its developers envision it as having created a core hub which offers the highest levels of technology and a foundation for future business and investment opportunities (Trade Arabia, 2008). Abdali, amongst the wave of rising developments has received “admiration and encouragement from key influencers at both the public and private levels” (IFP, 2008, p1). In addition, Abdali is strongly and solidly positioned as the future business district of Jordan (IFP, 2008) and has had the official

186 There was no specification of what the exact percentage should be, or how it would be spent.
endorsement by the Mayor of Amman, the government, and Jordan's royal family and elite\textsuperscript{187}.

The project was sold to the public with the expectation that it would be of extreme impact on Jordan from a socioeconomic perspective, related to Foreign Direct Investment (FDI). Regarding jobs, the first phase alone is set to create over 10,000 sustainable job opportunities – expected to increase to a peak of 15,000 (Abdali, 2012). Abdali is expected to attract over 16,000 visitors a day in the first three years, with studies estimating the number to rise to over 38,000 a day by 2020. AID claimed Abdali would to be able to attract approximately USD 1 billion from UAE investors, and an additional USD 500 million from Kuwaiti investors, and another USD 1 billion from Saudi investors (Abdali, 2012). The Abdali second phase extension was set to be similar to the first phase of the 'smart-city' to be developed by infrastructure that would enable the delivery of new cutting edge technologies. The downtown was set to be fully equipped with technologically advanced buildings.

The second phase of Abdali ensured according to investors "the creation of superior road networks and traffic solutions" (The Star, 2007, p1). Abdali was intended to be an assortment of both public and private usages, which would encompass "alluring" urban spaces (Executive Magazine, 2008, p15) and would be comprised of 40,000 residents and overall about 90,000 visitors who would work and visit the area on a daily basis. The second phase was set to provide a network of pedestrian-friendly roads, gardens, central shopping facilities, entertainment centres, an American University campus, office complexes, a civic plaza around the proposed King Hussein Memorial Library, a performance arts centre, exclusive residential buildings, medical and legal quarters, and underground parking facilities (Mawared, 2004). The Abdali Boulevard was to consist of a pedestrian spine bordered by 12 buildings that offer 22,000 sqm of retail space to house 120 stores. The Abdali Boulevard feasibility study promised that its Boulevard project alone would generate enough business to comprise 10% of Jordan's Tourist spending (or USD 99

\textsuperscript{187} Press releases can be seen consistently on the Abdali website accessible at: http://www.abdali.jo.
Foot traffic within Abdali is expected to generate USD 20 million annually. Foot traffic within Abdali is expected to generate USD 20 million annually. The footcount is estimated at 16,000 people daily. It is thought that over USD 7,000 will be generated annually per sqm for food and beverage operators. In addition, the Abdali project promised to create public spaces, generate employment opportunities, encourage investment and tourism and help provide the city with vibrant spaces (Mansur, 2013). The same sort of message has been seen for Solidere in Beirut.

It is argued by proponents of prestige developments that this physical transformation will have further spin-off benefits in terms of boosting civic pride and business confidence, making urban locations more attractive to private investment, and raising property values and development activity in adjoining areas (see for example Smyth, 1994). In terms of who benefits, the RECHCOs and other prestige projects argue that the entire city does so (see also Brooks, 1993; Lock, 1993, 1994; Smyth, 1994). Their argument is based on the fact that economic development can be presented as in the interests of the city as a whole, the ultimate non-zero-sum policy. Even where it is recognised that development generates a pattern of winners and losers, it is argued that growth allows losers to be compensated so that everyone can benefit (Keating, 1991, p159) as per the trickle-down effect mentioned earlier, boosting both local and national economies (Verdeil, 2002, p54).

For this reason many local and national governments turn to RECHCOs as important tools to help cities and the "deprived locations within them, to come to terms with the process of wider economic restructuring" which ensures the continued economic "survival" of the city (Loftman and Nevin, 1995, p304). In researching projects similar to RECHCOs in the United Kingdom, some authors note that as envisioned, projects of such prestige are set to provide benefits for "all city residents through the generation of wealth, jobs, an improved physical environment and new places to visit, admire and enjoy."

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188 The design of the Boulevard was implemented by LACECO to complement the foundations and concepts of Phase I of the Abdali project, which aimed to create a "thriving future city-centre in Amman" which would be an "architectural landmark" (IFP Group, 2007, p1).
189 A full breakdown of project is available at: http://www.abdali-boulevard.jo/.
190 A non-zero sum describes a situation whereby the interacting parties' aggregate gains and losses are either less than or more than zero.
It is very much of interest to note that the critics of the project, as well as its supporters, argue that their points of view stem from their convictions in promoting the public interest. The initial Solidere plan was framed in a manner that provided it with public support by it being the 'only option' to restore a dying downtown. The public interest in this case was achieved through the massive privatisation scheme. By providing the land to Solidere SAL, the argument was that the proprietors, legal tenants, investors, and even the public sector eventually through increased economic activity, would benefit.

5.3 Public Costs and Subsidies

Some literature has in passing discussed the state subsidy of large-scale investment for the business elite in the region creating flagship projects (see Daher, 2011), though this has remained without details and only been completed on a qualitative level. No literature has to date tallied the exact amounts, and this Chapter will be a first attempt to do so for Amman and Beirut. Financial contribution from the state to Solidere and Abdali was considerable. The prime urban land made available for investment forms the greater part of the subsidy, but other forms of subsidy include: tax exemption, infrastructure provision, elimination of all barriers and red tape, in addition to special building regulations made possible for this particular kind of development. It is only in these development projects that high-rise buildings are permitted (neighbouring areas remain restrictive in terms of density), and this is another form of subsidy. This is the case because the RECHCOs' framework suggests that in order to encourage development in city centres, risk should be removed from the private investor and redistributed across the

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191 These types of subsidies are not uncommon for large projects. The Canary Wharf office development, within the London Docklands Development Corporation area, had received a subsidy of USD 2.2 billion in tax exemptions by 1992, and the land was sold to the developers at a price well below market value at the time prior to construction (Docklands Consultative Committee, 1992). In Birmingham the City Council invested over USD 564.4 million in the International Convention Centre (ICC), National Indoor Arena (NIA) and the National Exhibition Centre (NEC) between 1986 and 1992. Similarly, Sheffield invested USD 244.0 million in sporting facilities during the 1980s, and during the early 1990s Central Government made around USD 124.5 million available to Manchester City Council to construct its Olympic Standard facilities, which was justified in terms of its contribution to urban regeneration in the city.
public at large (described in Chapter One). The public as such, become the stakeholders "whose return on investment is valorised as a public good" (Parker, 2009, p115).

In the neoliberal economic climate, the execution of prestige projects is accompanied by a certain number of conflicts pitting small-scale landowners, the state and important investors against each other. Critics noted that it appears that segments of the city are for sale or reclaimed in order to concede a place for these colossal programmes (Bredeloup et al., 2008). Unmistakably, the main actor in this privatisation is the state. Since in such instances the state is the main landowner, the new context of speculation has serious implications for urban policies and priorities in urban planning (Choplin and Franck, 2010). The following section will examine what the RECHCO received in terms of public subsidies, and include details of the breakdown as one side of the balance. The figures will be tallied at the end of the section into an overall 'public' dollar balance for Solidere and Abdali in Beirut and Amman.

**Infrastructure**

The second phase of the Abdali project prompted the GAM to embark on the creation of what proponents claim are "superior road networks and traffic solutions around and within the development" (The Star, 2007, p1) required to accommodate the increased visitors and residents expected to frequent the site daily once the project is completely functional. Within the project boundaries the solutions will be developed by AID, while the GAM undertook all works outside the project’s grounds – and as such facilitate easy and efficient traffic flow in the area. There are four intersections in the Abdali District that were developed around the project. The largest intersection was budgeted at USD 42 million, the remainder valued at USD 27 million collectively (GAM, 2013).
In the Thesis Survey (2012) investigating this matter, respondents were asked the question "who should pay for the infrastructure upgrades surrounding the Abdali project?" The survey results show clearly that most of Amman's residents (at over 90%) believe that Abdali's investors – as opposed to Amman's citizens – should pay for the infrastructure upgrades surrounding Abdali. While 76% of residents do not wish to sponsor the Abdali infrastructure directly themselves, only 9% do not wish the municipality to sponsor the infrastructure. This seems to be explained by there being a sub-category of Amman's residents that does not perceive there to be any relationship between themselves and the municipality as their institutional representative and whose budget is comprised primarily of tax contributions from Amman’s residents. This sub-category is primarily made up of those residents whose families pay the least in taxes, or do not own properties – amongst the lowest two income brackets in Amman (Thesis Survey, 2012). It is also a category made up predominantly of females at 73%, also coinciding with the lowest categories in terms of wages and property ownership.

This is an issue that was explored further in Chapter Four.
Figure 5-3: Responses to the Question: "Who should pay for the infrastructure upgrades surrounding the Abdali project?"


Table 5-1: Responses to the Question: "Who Should Pay for the Infrastructure Upgrades Surrounding the Abdali Project?"

<table>
<thead>
<tr>
<th></th>
<th>Abdali Investors</th>
<th>Municipality</th>
<th>Amman's Citizens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>72%</td>
<td>19%</td>
<td>7%</td>
</tr>
<tr>
<td>Tend to agree</td>
<td>18%</td>
<td>29%</td>
<td>9%</td>
</tr>
<tr>
<td>Neither</td>
<td>6%</td>
<td>39%</td>
<td>4%</td>
</tr>
<tr>
<td>Tend to disagree</td>
<td>1%</td>
<td>4%</td>
<td>27%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0%</td>
<td>5%</td>
<td>49%</td>
</tr>
<tr>
<td>Don't know</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
</tr>
</tbody>
</table>


In the case of Solidere SAL, the company was obligated to finance and construct, for the benefit and at the expense of the government, all infrastructure including water, sewer and electrical installations, sidewalks, street lighting, parking, telecommunication and other public utilities in the
planned areas\textsuperscript{193} (Solidere, 2001a). In effect, Solidere SAL was simply acting as an 'infrastructure contractor' to the government, with very loose definitions, in a legally binding role in terms of reimbursement, which as specified in Paragraph 5 of the Law No. 117 were either cash payments or ownership of reclaimed land. This turnkey operation made some parties uneasy as there was no maximum price that both parties agreed on. As such, in Beirut, the government's role at the national and local levels was extremely minor (Beyhum, 1992).

On the 10\textsuperscript{th} of August 1994 the Cabinet's decision left Solidere SAL to be reimbursed by the State for all infrastructure costs including installed roads, public spaces, gardens, networks, pavements, parking lots and power transformers. Solidere SAL's responsibilities included treating the refuse dumped in the area over the years, compacting the landfill, establishing sea protection, installing total infrastructure, marinas, boulevards and parks. Solidere SAL would be compensated in cash, lands belonging to the State and in the right to exploit reclaimed land. The CDR ultimately awarded a contract to Solidere SAL for the execution of the infrastructure works estimated at USD 475 million in return for an extra piece of land that was designated as a landfill, so Solidere SAL received the lucrative rights to the 600 thousand sqm Normandy Landfill in lieu of compensation, which would generate over USD 1 billion in estimated revenues according to Solidere SAL's own data (Norkonmaa, 1995), and between USD 3 billion to USD 5 billion in profits once the rehabilitation is complete. Weighed against the obligations of the company, to a certain extent, these exemptions reflected the raw bargaining power of both Solidere SAL and the Lebanese government. However, they were also a result of the basic financial incentives necessary to induce a private corporation to take on the project satisfy its opportunity cost\textsuperscript{194}, and still make a profit. The overall public cost of the process would be calculated as: USD 1bn (estimated revenues) less USD 475 million (total

\textsuperscript{193} As outlined in Clause 3, Item 7 of the "Rights and Obligations" of Law No. 117.

\textsuperscript{194} Opportunity cost is the loss of other alternatives when one alternative is chosen.
Solidere SAL costs) to amount to USD 525 million (total Solidere SAL profits)\textsuperscript{195}.

**Taxation Exemptions and Other Incentives**

As per a decision from the Council of Ministers, Abdali Investment and Development was given an exemption from the general sales tax on all goods and services purchased or imported during the years 2009-2011 for the purpose of the establishment of projects\textsuperscript{196}. A calculation related to this finds that this saved AID USD 0.8 billion in sales tax, and USD 0.7 billion in customs duties. It is of note that 87\% of survey respondents in Amman did not believe that Abdali should have received taxation exemptions. In considering public benefits and exemptions within Amman, of the sample set, 56\% were aware that the Abdali project had in fact received tax exemptions (Thesis Survey, 2012). The reasons cited within the 'should be given' and 'shouldn't be given' exemption categories are outlined below in Table 5-2:

**Table 5-2:** Responses to the Question: "Should Abdali have been given tax exemptions?"

<table>
<thead>
<tr>
<th>If Yes</th>
<th>If No</th>
</tr>
</thead>
<tbody>
<tr>
<td>If is for the public benefit</td>
<td>It is a private project</td>
</tr>
<tr>
<td>8%</td>
<td>72%</td>
</tr>
<tr>
<td>It will encourage more investment</td>
<td>We need the taxes to produce other public projects</td>
</tr>
<tr>
<td>62%</td>
<td>52%</td>
</tr>
<tr>
<td>But only if everyone is</td>
<td>It is unfair when others don't</td>
</tr>
<tr>
<td>72%</td>
<td>68%</td>
</tr>
<tr>
<td>Other</td>
<td>Other</td>
</tr>
<tr>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

*Source: Thesis Survey, 2012*

\textsuperscript{195} USD 1 billion is conservative as the plot may have been auctioned at a much higher price had it been left for the open market.

\textsuperscript{196} The project, as a total, cost USD 7.05 billion. On average 75\% of total contractors’ gross output is considered 'intermediate consumption' of which, 86\% is used for construction materials, and the remaining 14\% for services. The average customs duty is 13% (Find the Data, 2013), and the average sales tax is 16\%. 
The Abdali project also received an exemption on all non-Jordanian workers working in these projects from social service tax on income derived during 2009-2011, provided that Jordanian workers make up no less than 30% of the company.\textsuperscript{197} Many economists however say this 70% limit has been violated several times (Mansur, 2013) and the level of non-Jordanian workers is closer to 90%. Using the detailed assumptions, this cost the government a total of USD 8.2 million in incentives to AID. AID was also given a special exemption from ownership fees in instalments for foreigners wishing to purchase residences within Abdali, once only and for that property, in accordance with procedures to be prepared by the Department of Lands and Survey expressly for the purpose. However, no numbers exist to calculate this as a cost.

Looking at Solidere SAL, the company was exempt from the Lebanese Income and Capital Gains tax for a period of ten years from the time of incorporation\textsuperscript{198}. In addition, the firm’s profits would be tax free for a period of ten years\textsuperscript{199}. Shareholders were also exempted from the Lebanese Withholding Tax on Dividends and Capital Gains Tax for the same period. Working backwards with average 10 year taxation growth rate of 20%, we find that this exemption potentially totalled USD 44.5 million over that time period. Critics of these exemptions have questioned the Lebanese government’s decision when the country was in such desperate need of revenues to allow the creation of a firm for the specific purpose of economic development that would be completely exempt from taxes.

\textsuperscript{197} The Social Service Tax was 16.5% in Jordan at the time. The assumption is that in the best case scenario 70% non-Jordanians will be used. The average wages of USD 304 for construction workers, and USD 528 for construction site supervisors (Department of Statistics, 2010). The average workers per sqm ratio of 145 is taken from the 2009-2012 Central Bank of Jordan averages. Interviews with 10 construction companies revealed an average of 17 construction workers per supervisor. These assumptions show the creation of 12,414 jobs, which by Jordanian averages translates into 6,207 permanent jobs. This translates into 345 supervisors (241 non-Jordanians) and 5,862 direct construction workers (4,104 non-Jordanians).

\textsuperscript{198} Under Article No. 60 of “General Provisions, in Exclusions and Exemptions,” the company would be exempt from the provisions of Article No. 1 in the “Law on the Acquisition by non-Lebanese of Real Estate Rights in Lebanon,” and would not have to obtain the authorisations needed to acquire real estate property.

\textsuperscript{199} The costs on government were calculated using the average of the 2003 – 2010 growth rate for taxation and then working backwards.
Cost of Land

Mawared lands were offered to developers at large discounts that fell far below market-price, and so minimised risks and promised high returns (Marroushi and Ford, 2006). The estimate for Abdali's land is USD 790 million\(^{200}\) - this figure has not fully taken into account the extreme change in land value after increasing density and zoning rights\(^{201}\). The total expropriation costs for the Abdali project are estimated at just over USD 110 million, of which 50% were covered by public funds. The total use of public funding in the expropriations related to the Abdali project was USD 55.12 million.

Solidere SAL was not required to cede 25% of the surface area to the state - as was typical in such projects - or to appoint public sector representatives to its Board of Directors. The 25% was to be considered contributions towards the rehabilitation project and relocation expenses for the BCD (Solidere, 1994). Under Solidere SAL's Articles of Incorporation it would be Solidere SAL alone (rather than the government) that would set the criteria and decide which land plots to expropriate\(^{202}\). Based on assumptions from the annual reports, this totalled USD 453 million (Solidere, 2001b)\(^{203}\).

Expropriation and Displacement

The costs of expropriation do not end with the actual dollar value given to purchase the land (as discussed in Chapter Three on the Social Impact of RECHCOs). There is also a heavy cost associated with uprooting settled families from their homes and communities (De Souza Briggs et al., 1997). In

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\(^{200}\) This is calculated at USD 2,256 per sqm given the land density provisions over the entire 350,000 sqm plot.

\(^{201}\) In 2010 land in and around the Abdali District was being sold for up to 15 times its original value.

\(^{202}\) Under the Lebanese General Company Law, a corporation can only be formed if its capital is fully subscribed to and the shares pertaining to each subscriber have been determined, identified and issued. The application of these rules would have prevented the incorporation of Solidere SAL until all the rights of the previous owners and tenants had been irrevocably fixed and determined and all the shares of the company had been allocated to each individual right holder.

\(^{203}\) 2001 Solidere SAL properties were recorded on their books at USD 1,812,435,393 (Solidere, 2001).
terms of whether the price paid for the property was considered 'fair' in Amman for instance, when asked those affected directly (or who have relatives affected directly) replied as follows:

**Figure 5-4:** Responses to the Question: "Was the market price paid fair?"

![Bar chart showing responses to the question](chart.png)

*Source: Thesis Survey, 2012*

Those that had property expropriated from them, overwhelmingly found that the market price paid for the property was very unfair. This comes in contrast to those who have had property expropriated unrelated to Abdali where 69% felt that the market price paid was fair. Comments also came across from residents such as "we lost our homes and neighbours", and "I lost my childcare group" (Thesis Survey, 2012). Each of these comes at its own costs, though its financial value is not calculated directly. The literature argues that displacement of existing residents would "eliminate the social fabric" (Rowe and Sarkis, 1998, p132) and would "decimate the physical fabric" (Wagner, 2008, p63) to create “a dead city, an empty field open to the speculative ambitions of developers“ (Philippou, 2010, p1). From Beirut and Solidere, many of those interviewed indicated that they would not purchase property within the cities again – another directly negative investment cost. There is the additional issue of whether the expropriations were considered fair at all, which is the issue of 'why' the land was expropriated. Only 8% of respondents
view the Abdali expropriations as being for the public benefit (Thesis Survey, 2012).

The area surrounding Abdali was home to 152 families, including institutions such as the popular community college – Al-Quds - which had accommodated 3,000 students in addition to 250 employees, and the Abu-Setta Investment Group, which included 150 employees (Al-Dustour, 2005), as mentioned in Chapter Two's Case Studies. TAGI was one of the most high profile tenants that had their property expropriated. An external auditor, Moore Stephens predicted that TAGI had accumulated losses of USD 11.8 million between June 2005 - June 2007, as part of the freezing of his lots and inability to complete construction (Moore Stephens International Limited, 2007). Through a series of interviews, the relocation costs internalised by the previous Abdali area tenants was calculated. The total relocation cost is USD 4.46 million (USD 2.57 million for family relocation and USD 1.89 million in firms).

Similar to Abdali, Solidere also caused major displacement amongst previous residents. A 1991 Solidere SAL survey of the downtown population listed 2,500 illegal residents. In a 1993 count, the number soared to 4,500 (Raschka, 1995). Some analysts have put the number as high as 20,000 displaced families (Gavin, 2005). Even within the category of illegal residents, the Solidere SAL payoff scale was USD 8,000 per family for those forced to move, unless they were from Israeli-occupied south Lebanon. Considered hardship cases, the southern families received USD 4,000 more. Solidere SAL also engineered a ‘political premium’ to ensure the Shiite community’s support for reconstruction. The cost of repatriating the 4,000, predominately Shiite, refugees squatting in the abandoned, bullet-scarred building in the city.

204 The TAGI was initially building its regional headquarters in Central Weibdeh – right on the edge of the Abdali project – on three major land plots in Basin 14 – No. 429, No. 658, and No. 659. In 2004 and early 2005 the group was granted a building license to build its new headquarters to accommodate a growing number of employees. The headquarters would merge together 60 branches and 180 centres and would then manage its regional operations with 600 employees and a turnover of USD 100 million annually. It was estimated that over 4,200 people would be directly supported by the operation (Sa’aydeh, 2007b). These private costs have not been included in the calculations of this Chapter, though certainly they have consequences and could potentially discourage investors and as such reflect badly on the business environment.

205 Through several interviews conducted, the cost of relocation per family averages about USD 16,920. For corporations, on average each employee cost USD 1,889. At a total of 1000 employees and 152 families this totalled USD 4.46 million.
centre was estimated at between USD 50 to USD 60 million, but Solidere SAL paid Amal USD 250 million for the party to distribute as it saw fit (Ohrstrom, 2007).

More than half of Solidere SAL’s shares were in the hands of former property owners, whose opposition to the first plans of the project influenced the modification of the latter considerably. The former landowners saw themselves being deprived of their individual property titles (and decision making powers over their property) and forced into a highly speculative real estate venture. Interviews with landowners found that their appetite for any investments in Lebanon decreased substantially after their lands were expropriated (Solh, 2013). There were also more direct private losses. In accordance with Chapter VIII of Article No. 3 of Law No. 117, Solidere SAL setup a schedule outlining project phasing six months following its incorporation as explained in Chapter Four. Directly following the appraisal's completion, the company had exactly six months to allocate the cash subscriptions and provide the necessary liquidity (that must exactly balance the land value). This meant that the lower the appraisal value, the lower the amount of money that the company would have to raise and so property prices were pushed down. Property owners were insistent that they received no more than 10% of what their property was worth after Solidere SAL’s announcement. This affected large numbers of people, at a total of 40,000 property owners.

**Exclusivity and Crowding Out**

The concept of exclusivity and crowding out means, due to the presence of the RECHCOs, other private individuals and companies are not able to fairly compete in the real estate market place. This comes in the form of not receiving the same level of exemptions, and not being able to have access to the same density provisions and so they are 'crowded-out'. Mansur notes

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206 Crowding out is an economic concept where increased public sector spending replaces, or drives down, private sector spending.
that economic growth over the past decade was not developmental in nature as it concentrated wealth in the hands of a few (Mansur, 2013). This form of crowding out has materialised for critics as the loss of public space as well as opportunity cost for the general public. In terms of Abdali, a lot of critics had wished for the geographic space - which is central in Amman - to be utilised as a big public space such as a big garden, which was lacking in the city (Thesis Survey, 2012). The Abdali project, instead, in addition to forcing a "maze" of streets on the surrounding neighbourhood (Post, 2013), had also, much to the astonishment of local environmentalists received exclusive permission from the Ministry of Agriculture allowing it to uproot well over 750 trees. Senior officials at the Ministry of Agriculture reported to the press that the ministry had first refused the company's request, but was overruled by a Cabinet decision (Namrouqa, 2012)\textsuperscript{207}.

The neighbourhood residents were effectively and steadily 'priced-out' of the area. People and businesses could no longer afford the higher costs, and so an exodus was seen from the Abdali District, and its replacement with more exclusive businesses through a process of gentrification. Similarly there was much talk of segregation due to Abdali from the thesis survey with people mentioning that it was not a "place for them anymore" (Thesis Survey, 2012). When asked to explain the price differences that occurred after the Abdali project was announced alongside the expropriations, residents noted at over 70\% that prices went up highly (see Figure 5-5). Further comments note that this meant that residents, and local businesses, could no longer afford rents in the area.

\textsuperscript{207} The Council of Ministers approved uprooting 541 trees instead of 750 and ordered replacements, but the Jordan Environment Societies Union noted that replacing the trees was not an acceptable compromise considering the age of the uprooted trees.
Arguments that low-and middle-income families were being left out in the cold were not without merit for as Abu Hamdan, was quoted as saying, “we are aware that low- and middle-income people are struggling to find affordable properties. This is a national problem. We would prefer it if the prices of land were cheaper and construction costs were lower” (Robertson, 2006, p1).

Indeed, Abdali soon became known for its luxury price market niche in Amman. Average prices in Amman are about USD 319 (Department of Statistics, 2010). The starting prices for the Damac project in Abdali began at USD 1,600 and rose to USD 3,300 for the top floor apartments, with the penthouse boasting a price tag of USD 4,000 per sqm. Damac's first project ‘The Heights’ was sold out, and they soon after announced the construction of a 20-storey Business Heights (Executive Magazine, 2007b).

Of respondents to the survey in Amman, 72% indicated that the Abdali project should receive incentives such as taxation exemptions only if the option is available for other investors as well (Thesis Survey, 2012); otherwise they felt it marked a case of unfairness. This was also the case for Solidere. Through its exclusionary nature, Solidere threatened to become a “massive white elephant” like the Canary Wharf urban development scheme in the London
Docklands (Makdisi, 1997a, p703). The average Lebanese citizen was as such "edged out of the city centre, the interests and needs of the poorest segments of society living on the urban periphery were not even recognised" (Höckel, 2007, p6).208

Solidere SAL through its political pull encouraged the 'crowding-out' of other developers. One proposal to relocate major ministerial buildings to the downtown area was intended to provide a trigger for further development – an advantage that the other private developers did not receive. The idea was that governmental buildings would not only bring the image of a political capital to the centre, but also encourage developers’ trust in the area as a whole (Kabbani, 1992). However, since the Solidere SAL proposal was a private plan and the public sector was bearing the cost of infrastructure improvements, the benefit of relocating public buildings to the Solidere project was only going to increase the company's profits with no immediate effect on public returns (Kabbani, 1992). While it was in the public interest to undertake the redevelopment of the BCD, it was also essential that the public acquired a certain share of the appreciated land value through additional collections of property taxes – on the increased values – as a means to spread the benefit, which did not happen in the Solidere case.

Solidere SAL, according to interviews with local restaurant and coffee-shop owners, was also engaged in another kind of behaviour prompting exclusivity by imposing partnerships on restaurants and cafés that want to do business within the project boundaries. For this purpose, the real estate giant has established 11 subsidiary companies (Wehbe, 2013), making it even more exclusive. A brief survey of the tenants that have opened shops in the Beirut Souqs also shows the depths of this enforcement (Hourani, 2011, p156). Of the 103 shops that participated in the grand opening in late 2009, at least 41 are owned by just five business groups, each of which is distinguished by

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208 This type of gentrification was also seen in the London Docklands. Short (1989) notes the large literature available on the "UCD-led yuppification" of the designated development areas such as the Docklands as an unintended inevitable consequence of this type of development.
extensive shop holdings in the BCD. Fifteen are owned by just one such business network: the Azadea Group (Hourani, 2011, p156).

The Solidere and Abdali experience are also promoted to a more extreme nature of exclusivity by default of their size withdrawing liquidity of the market place. That free liquidity in the form of petro-dollars from the Gulf for instance, that exists in the market is taken up as investments in the RECHCOs (outlined in Chapter Two). To this end, stalling of the projects, as was the case for Mawared's AID withdraws liquidity from the market. AID alone took out loans of hundreds of millions of USD (YaLibnan, 2008), with local banks looking to it as a preferential loan backed by government (Mansur, 2013).

From another perspective, AID was also indebted to local construction firms with over USD 141 million (Obeidat, 2011). The fact that these contractors remained unpaid caused a more intensive withdrawal of liquidity from the market, and additionally prompted a form of "capital flee-ing" (Mansur, 2013) that meant other investors were afraid to go into other projects (Obeidat, 2011). The Contractor's Union indicated that some contractors might be forced to lay off staff in the short term if payments were not received. In addition, “the Abdali project was not spared the effects of the global financial crisis like so many other large, mixed use developments," said Salim Majzoub, deputy CEO of AID, further noting: “Since the start of the crisis, not a single investor has pulled out; however, construction work on some of the projects was halted for a period of time. Currently, some 15% of the developments in Phase I are on hold" (Speetjens, 2012, p1). The extensive nature of the RECHCOs and their magnitude means that any hiccup will negatively affect the entire economy.

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209 The Hamra Shopping and Trading Company owns three shops, in addition to several shops in the surrounding areas, and is constructing a mini-mall just across the street to the west of the Souqs to house its own multi-brand ‘Grand Stores’. Another network, the Tony Salameh Group, while owning only five of the shops in the new Beirut Souqs, owns several more luxury boutiques on the restored Rue Moutran in the Foch Allenby district just to the east.

210 Large real estate projects are directly affected by global economic developments. For example, when the property market collapsed in 1990 it meant that the LDDC's income from land sales plummeted from USD 191 million in 1988-89 to USD 40 million in 1989-90. This significantly strained the LDDC's financial autonomy (using today's dollar) (Oc and Tiesdell, 1991).
Other Public Debts

Public subsidies are camouflaged in other ways as well. In 2012 it was predicted that Mawared would face certain deficits with debt obligations being racked up due to AID’s outstanding debts\(^\text{211}\). Other issues that are of importance include the cost of unintentional issues such as additional traffic within the area. The situation was seen as a "crisis" in terms of traffic in one of the busiest areas in Amman (Thesis Survey, 2012). One economist asked: "How many others have suffered from lost time, spent gasoline and lost opportunities due to such a project being placed where it is without thinking of the national cost of wasted time and resources?" (Mansur, 2011)\(^\text{212}\). The inefficiency due to extra traffic would total an increase in consumption of fuel and depreciation could easily be USD 32.3 million per year or a USD 141 million over the period, which would bring the total economic loss to USD 494 million. This is equivalent to an indirect subsidy by the government to the project of USD 32.3 million per year\(^\text{213}\).

Additionally, any public funding spent on the project would not be spent elsewhere in the city or on other social services, forming an opportunity cost of funding the projects. Indeed, the heavy reliance on subsidies and funds in order to support private capital means that the RECHCOs themselves rely to a large degree on public financing. This makes the state ostensibly (in the case of Abdali through Mawared) a partner in a highly speculative project. In Beirut, while the central business district received the greatest share of investment, the remainder of Beirut—alongside the majority of the geographical city and its residents—received little. Similarly, the original city

\(^{211}\) In February 2012, Mawared asked for USD 46.08 million officially from the Government of Jordan to cover capital expenditures.

\(^{212}\) These losses are known as ‘dead-weight loss’, or that loss which is due to inefficiency.

\(^{213}\) According to a local economist, one can easily calculate that 9 million minutes or 150,000 hours are lost per day due to the diversion of traffic. Over four years, the loss is USD 296 million. This is a national loss, but it does not include all the losses due to inefficiency, because only the loss in production is calculated. In terms of employment, the USD 74 million per year loss due to inefficiency are equivalent to 4,700 jobs per year (given a labour force of 1.5 million) or 18,800 jobs over four years (significant for a country where the average unemployment rate during 2007-2010 was around 14%). Assuming, for simplicity sake, that businesses affected by the project, which is right at the main intersection of the city, suffered a loss of USD 14 million per year, which is conservative, the loss over four years is USD 56 million, bringing the efficiency loss to USD 353 million. Moreover, in terms of added fuel consumption and depreciation of vehicles, the loss is also significant; Ammanis spent an annual USD 705 million on fuel for commuting in 2009 (Mansur, 2011).
centre of Amman did not receive adequate funding, whereby Abdali’s infrastructure was fully sponsored in the municipality budget. This shift in funding by the municipality contrasts with the wishes of Ammanis who at 94% would prefer to rehabilitate the current centre than provide public funds to the benefit of Abdali (Thesis Survey, 2012). Subsidies also take the form of additional privileges especially in terms of increased density provisions. The surface proposed by Dar al-Handasah in 1991 in Beirut for instance, was increased by 40% and attained 4.7 million sqm in the plans presented by Solidere SAL in 1994. These conditions were undoubtedly adjusted to help the operation become a successful speculation. Abdali’s height was not given to other investors in Amman, who then felt that they could not compete fairly on an even playing-field (Mansur, 2013).

Corruption

Corruption existed within this connection and within the approval processes. Corruption is difficult to estimate and "notoriously hard to measure, and empirical economic research on the question is very meagre" (Mauro, 1997, p1). Corruption was perceived to be commonplace as discussed in Chapter Four. Based on capital expenditure figures and Lebanese experts’ estimates of the percentage of corruption in contracts, corruption’s share varies between 203 and 704%. Others note that while the actual costs covering the reconstruction of the BCD and the rehabilitation of infrastructure are declared to be USD 50 billion, the real costs of reconstruction are estimated at no more than USD 5 billion. This difference is attributed to an "exorbitant waste of public resources through predatory activities by the Rafiq Hariri entourage and the need to 'buy consensus' from opponents or to bribe legislators to pass certain laws" (Höckel, 2007, pp7-8). According to certain sources, during the capital subscription phase, Rafiq Hariri urged his friends in politics, deputies and MPs to go and subscribe to the shares. Rafiq Hariri facilitated lines of credit at low interest rates. After two months the subscription was closed and Solidere SAL was listed on the market. The shares rocketed the first month
(at which point those in-the-know sold) before they dropped. One critic explains "we discovered it was these politicians who sold ... it was a way to bribe the politicians in a legal way, so everyone made USD 500,000 in four or five months" (Ohrstrom, 2007, p1). As incentives for the bankers to pitch Solidere SAL stock to their clients, the company offered commissions of 7%, winning the sector's support from the outset (Ohrstrom, 2007). Other economists such as George Corm estimate the overall loss of revenue at USD 0.5-1 billion per year (Corm, 1996) due to corruption. Converting this to a present value lump sum makes a total of USD 5 billion²¹⁴.

In terms of Jordan, the lead Master Plan consultant in Amman noted that while he didn’t witness any direct corruption, “it was clear that Abdali did not play by the rules and had ‘ins’ to the decision makers” (Post, 2013). Omar Al-Atout - the TAGI lawyer- for his part, thinks the expropriation decision has repercussions on investors’ perceptions in Jordan: “Regarding the expropriation decision – not the court’s decision – what I am afraid of is that this property which the GAM is expropriating now, will later be sold to the Abdali Company...we are concerned for the country’s benefit – not [just ours]” (Kayyali, 2008). This corruption also comes at a cost. In Jordan for instance, we see a direct link between Jordan’s corruption score and its ability to attract FDI as shown in Figure 5-6.

²¹⁴ The USD 5 billion represents the net present value after discounting the annual conservative estimate given at USD 0.5 billion.
Loss of Local Hegemony

Prestige projects are portrayed by their advocates as benefiting all groups and interests within the area they are located. Rather, developments such as RECHCOs serve to exacerbate existing social divisions within urban areas (as argued in Chapter Three). Developments are often presented by policy and decision makers as being in the unitary interest of cities, and thus of 'value-free' development (Keating, 1991; Harding, 1992) since all groups (both residents and business interests) stand to gain from enhanced local prosperity. There seem to be three different types of loss. In the first instance, it seems to be the case that while RECHCOs are supposed to focus on the local level, their policies and governance are often undertaken nationally, meaning a loss of local hegemony. In fact, this was one of the reasons quoted for the project's success. The efficiency of the project was attributed to market-driven real estate and also attributed to the "willingness of Beirut's municipal government to give up control over such a prominent and vital project" (Calame and Charlesworth, 2009, p188).

In the second instance, by linking the process of development to profit motives, and the unit value of a more-or-less public stock, local political
influences were minimised at the expense of shareholder involvement. The responsiveness to the concerns and expectations of local residents was also thus reduced. The RECHCO itself in terms of magnitude seems to detract from government at the local and even at the national level, through expanding internationally and responding to market rather than governmental forces. The local was no longer controlled by a representative government, but rather by company shareholders. In a survey in Amman comments such as "I don't have control over my own city" and "why should I bother voting when I can't stop Abdali" were heard (Thesis Survey, 2012). In the case of Solidere, Kathrin Höckel notes that the welfare function of the state, whereby it provides to its citizens, has been hampered causing a "loss of a large part of the government's influence and acceptance among its citizens" (Höckel, 2007, p9). Citizens, as was described in Chapter Four, therefore begin to turn towards other non-state actors and antagonistic methods of expression in order to return their influence.

In the final instance, the loss of local hegemony involves the additional burden of Mawared, and Solidere SAL, going international and opening up branches and undertaking projects around the world. From Solidere SAL and Mawared's perspective the move was 'commercially savvy', however, the move also forced the shareholders to assume an additional international risk, with rights that are diluted as investors received premiums for buying shares at a discounted price (Ohrstrom, 2007). Another critic commented "the problem with going international is that Solidere SAL was conceived and made to redevelop the centre of Beirut, and is supposed to look after the people of Beirut and the 130,000 shareholders" (Ohrstrom, 2007, p1). From the expansion it is clear that both Solidere SAL and Mawared operate as financial private companies, with goals that include maximising profits, alongside initial commitments to the public benefit. Mawared's expansion has not been publicised in Jordan, and with a less sophisticated and outspoken critic group, it has passed relatively unnoticed.

The costs described across the above section can be summarised in Table 5-3:
Table 5-3: Summary Costs from Abdali and Solidere

<table>
<thead>
<tr>
<th>Costs Abdali</th>
<th>Costs Solidere</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 69.1 million for Infrastructure</td>
<td>USD 525 million for Infrastructure</td>
</tr>
<tr>
<td>USD 846 million in Sales Tax Exemptions</td>
<td>USD 44.5 million in Taxes</td>
</tr>
<tr>
<td>USD 701.5 million in Custom Duties Exemptions</td>
<td>USD 453 million in Private Land Costs</td>
</tr>
<tr>
<td>USD 8.2 million in total Social Security Exemptions</td>
<td>USD 5 billion in total corruption losses</td>
</tr>
<tr>
<td>USD 55.12 million in Expropriation Costs</td>
<td></td>
</tr>
<tr>
<td>USD 4.5 million in Displacement Costs</td>
<td></td>
</tr>
<tr>
<td>USD 493.5 million in Inefficiency Loss</td>
<td></td>
</tr>
<tr>
<td><strong>USD 2.18 billion in Total Losses</strong></td>
<td><strong>USD 6.02 billion in Total Losses</strong></td>
</tr>
</tbody>
</table>

Source: Author’s own analysis

5.4 RECHCOs’ Accomplishments

Benchmarked against the promises, the RECHCOs had a series of achievements that are outlined and tallied below:

**RECHCOs Succeed where Government Fails**

RECHCO advocates cite the trickle-down economic benefits of concentrated institutional investment, and assert that the complex incentives that propel private investment are allowed revitalisation to proceed at a fraction of the
time and cost that would have been required if the job had been left to Lebanon’s crippled public institutions (Calame et al., 2009). In both Jordan and Lebanon the narrative indicates that the government couldn’t establish either logistical or financial support. Issues such as disputes over property right conflicts made development seemingly impossible for the government in the case of Lebanon, for example. The 'world-class' Solidere standards have meant that development sqm costs are higher than those to be found in Beirut on average, meaning that purchase or rent of space is limited.

Robert Fisk, in an article written for *The Independent*, said “the very existence of this wealthiest of all prime ministers - *Forbes* magazine lists him among the world’s 100 richest men - has increased the value of the long-devalued Lebanese pound and is drawing big investors back to the country” (Fisk, 1994, p1). When his attentions were turned to the creation of a new downtown, it could only be embraced. In other words, if the private sector was not available the government would not have succeeded. The government had turned to the private sector to jumpstart the entire reconstruction process across the country. It was in this spirit that the reconstruction efforts that existed in post-Civil War Lebanon had been strongly focused on Beirut, with the implicit assumption that the positive spill-over effect would extend to the rest of Lebanon.

**A Rebuilt and Modern Centre**

In Amman, Abdali is seen to have placed a new image on the city in terms of its modernism, towers and settings. While criticised for many things, Amman's residents appreciate and look forward to the "modern city feel that Abdali will bring" (Thesis Survey, 2012). By some, Abdali is seen to have transformed the Amman skyline as well into a "modern city" (Thesis Survey, 2012). There are many positive aspects relating to Solidere. Many view it as creating Beirut as a "new blossoming international centre of finance and commerce" (Gavin and Maluf, 1996, p34). Much international media looked at Rafiq Hariri’s new downtown (Nicholson, 1994b). Rafiq Hariri’s vision for reconstruction was very
clear - to transform Beirut "from a war-ridden nowhere land into a prosperous 'Hong Kong of the Mediterranean'" (Beyhum, 1995, p50). Gavin and Maluf (1996) describe a situation where Solidere plays a large role in the modernisation of Lebanon’s regulatory and institutional framework for urban development (Gavin and Maluf, 1996). Nothing speaks as well for Solidere’s contribution to Beirut as pictures can. Comparing before and after images, it is easy for the reader to see the incredible transformation that occurred. The extent of rehabilitation carried out by the firm speaks for itself.

**Figure 5-7:** Beirut: "Before" and "After" Pictures

*This image has been removed by the author of this thesis for copyright reasons*
According to anecdotal interviews, the city centre drew tourists back to Lebanon. Beautiful images of ports, new residential neighbourhoods, and booming business replaced the potholed building pictures that had traditionally represented Beirut’s image in international media. An outcome of central area reconstruction would be to re-establish the area as the neutral arena for all the country’s diversified communities. The BCD - at the geographic heart of the metropolitan area, with access to the airport and port, forming the traditional centre of government, hotels, banking and shopping - could readopt its natural role as the city’s meeting point. The numerous ethnic and religious communities, polarised during the War that remained to a large extent disengaged, might be reconnected through this project. Solidere also cleared up the area. In Beirut, the CDR took note of the uncontrolled growth in the landfill in the centre, including the city dump which collected building rubble amongst other domestic rubbish over the years, and which offered the opportunity to reclaim new waterfront lands. According to the project’s planners this would give a much-needed breathing space and allow for future expansion of the city centre (Gavin and Maluf, 1996).

Authors investigating investment in inner city commercial property is "liable to produce poor long-term rates of rental growth and experience substantial risk," (Berry, McGreal and Deddis, 1993, p153) rationalising the need for a
vehicle such as a RECHCO with public sector support. RECHCOs are sometimes used as tools to help inspire the private sector to participate in projects they may not necessarily find completely profitable or feasible. Supporters of the Solidere project explain that in no other post-conflict city was there as comprehensive a physical reconstruction initiated so decisively and implemented so quickly with such high technical standards. The efficiency of the project was attributed to market-driven real estate and also to the "willingness of Beirut's municipal government to give up control over such a prominent and vital project" (Calame et al., 2009, p188).

**Brought Investments into the Cities**

The RECHCOs inevitably seem to be a hub for attracting investment through creating a critical mass of highly desired investment with positive externalities spilling over into the whole economy (both AID and Solidere SAL companies have dedicated arms to promoting investment in Jordan and Lebanon, respectively)\(^{215}\). The impact of Mawared's investments has been substantial according to its supporters. Abu Hamdan initially projected that Mawared's investments could bring in over USD 50 million each year to the country in terms of real estate. The Abdali Investment and Development Company announced that it would unveil a second phase of its expansion\(^{216}\) to almost double the investment value of the project to ultimately cater to the strong demand of major investors, who confirmed the venture as a solid and sustainable development. Beirut's reconstruction program did offer interesting opportunities for investors eager to take them. Among them were some political figures as well, such as Nabil Boustany, Deputy of the Chouf, who obtained 3% of the shares. In general, the USD 650 million that were sold in B shares was distributed among 20,000 investors (19,000 of them being Lebanese); USD 550 million consisted of capital held outside of the country by Lebanese expatriates.

\(^{215}\) These investment amounts have been focused within the projects and their sums tallied in this sections’ analysis.

\(^{216}\) During its participation at Cityscape Dubai 2007.
Considering this pattern of investment, the intention to bring foreign investments to the capital was not realised in this first stage of the project. In the present phase of development however, Arab investors from the Gulf are the main stakeholders involved in buying and building on the lots sold by Solidere SAL.

The envisioned real estate venture, Solidere, supported by a mixture of Arab and Lebanese investors, was expected to invest an equivalent sum to match the real value of the proposed site; thus avoiding bank loan restrictions and enticing the repatriation of the considerable wealth held by the Lebanese in Diaspora. Expatriated Lebanese were expected to be able to mobilise up to USD 30 billion (Khalaf and Khoury, 1993). Even if they were unwilling to return, Solidere SAL expected to lure them to reinvest a portion of the substantial wealth, professional skills and contacts they had amassed abroad. More than other groups they were predisposed to play a prominent role in their country’s recovery. Solidere SAL by 2010, in an announcement of total investments, had recorded land development costs of about USD 2 billion invested, with development costs of USD 108 billion. There remained about 50% of the investment still left to develop (Solidere, 2011).

**Provide upper-end realistic office and retail space and Modern infrastructure**

Both Solidere and Abdali were specifically designed for higher-end developments. Abdali is being developed as a smart city centre converging media and telecom infrastructure to enable the delivery of state-of-the-art technologies to each and every home, office and outlet, while offering district energy solutions and central gas systems to guarantee a safe and friendly environment in addition to the large savings in energy cost (The Star, 2007). Solidere SAL markets the project as "the most premium residential address in town" (Ahlein, 2010, p1) (though not always accessible as seen in Chapter Three). There were also other unique project aspects. For the first time in Jordan, fibre optic cables were put in place for the best technologies in
telecommunications, and a company created for that specific purpose, in order to support sustainability of the project. In Abdali, district energy was introduced. This both reduced greenhouse gas emissions and aesthetically eliminated the need for chillers on the rooftops, allowing advantageous use of these spaces.

Jobs

Job creation, construction and post-construction have always been a major component to 'sell' the plan. Jobs created by the project are both direct, indirect and induced in nature\textsuperscript{217}. The appropriate multiplier for construction level jobs in Jordan for a project of Abdali's nature is 0.8\textsuperscript{218} (Mango, 2009). For Abdali, 6,207 permanent jobs were created of which 242 are white-collar and 4103 blue-collar\textsuperscript{219}. At USD 20,000 for what it takes for the government to create one job in Jordan this totals USD 124.1 million in benefits. For Solidere there are no calculated numbers, but the city centre planned for 40,000 residents, to create 105,000 jobs. At USD 18,000 for what it takes for the government to create one job in Lebanon this totals USD 1.89 billion in benefits\textsuperscript{220}.

Historically, though an essential part of the marketing scheme for these projects, RECHCOs have not had a good track record in terms of job creation\textsuperscript{221}. Jobs were mostly relocated from other areas (as stores or

\textsuperscript{217} Direct jobs include those created directly by the project (including construction jobs). Indirect jobs are those not directly engaged in the project (for example those jobs created in the construction materials sector), generated in businesses that supply goods and services and support to the sector. When the income from direct and indirect jobs are spent and re-spent on a variety of items in the broader economy (e.g., food, clothing, entertainment), it gives rise to induced employment effects. Induced employment is therefore that employment created by the extra spending in the market.

\textsuperscript{218} An employment multiplier is one of the measures used to determine the impact a business from particular industry will have when it arrives or departs. In its simplest terms, the employment multiplier measures the amount of direct, indirect and induced jobs created (or lost) in the area as a result of the business. Generally, industries with a higher multiplier are more desirable for the economy.

\textsuperscript{219} On average there are 17 blue-collar workers per one white-collar worker. This totals 6207 permanent jobs. Of which 242 are non-Jordanian white-collar workers, and 4,103 are non-Jordanian blue-collar workers.

\textsuperscript{220} This is taken on Solidere SAL's published figures alone.

\textsuperscript{221} For the sake of benchmarking, on the employment front, the LDDC had not had overwhelming success. Though it had provided training, the Conservative Employment Select Committee of the House of Commons criticised its lack of a coherent training programme for local people and failure to reduce unemployment rates. In March 1987, 7,877 jobs had been noted to have been created since 1981, however, only 2,838 were new - the rest were transfers from other areas (LDDC, 1998). Between 1981
branches of businesses moved) rather than created entirely new. Some critics have put the number of new jobs as not over one-quarter of total jobs (Mansur, 2013), however for the purposes of the calculations of this Chapter and to give the benefit of the doubt to the RECHCO calculations have been completed on the most optimistic scenario, all jobs are considered 'new' in nature. Many critics have indicated that there was a systematic failure of being able to distribute the benefits and jobs from prestige projects in an equitable manner to the various disadvantaged groups and localities. In the case of the UDCs, many of the promised jobs went to non-residents of the area. This is certainly the case for Abdali where only 30% of the jobs went to Jordanians, and most from governorates outside Amman (Mansur, 2013). The types of jobs generated were of a different skill-set to the current residents and so resulted in a mismatch of skills. Often the local authorities are not able to guide the selection enough to ensure that sufficient numbers of local residents are selected. Abu Hamdan acknowledged the situation, and explained from his perspective: “While I agree with the government’s policy to create more jobs [for locals], we do need more foreign labour to come in, coupled with training programs for Jordanians. Until the local labour force is more qualified, we cannot shut the door on foreign labour” (Robertson, 2006, p1).

**Tourism Promotion**

Increased tourism and visitors to the area is a prominent part of the RECHCOs’ appeal. Many critics argue that it is difficult to isolate the effects of the Solidere project on tourism in Beirut or Lebanon, but certainly the project has given an outlet for additional tourism expenditure. The Director General of the Tourism Ministry indicated that “Beirut’s downtown is the success story of the entire region. People are visiting in huge numbers” (Schellen, 2004, p2). As an indicator, the number of outdoor cafes: numbers rose from around 40 in 1996, the numbers unemployed in the Urban Development Area rose from 3,533 to 4,673 (Docklands Forum, 1996). Overall there was a net loss of jobs over the six years after the creation of the LDDC.
late 2001 to over 70 in the summer 2002, 99 in autumn of 2003, and more than 110 in 2005 (Schellen, 2004). Interviews of shop owners within Solidere indicate that they estimate an average of USD 11 more per tourist spent as a result of the visitation – although this estimate is very rough, we will consider the entire amount as being public funds given that tourism spending is high in taxes, spill-over effects and brings hard currency into the country.

With 1.37 million as the total arrivals related to tourism in 2012 (Ministry of Tourism, 2013) the figures above would translate into USD 15.02 million in additional income annually. Calculating the net present value of this income in perpetuity, this would total USD 150 million more or less. Interviews indicate the success of foot traffic in Beirut's downtown, whereby each outdoor chair might bring an extra USD 60 daily into a restaurant or cafe, which provides an incentive to remain in Solidere. Owners, however, also indicate that they believe they might have opened anyway in another "happening" location regardless of the Solidere project (Solh, 2013). AID predicted USD 100 million annually as extra tourism generated income. This would total USD 988 million overall.

**Taxation**

To date Solidere SAL has paid USD 210 million in taxes, as shown in the graph below. Abdali has just begun operations, so there is no taxation data. The company has received taxation exemptions on sales tax related to inputs and social security taxation, however. The future taxation potential of the projects, though not yet realised, is considered in the conclusion. On talking to economists and policymakers, similar levels of taxation might have been seen if other independent entities were allowed to establish commercial outlets in a manner similar to Solidere SAL, so it is important to keep in mind that the benefits are not unique to the RECHCO itself.
Tallying up the calculations above generates the following overall tables, which will be compared to costs in the concluding section of this Chapter:

**Table 5-4: Summary Benefits from Abdali and Solidere**

<table>
<thead>
<tr>
<th>Benefits Abdali</th>
<th>Benefits Solidere</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,207 permanent jobs which total USD 124.1 million</td>
<td>105,000 permanent jobs which total USD 1.89 billion</td>
</tr>
<tr>
<td>USD 987 million in tourism revenue (taken as a direct Abdali assumption)</td>
<td>USD 150 million in total tourism benefits</td>
</tr>
<tr>
<td><strong>USD 1.11 billion in Total Benefits</strong></td>
<td>USD 210 million in taxation (though could be replaced by others)</td>
</tr>
<tr>
<td>Source: Author's own analysis</td>
<td>Source: Author's own analysis</td>
</tr>
</tbody>
</table>

**Figure 5-9: Potential Income and Other Taxes**

5.5 Conclusion

While the costs and benefits were tallied quantitatively in the two sections above, the issue includes putting a dollar value on how city residents perceive RECHCOs. Surveys have been able to attain such a value by systematically giving residents a value scale and asking them what they would pay for the project to exist. This can then be compared to what residents view the actual cost of the project as. If we take Amman as an example, residents were asked how much they thought they were paying for Abdali as well as how much they ought to pay. The differences can be thought of as the net cost that residents perceive Abdali as having on the city. Taking the results shown in Figure 5-10, if averages of how much residents 'should' pay annually compared to 'do' pay are taken, are multiplied against the total residents in Amman we find that the 'should' totals about USD 42.3 million, and the 'do' totals about USD 1.5 billion annually – meaning that from the perspective of the city's citizens the project is a massive net loss.\(^2\)

**Figure 5-10:** Responses to the question: "How much residents 'should' and 'do' pay for Abdali"

\(^2\) In the literature strong evidence suggests that physical redevelopment provided in prestige projects such as the London Docklands did not guarantee any rise in the level of economic activity" (Imrie and Thomas, 1999a, p10).
If we compare this to the costs and benefits tallied in the section above we find a USD 1.07 billion in net loss for Abdali and USD 3.77 billion in net loss for Solidere. To date these figures show that without factoring in other qualitative costs and benefits, the Abdali and Solidere projects are running at a major loss. It is of note that other future benefits might also be factored in, including taxation revenues to the state for Abdali once completed\textsuperscript{223}. Taking Abdali’s USD 5 billion pro rata (though it in fact might not be achieved), this would mean USD 140 million annually, or USD 1.4 billion in total in taxation revenue (inclusive of the USD 987 in tourism revenue) were we to give a present value for the total sum. This would however still leave an excess of about USD 0.413 billion in total or a net loss for Abdali of USD 0.653 billion after being factored in.

In economic terms, the trickle-down development strategy that Solidere through Rafiq Hariri and Abdali through Mawared promoted, did not work out for two reasons; the first being that Rafiq Hariri’s project was built on erroneous economic assumptions. Costs for reconstruction were calculated on the basis of over-optimistic expectations of rapid economic growth at an average rate of 8% per year. This did not take into account the fact that the War as well as increased competition in the region had stripped Lebanon of several competitive advantages that had allowed for its ‘economic miracle’ of the 1960s. The optimistic growth expectations could not be met and in the end costs (estimated at USD 50 billion between 1990 and 2005) were higher, growth lower and progress slower than initially forecast. Consequently the Lebanese state became increasingly indebted\textsuperscript{224}. Furthermore, a mismatch between allegedly comprehensive national development strategies and an outcome that favoured the interests of an exclusive minority saw an overestimation of the demand for luxury apartments and office space. This led

\textsuperscript{223} To take a similar project in Aqaba that has been proposed as an example, Emad Kilani, Al-Maabar’s CEO in Jordan, said the USD 10 billion project, which is the largest in the Arab World, will create around 17,000 jobs and its direct and indirect revenues to the state budget would reach USD 282 million per year. Al Maabar is launching Marsa Zayed, a 3.2 km site that stretches over half the central area in Aqaba and includes 2 km of prime waterfront offering expansive retail, recreational, entertainment, and business districts. The Marsa Zayed project includes: high-rise residential towers, retail, recreational, entertainment, business and financial districts and several branded hotels. Several marinas will add to the current berthing capacity in addition to a state-of-the-art cruise ship terminal.

\textsuperscript{224} Net public debt stood at USD 34.8 billion or 158% of GDP in December 2005, reaching over USD 40 billion or 185% of GDP by the end of 2006.
to a situation of vacant housing and space in the city centre paralleled by a shortage of affordable housing.

As discussed in the Chapter, Rafiq Hariri’s reconstruction strategy, which assumed an automatic positive spill-over effect from a reconstructed city centre to the national economy and the political stability of the whole country, clearly failed. It underestimated the complexity of a holistic development project, neglecting large parts of the Lebanese, and indeed Beirut society and was accompanied by unrealistic predictions as to the economy’s potential for quick recovery. Together with the loss of resources due to waste, corruption and sectarian distribution, his strategy led to stunted growth produced by Solidere. The same holds true for Amman.

RECHCOs are susceptible to the unpredictability and instability of the national and international property market and the state of the national economy, and thus do not offer a reliable foundation for generating sustainable local economic development (which can be a criticism also levelled at property-led regeneration strategies in general - see Brownill, 1990; Healey et al., 1992b; Coulson, 1993; Turok, 1992; Colenutt, 1993; Lloyd and Black, 1993). In this context, the intended attraction of private investment by RECHCOs is almost wholly dependent on state resources. In other examples of large projects internationally, the context of intense inter-urban competition for investment and jobs means private sector interests are in a powerful position to secure ‘reverse leverage’, so that RECHCOs may threaten to halt development and construction if they are not adequately supported by public funds. Thus the development of RECHCOs may confer some short-term benefits or advantages but may also lead to greater and longer-term financial costs for public agencies. This makes the issue of a loss of local hegemony even more critical.

RECHCOs argue alongside their advocates that they provide benefits to all groups and interests within the area they are located. Though, it is argued by critics that such developments serve to exacerbate existing social divisions within urban areas (argued in Chapter Three for instance). These sorts of developments have historically been presented by policy and decision makers

225 See Kotler et al. (1993) for UK examples.
as being 'value-free' (see Keating, 1991; Harding, 1992 for past examples), since all groups (both residents and business interests) stand to gain from enhanced local prosperity. In practice this has not been the case.

In Amman, there was a general sense that Baha Hariri had taken advantage of the Jordanian citizen through the public sector, and a feeling that when the project is over, Baha Hariri will have gotten a free ride at Jordanian tax payers expense, and the profits will go to a handful of powerful Jordanians, and those who subsidised the Abdali project with their taxes will get inflation and a commercial centre that is out of reach for most Jordanians. A cartoon at the time in a popular daily (See Figure 5-11) jokes that the Abdali towers' had a 'positive' effect on low-income families by providing enough advertising material and cardboard that Amman's urban poor were able to afford building shelters, thereby interpreting the project's trickle-down effect.

**Figure 5-11:** Cartoon Depicting Amman's Urban Poor

*This image has been removed by the author of this thesis for copyright reasons*

While critics admit that "by virtue of single-mindedness" (Oc and Tiesdell, 1991, p328) large projects such as the RECHCOs are able to undertake massive construction initiatives, the question of how the benefits of the project are then distributed is not adequately studied. Large luxury projects such as
RECHCOs are mostly confined to profitable (or potentially profitable) locations for private sector investment and this has been the case across the world (see examples in Healey et al., 1992a). Such areas tend to be located within or adjacent to the city centre or the waterfront, rather than in areas with high concentrations of disadvantaged groups and fewer clear opportunities. While the locations are natural areas for financial success, the RECHCOs often argue the threat of financial distress in order to fully attain their developmental goals.

However, as Keating notes, the benefits which may accrue from large real estate developments, even if completely successful, are unevenly distributed between urban residents and also between private sector interests. This type of development, alongside the RECHCO model of regeneration is premised on wealth creation with almost no attention given to wealth distribution issues. This is especially the case when we consider that only 30% of Abdali’s jobs in the best-case scenario went to Jordanians. Even then, most of these jobs are blue-collar; with the major benefits retained by investors. This came up in several interviews with comments such as "I feel I paid for Abdali and will get nothing in return" and "I subsidised the rich of Amman further" (Thesis Survey, 2012).

What can be termed a 'property-based' approach to development may attract criticism as it does not seem to be the ideal platform for holistic economic regeneration – even in physical terms – considering accessibility and distribution. This is reflected in the primary 'measures of success' that are often utilised by local authorities in evaluating prestige schemes which focus on economic outputs such as leverage ratios, private investment totals, levels of visitor expenditure generated, floor-space developed and aggregate numbers of jobs created (see UDC evaluations such as Clark, 1988; CLES.

226 The failure to provide jobs for disadvantaged residents historically in the UK prestige project examples is cited in Deakin and Edwards, 1993.
227 The financial restrictions of the UDC forced it to compromise its social and community components. The LDDC spent only 6% of its budget on community support and housing (LDDC, 1995). Canary Wharf was seen as evidence that the London Docklands were booming; though its sustainability was still in question. The Docklands Consultative Committee (DCC) - which was a body representing the Docklands' local authorities and a number of other groups, stated that "benefits have accrued primarily to property developers and those...able to cash in on the housing boom in the South-East...yet the reality is that it has singularly failed to tackle effectively the very real and severe problems of East and South London" (Oc and Tiesdell, 1991, p313).
1990; Deakin and Edwards, 1993). Such measures, however, ignore wider social equity questions, since it is largely assumed that disadvantaged groups and areas will automatically benefit via the trickle-down process. However by demanding – and receiving – the funds, the RECHCOs entailed the diversion of scarce public sector resources away from welfare-related needs (such as social housing, education and social services) and other deprived and needy neighbourhoods.

The changing urban landscape within Amman (and Beirut) has been noted to be a serious effort at bringing private market-oriented solutions to help solve the social and economic problems being faced by local government within the city (Parker, 2009). The solution of turning to the private sector is one that carries many issues with it. The primary difference between a private company expropriating land for the public benefit, and the government carrying out the same process, is that the definition of success in each case is different. Even though Solidere SAL’s overall aim was to rebuild the city centre for example, its annual reports allude to another phenomenon that does not exist in the public sector. This phenomenon is the one thing that every private firm desires; profits. In its brochures, encouraging potential investors, Solidere SAL’s reports projected an internal rate of return between 15.0% to 20.7% from 1994 to 2018. This figure was above the breakeven point of most public projects. While the end result is a rebuilt centre, private profits certainly detract from the ‘publicness’ of the venture. Based on a series of street interviews in Beirut, the most troubling aspect of privatisation for critics and landowners seemed to be the clear conflict of interest between the public officials and the CDR executives that had vested interests in privatising the project since they also represented potential private investors (a theme that was explored more in Chapter Four).

Although in Amman and Beirut the RECHCO strategy came along packaged as a national development effort to help the country recover and unify, and was accompanied by huge publicity campaigns to win popular support, a closer look such as the analysis above reveals that the project was far from encompassing and must be characterised as exclusive in nature. It was clearly profit-oriented, catering only to an international network. While office
space and apartments in Solidere and Abdali were destined for use by an economic and social elite, public goods of less immediate economic value such as public transport or urgently needed social housing were not included in the grand plans. Tying the profit motive into analysis from earlier Chapters, some other critics believe that the excessive demolition accompanied Solidere SAL’s renewal scheme to meet density and revenue benchmarks; “the more they destroy, the more they make a profit. The more they throw people out, the more they make profit” (Calame, 2005, p31).

Proponents of Solidere and Abdali argued that it is important to remember that since the companies are a private initiative, they at the very least need to provide economic profits that outweigh opportunity cost in order to be attractive to investors. In paying the high costs of rehabilitation and development, the RECHCO shareholders took on a certain risk. The Solidere 2002 Annual Report noted that “the success of their investment strategy has vindicated all our efforts” (Solidere, 2002c, p6). Samir Khalaf suggests that this is part of private interest and self-gain being promoted at the expense of the overall public good. In all three Chapters looking at the social, political and economic, the analysis has shown that the private good of the RECHCOs ultimately outweighs the public good of city residents, and this will be synthesised further in the Conclusion Chapter next. The weak state institutions that existed in both Amman and Beirut at the time (discussed more in Chapter Three) were not fully able to evaluate and properly contribute public funds. For this reason, they could not fully control the efficiency of the RECHCO projects. This was a major contribution to the “perpetuation of instability and the creation of new conflicts over assets, influence and identity” (Höckel, 2007, p3). Using the RECHCOs as a vehicle for growth and ‘modernity’ (Elsheshtawy, 2008) the question left for Chapter Six’s Conclusion is whether given the overall economic disadvantages there remains an overall convincing case for RECHCOs and their ability to improve the lives of citizens within cities.
6. Conclusion: The Overall Impact of RECHCOs

6.1 Introduction

Overview

With mega real estate projects redeveloping city centres, the RECHCO phenomenon is one that has come to the forefront of urban development in the Arab World, due to its large impact on cities and their citizens. This thesis set out to assess the impact of these projects from a social, political and economic perspective. It intended to make the argument that though RECHCOs are appealing tools for cities by presenting with potential economic benefits to enhance the city’s global competitiveness ranking, they do not live up to these promises. Instead the social, political and economic effects are detrimental to the cities and their citizens without certain mitigation measures in place. The Conclusion Chapter in its first section will review the problem statement and methodology. The second section will synthesise the issues across the three pillars to discuss cross-cutting themes regarding the effect of the RECHCOs, going back to the initial themes laid out in Chapter One. The third section will present a series of lessons learnt looking at the RECHCOs’ suitability for replication so that the RECHCOs become effective policy tools.

While on the surface RECHCOs appear to be no more than large urban projects with predominantly aesthetic impacts, the narrative in the Chapters showed that there are much deeper social, economic and political consequences to their use as well. The RECHCOs examined in Beirut and Amman, alter the centres of cities and as such act as a prism through which political life in the city and country can be understood (Najem, 2000). Reconstruction therefore becomes a metaphor for how citizens see themselves in the city; and in telling the story of RECHCOs, light is shed on the life of city citizens as well. Barthel writing on Arab mega-projects notes that while they are at the core of contemporary Arab town planning, this type
of development is a "laboratory" for urban action in terms of engineering, design, implementation and management (Barthel, 2010, p133). It is a place where new technologies and urban governance can be used to examine "composite models and hybrid ideologies embedded in these planning processes" (Barthel, 2010, p133). The thesis dissected the effects of this laboratory's experiments within Amman and Beirut, which is particularly important given their large scale use. Heiko Schmid calls the Solidere story an example of 'strategic truth' at work (Schmid, 2002) and in part the aim of the impact assessment is to see how much 'truth' there in fact is to the RECHCOs' claims to enhance city life.

Most major cities around the world have in some way or another been touched by prestige projects (Loftman and Nevin, 1995). Though other projects may also have large impacts, RECHCOs remain for several reasons analytically distinct. RECHCOs as private mega-project receive significant support from the public sector in the form of subsidies and are granted expropriation rights of private land. RECHCOs are granted not only rights generally withheld for the most basic provision of government services (eminent domain rights) but are also given exclusive management of the most precious geographic location in the city – the centre - to reinvent it as a modern downtown. A lot of hope has been pinned on these new downtowns for economic growth in the form of investments, tourism, and public sector return, catapulting capitals into the modern world. Regionally, cities around the Arab World have seen extensive destruction, with the "dismantling of Baghdad" and the "bombing of Beirut" or the "grinding poverty in the slums of Cairo and Rabat" (Elsheshtawy, 2008, p2). Models are needed for change and the RECHCOs are looked to as ideals in urban policy for the future. As such the RECHCO spill-over effects go beyond just the city they are in. The cities have been seen to be "sites of struggle and contestation, spaces of doom rather than spaces of hope" (Elsheshtawy, 2008, p2). Rami Daher notes on the ripple effect of projects such as RECHCOs that "it is evident that Amman is embarking on a new era of urban/spatial restructuring which is also affecting Middle Eastern cities at large" (Daher, 2008, p37).
As noted in the Literature Review and the Case Studies, cities compete to attract transnational investment, driven by global elite at the national level, to prompt governments' appreciation of RECHCOs in the Arab World. Emulating the Solidere experience, Amman wished to engage in its own RECHCO of a similar level of cultural significance and commercial importance (Royal Hashemite Court, 2003). Mawared, in Jordan, indicated that the planners behind the project wanted to produce something similar to Solidere – and the term 'Soliderification' has been used to describe the phenomenon of emulating Beirut's RECHCO (Summer, 2005). The RECHCOs' marketing focused on the production of a "good city" for other cities to aspire to; always clean, tidy and closed to the "undesirable" (Post, 2013). As such, around the Arab World, the concept of RECHCOs is extremely important because it is being replicated across cities in the region, changing their landscape; "At its very essence it is a struggle for modernity and trying to ascertain one's place in the twenty-first century" (Elsheshtawy, 2008, p4). The cost of ascertaining this place is paid in part, as narrated in Chapter Three, by changing the history and traditional fabric of the city that helped to cement the city's social cohesion; and sidelining certain portions of the population, from participation in politics as shown in Chapter Four, and at an economic cost as shown in Chapter Five.

The new planning regime of the Arab city puts aside history and culture, to be inspired by mostly western experiences (Elsheshtawy, 2008), and the RECHCOs changing centres are framed within this phenomenon. Through the pro-growth entrepreneurial strategies and mechanisms the planners employ, neoliberal ideology and visions of global competitiveness and commodification shared by the investors and planners is translated into exclusive urban landscapes. This sort of "new planning regime" (Roy, 2009, p77) is happening around the world with cities shifting to rely more heavily upon private developers to manage parts of the city - the RECHCOs being a specific and extreme manifestation of this. While it has historical manifestations in older planning traditions with an economic elite in the city, the modern applications of RECHCOs have a new host of impacts that have not been examined fully in the literature nor Arab cases documented well empirically. The new
planning regime forms a geometry, as seen in the case of the RECHCOs, of privatised space for corporate consumption to encourage large investments.

As such, RECHCOs have changed cities' faces. The sleepy town of Amman has often been described as a "village-city" (Post, 2013). Amman, a city of four storey white buildings is almost "assaulted" by the towers (Thesis Survey, 2012). While in the case of Solidere, the previous city centre was replaced by a new entity; Amman's city centre will face new competition from Abdali - which brands itself as 'Amman's new Downtown'. This shift away from Amman's traditional city centre will undermine the area's popularity and footcount as the municipality's resources are directed elsewhere and add to its already dilapidating condition due to increasing lack of popularity. The centres are extremely important to life in the city. One real estate developer – Robert Booth, the CEO of Emaar Dubai, from the Gulf notes "people judge cities by their downtowns. It is the city’s heart and soul that the rest of the world looks to in order to understand a community" (Gulf News, 2004, p1).

The importance of the Abdali as a downtown is reflected by the King inaugurating the site as shown in Figure 6-1.
While physically changing cities, due to their political and economic impacts that have been examined in the Chapters, RECHCOs also changed the way people feel about their city. In trying to create RECHCOs, the government inadvertently created a certain level of anger amongst the city citizens. The Thesis Survey in Amman and street interviews in Beirut showed the extent of this. The anger culminated in the occupation of Solidere physically through tents, and with hundreds of protests in Amman's old centre, which fed into the overall feelings of disenfranchisement felt by the city populations. Many through the Thesis Survey noted that the increasing inequality they saw in society that was embodied and materialised in the RECHCO was what
bothered them (Thesis Survey, 2012). Others mentioned that they felt they were sidelined from the entire process. In Beirut, street interviews showed people's frustration at the political and economic inequalities they observed from Solidere's physical construct which they felt was causing social fractions (Beirut Interviews, 2013).

The Thesis Structure and Literature

My thesis sits within the literature on modern Arab World cities drawing from urban planning and political works that lends a certain theoretical framework relating to RECHCOs. There is a gap in the literature related to the lack of empirical studies on today's Arab city capitals with specifically no comprehensive literature presented on the consequences and impacts of mega-projects within the cities. There is a similar void in practical examples and critiques on which solid proposals can be built to move forward. Within the literature, the studies that have looked at Solidere have done so only qualitatively with regards to social or political impacts and have not been cross-cutting nor added any quantitative measurable dimensions. Amongst urban economic impact assessments, there is a clear gap of any impacts outside dollarised values that also include social and political aspects of mega-construction projects within cities (see Chapter One's Literature Review). The thesis aimed to look in more detail at the phenomenon of RECHCOs in the Arab World and empirically assess their impacts, and as such is a direct contribution to modern literature on the Arab City which lacks relevant and researched case studies. In addition no substantial impact assessment on the qualitative and quantitative impacts for Abdali and Solidere exists.

The thesis’ structure was based on an empirical study of two cities in the Middle East – Amman and Beirut. To piece together the Case Studies, several interviews with stakeholders were undertaken and a systematic archival media review of relevant publications in both Beirut and Amman in addition to background governmental statistics and reports from public
agencies, legislation, authorisations and relevant public documentation was also gathered. A comprehensive literature review was also conducted. To start gaining more insight into citizens’ views regarding the project, a series of street interviews were conducted in Beirut, and a 1,500 person survey in Amman over a statistically representative sample. In addition site observations were incorporated from my own time spent in the cities and on the sites. To examine the costs and benefits of RECHCOs, public sector statistics were gathered from the relevant public agencies, and data from the companies’ own records and affected communities. The data was then compiled and analysed to conclude with a series of lessons learnt.

The Case Study section outlines, for the first time in the literature, a comprehensive storyline for Abdali. For Solidere, while versions of the story have been previously written, the Case Study pieced together a comprehensive version of the RECHCO from a variety of different sources and perspectives. The thesis dedicated one detailed chapter to each type of impact; social, political and economic. The research undertaken offers evidence of the implications – both positive and negative – of RECHCOs in cities to then lead into a series of lessons learnt from the experience. The thesis was able to assess each of these impacts in detail to provide a comprehensive look at the effects of RECHCOs from the perspective of the city citizen.

As mentioned in Chapter One’s Introduction, this is not a thesis about being a citizen directly and so this literature is only touched upon briefly. However, it is a thesis about citizens’ experiences within cities through the very specific example of the RECHCOs’ impact. The limitations were primarily that empirical information regarding RECHCOs around the Arab World is neither widespread nor ordered; which meant that the boundaries of this research were strongly drawn around information that could be collected, ordered and analysed manually. Beirut's case was already fully in the public sphere debated in newspapers and on the street. For Amman the information had to be collected as the project was not adequately debated in papers, blogs, websites, and in conversation leading to the need for a survey. By looking at two cases that took place at different times and in different social, political and
economic settings meant that common themes and impacts could be
generalised as more than site-specific effects. Statistics and approvals were
pieced together from government archives manually, and the newspaper
archives were dealt with in a similar manner, leaving room for human error.

Through drawing out the main issues, the Conclusion will try to envision the
skeleton of an alternative form of development so that the thesis takes the
critique to offer a set of lessons learnt for the future. Ineffective and inefficient
government structures and systems, failures of policy, institutions and
processes for RECHCOs, as seen in Chapter Five, and a gap exists within the
literature regarding what context is required to ensure success by RECHCOs
and minimise negative impacts. RECHCOs remain attractive tools for
governments with certain economic gains, and can be the mega-projects that
have the potential to jump-start economies in certain instances (where more
natural progression might have taken decades to reach that point). There is
certainly little doubt that RECHCOs do rebuild city centres physically in a fast
and efficient manner. However, there are undoubtedly also certain systematic
economic market failures and social and political impacts that prevent
RECHCOs from becoming the effective tools for "city-building" that they are
evisioned to be (Post, 2013).

**6.2 Main Conclusions**

This thesis focused on the idea of RECHCOs within Arab capitals, and while
there are certain specificities to RECHCOs within the Arab context, there are
also generalities that might be brought across to similar megaprojects outside
the Arab World. For instance, the space that such projects provide does not
recreate the essence of what the city’s traditional centre in terms of
accessibility, social access and provision of a variety of economic functions.
The space that is generated by these projects (whether the London
Docklands or La Defense in Paris) managed by the private sector is geared
towards the specific activities that will ensure maximum positive return in
terms of real estate rentals. In this way much of the social segregation felt by
the RECHCOs' presence is a generic consequence of the project.

It also seems to be the case that within the urban plans created by such
projects as the RECHCOs there is not much thought given to inclusivity with
facilities such as affordable housing. The expensive nature of the real estate,
and luxurious products are geared less towards local neighbourhoods and
more towards a certain transnational investor class. Similarly, the benefits of
the projects in terms of returns on investment and job creation tend to go
outside the local communities they are physically located in. In addition, the
RECHCOs are strongly tied to the international real estate economy. This was
certainly the case for the Docklands. As such much of the economic letdown
of the project is also similar across-borders.

Much of the urban governance involved in such projects' decision making is
national in nature. The major proponents of the projects often begin with the
national governments introducing the concept and advising local governments
to endorse the project. However, here there is a difference between what we
see in the Arab as compared to Western examples. In the Arab examples,
the national governments continue to forge ahead with the projects, avoiding
any sort of meaningful involvement from the local governments. In Jordan,
the Royal Court pushed the project strongly onto the Greater Amman
Municipality. In Lebanon the Beirut Municipality was not established in any
functional way after the War. The level of inclusion of local level government,
is seen far more strongly in Western examples, and is one of the major
differences.

It is also the case that the more developed policies of the Western world, in
terms of preservation and architectural heritage are ingrained in urban culture
to a larger degree, so that the vast destruction seen in Beirut of existing
heritage, would not be seen in Western examples to the same extent. In
addition, more established democracies and approval processes have meant
that the Western projects have undergone higher degrees of public scrutiny.
The extent of corruption and disregard for public policy is also more restricted.
As such the case of the lone investor pushing forth these projects with limited
degrees of involvement by government is reduced. Finally, the urban design
standards which are more highly developed in the Western world do not allow for the blatant disregard of public space and access seen in Arab cases. Moreover anti-discrimination and public access laws have made other large examples more open and accessible to the general public as compared to the Arab RECHCOs.

There are certain generalisations as shown above that can be drawn from the cases. What makes the RECHCOs a specifically 'Arab' phenomenon for the purposes of this Thesis is the extent to which the RECHCOs were able to take advantage of existing gaps within existing political processes. Expropriation from private citizens and entities for the benefit of a private corporation rather than government was seen for the first time in these examples. Bringing in 'foreign' urban expertise was very much inline with western planning principles seen in these cities, and the grandiose architecture resultant reflective of distant large-scale colonial imprints on the city.

The 'Central' Push for the RECHCOs

Central governments push local governments to use RECHCOs because they are attractive economically. On the economic front, RECHCOs are marketed to provide clear economic benefits through employment gains, tourism growth and investment attraction. RECHCOs receive large public subsidies in response. However, as shown in Chapter Five, the economic gains are unrealised and come at a significant cost to the public. For example, many of these jobs are blue-collar in nature and go to non-residents and the trickle-down effects are minimal. The total costs associated with RECHCOs as calculated by Chapter Five exceed the total benefits. Other public costs included tax incentives, special density provisions and market distortions. These forms of public support were rationalised as the RECHCO was packaged as a tool for massive public benefit. The establishment of new regulating (and implementing) bodies such as Mawared was one reflection of the Jordanian state's concentration on economic prosperity. By creating an organisation to single-mindedly pursue a unique real estate venture
unencumbered by any relation or approval by local authority the national governments in the case of the RECHCOs argued that they would achieve success.

Not only were the RECHCOs promoted by the national government, they were also promoted as the inevitable choice in the cases of both Amman and Beirut. As producers of urban space, RECHCOs are inherently speculative and highly risky, in the sense that their financial and economic viability is argued to depend on the future realisation of the produced increased urban rents. Due to the large investment and associated risks, the conventional agreement in government is that no one will undertake these projects but large investors; and that the extended risks have meant that these investors should be afforded a host of incentives. To ensure these rents are achieved requires certain subsidies and support, and in order to receive this RECHCOs are promoted by governments as the only rational choice to move forward with reconstruction and rehabilitation works as described in Chapter Two's Case Studies. The literature shows Solidere framed as an 'inevitable' choice by the government due to issues of financing and property fragmentation. In Abdali, the RECHCO was also framed as the 'only' choice to regenerate the city, in order for Amman to compete amongst modern capitals by drawing the needed investments to the city to ensure its economic well-being. The argument was made in Chapter Four that the narrative framing RECHCOs as the inevitable solution was somewhat of a pretence as other options existed and the RECHCOs were a choice pushed forward by an elite group of policymakers taking advantage of weak local government structures. However, the research has shown that other private citizens perceive these incentives as unfair, especially as they view alternative methods of reconstruction possible and equally as effective (as outlined in Chapter Four).

The RECHCOs in Amman and Beirut were supported not only financially but also bureaucratically where all physical and infrastructure constraints were removed so that the development potential would be realised fully and that private capital would be attracted to invest in the area. As a consequence it became the national government's burden to demonstrate the RECHCOs' positive results, with their credibility in question. The three 'body' Chapters of
this thesis focused on the political, social and economic impact assessments of the RECHCOs. While the individual pillars have specific conclusions within the Chapters themselves, in this Conclusion, synthesised themes across the three pillars will be presented, linking the broad issues outlined in Chapter One.

**Centres within the City: Established Traditions are Undermined**

As the Literature Review of Chapter One noted, cities are built around traditions. These traditions may be social and religious, political or economic in nature. One of Chapter Four’s major impacts noted that the political processes within the city at a local level were undermined. The RECHCOs, as was typical of other mega-projects, reflected a series of processes that were associated with changing spatial scales of governance and also meant shifting power within the management of the city's urbanisation. Social traditions and functions within the centre related to heritage, community and religion in addition to daily commerce and economic activities were sidelined by the RECHCOs.

The RECHCOs modify the city's image in a way that is reflective of a new wave of urban politics. These images create a more attractive city to external investors. The city centre, as representational space, reflects city politics. Creating these new landscapes allows the state, in addition to transnational elites, to establish legitimacy. The cases of Beirut and Amman show that the local traditions of planners are undermined as a group of transnational investors and their allied planners begin their policies and implementation. The city then becomes somewhat of a 'personal playground' (see Chapter Three). The question moving forward becomes 'whose city' (Sassen, 1998) as mentioned in the Literature Review, given its planning by a certain elite of exclusive landscapes that are not easily integrated within the city.
Social Traditions

The relationship between public sphere and public space is an important one as seen through the lens of the RECHCOs. As explored in Chapter One's Literature Review, Mitchell argues that material space is essential to politics since disadvantaged groups have no other way to make themselves visible than to intrude in or occupy space where they are not meant to be. The ability to be 'visible' in such a central space is to make ones-self tangible to the 'public sphere' (Mitchell, 2003). By excluding certain social classes from the central public space created by RECHCOs, the projects promoted a feeling of disenfranchisement amongst a certain sub-segment of citizens. The feeling was that without visibility within the centre, these citizens were not visible in the public sphere, nor would they have a presence. This is comparable to what Lefebvre describes (as noted in the Literature Review) of a space that can also host urban politics (Lefebvre, 1974). The RECHCO story notes how places that were inclusive, such as the active and functional centre, were usurped and undermined thus straining citizens' relations with their city government.

With the branded RECHCOs serving as 'new downtowns', the city began to appear to its residents to be more of a spectacle. In Beirut and Amman people complained about not feeling the city was "real" somehow (Thesis Survey, 2012). The RECHCOs appear to bring forward something very foreign to impose upon the most local of places. Of those authors who speak positively of the experience, it is noted that the capital city has become a "showcase" of globalisation for attracting foreign capital and generating new investments and speculation on land tenure. The effect is not entirely negative; RECHCOs have also been known to introduce new architecture and concepts to cities. This has shown to be the case in Amman and Beirut, with introductions in Abdali related to grey water use and green energy for instance. Solidere used world-class architects to create new tourist sites within Beirut.

Privatised space has become a very common phenomenon as explored in the Literature Review with authors noting how the elite 'playground' created would
incite policy-making tensions (Hall, 1996, p159). It is the case however that what should be taken from the RECHCOs is that it is not just the space that matters but also the process of its creation. What seemed to be missing in the RECHCOs was something more intangible that Hannah Arendt calls the 'space of appearance' (Beltran, 2009). This space is only created when people "assemble to speak and act together as equals. This space is foundational because it is prior to politics in the usual sense, constituting a potentially revolutionary and constitutive site of assembly, speech, and action" (Notturno, 2013, p1). When the RECHCOs created the 'new downtowns' the foundational public space that would be the space of appearance conducive to Arendt's public sphere was not created. However, it is clear in the cases of Amman and Beirut at least empirically that the public plazas in the old city centres were very much used as platforms for communication, sharing and public dialogue. Indeed, it was specifically the case for Amman and Beirut that the major public protests stemmed directly from the geographic locations of the old centres.

In terms of RECHCOs dividing cities, the empirical and statistical evidence showed extensively that people feel this way. While there were differences in perception based on income levels, overwhelmingly the RECHCOs made people feel like "they didn't belong" heard in interviews in both Amman and Beirut (Thesis Survey, 2012 and Beirut Interviews, 2013). The enclaves were primarily felt to be for use by an elite (sometimes even identified as "rich and non-Jordanian" in the case of Abdali in the Thesis Survey (2012)). Luxury stores and exclusive coffee-shops, with guarded entrances have meant that these 'new downtowns' are no longer public. They no longer entertain the mosque-goers, the street merchant, the peddlers and the activists. Instead, they are transformed to international commercial districts. The centre (which represented the historic agora public sphere to many) and was a place of politics, common markets and worship in both Amman and Beirut transformed to an open-air shopping mall of sorts catered to the international elite and their businesses. Affordability in terms of residences, offices and commercial stores remained at the upper end of prices in both cities, proudly setting new records in terms of dollars per sqm. Socially it was evident, that RECHCOs
were given physical control over the space and the functions within it. Many thus felt not only that RECHCOs were not the 'healing' tools they promised to be bringing together the different segments of society with shared benefits; rather they remained closed-off without consideration for segments with more limited income (see Chapter Three).

*Political Traditions*

As a setup the RECHCOs themselves in terms of a process remain exclusive with low transparency. In the process of the RECHCO approval from both Amman and Beirut it was clear that the project selection was manipulated to frame the projects as the 'inevitable' choice for the city (see Chapter Four). In doing so, the RECHCOs sparked a generation of new investors demanding exclusive and special treatment, to the extent that within Amman the new Special Projects Directorate was established within the municipality to deal with these high-level ventures. Both the Lebanese and Jordanian governments marketed their belief that nobody would care to invest in these large projects except for exceptionally large investors. Special treatment was granted, and so the processes at the local level generally adhered to were largely ignored. The highest levels of government celebrated the RECHCO. In a way, the involvement of the King or Prime Minister may intentionally 'depoliticise' the mega-project through extensive promotion promising a bright future and it becomes difficult to avoid that sort of propaganda, making it a case of loyalty to one's country to approve and applaud the project. The financial transactions and the contract terms that were negotiated bypassed regular accepted political processes and were concluded 'informally', meaning that additional freedoms were granted that regular and smaller investors were not privy to. When decisions regarding city space are isolated from residents, their sense of belonging as a citizen deteriorates, and feelings of disenfranchisement begin.

The RECHCOs' size and the lack of transparency within the approval process makes the situation even more precarious, as the government adopts the role
of both "coordinator and adjudicator" (Beyhum, 1992a, p7) rather than regulator, wiping away objectivity. The RECHCOs and their major investors tend to have extensive amounts of political leverage and legal power. The fact that Solidere's destiny was tied to Rafiq Hariri's political career is only one example (Nizameddin, 2006). Later the Abdali project would show similar ties to the political system, being publically accused by some property owners as being "in bed with the municipality" (Talal Abu Ghazaleh International, 2007a, p1).

Krijnen and Fawaz conclude through their research in Lebanon that the neoliberal 'turn' that led to this sort of bypass of processes in Lebanon seems to be a trend that is documented in cities across the world and that has materialised in different public interventions that are put in place at different levels to facilitate the circulation of capital. Amongst these effects, seen in the RECHCOs, are bypassed local policies and regulations, the delegation of planning to private actors, and the changed institutional environment to accommodate capital needs (Krijnen and Fawaz, 2010). One of the main implications of these changes has been the widening of informal decision-making within the realm of public agencies. Such processes, it should be pointed out, have already been described in other regional contexts (Roy, 2009) in relation to the intersection between public regulations and neoliberalism. Some writing on the projects believed that certain formal procedures and traditions need to be sacrificed to solve the major problems which "cannot be solved by regular, traditional, democratic means", as Fadel El-Shalaq, the president of the CDR claimed in an interview (Kabbani, 1992, p15). It seems that the investors would not even be interested in approaching the venture had they not received the "red carpet" treatment (Mansur, 2013). Other local investors do not receive the same treatment, which creates resentment and fears regarding local hegemony. Some cities in Lebanon feared that the plan and its financing mechanism was a demonstration of future Saudi - and by extension, American - political power and domination over their country (Kabbani, 1992).
The functions of the city centre that were known to the city's citizens were outlined in Chapter Two's Case Studies, uniting residents in a variety of political, commercial, residential, religious and cultural forms. The new RECHCO centres' functions do not offer the same sort of socioeconomic satisfaction. Economic traditions of popular market places for food, artisans and stalls were part of a city attraction. On the economic front, the RECHCOs also undermined traditionally accepted values within the city. Samir Khalaf described the effects of the property rights class as a 'paradox' in *Lebanon's Predicament* (Khalaf, 1987). Lebanon, says Khalaf, is torn between valuing private property rights and upholding traditional concepts of communal land holding within families, and amongst religious groups. The RECHCO was seen to undermine both private and *waqf* holdings. In addition, post-independence, the Lebanese were very proud of domestic ownership, as was the case with most post-colonial countries, and the citizens remained cautious of foreign land ownership (Khalaf, 1987). Solidere SAL undermined this by directly expropriating land and transferring ownership to foreign investors. Abdali saw similar issues in relation to property rights, and social rights and norms, with land being of great importance to economic traditions within Amman (Ali bin al-Hussein, 2007). More established court systems outside the Arab World may lessen these effects.

**Exclusion in Public Participation Confuses Citizenship: Segregation and Disenfranchisement Breeds Antagonism**

The process by which RECHCOs are approved holds many drawbacks, amongst which is that little public participation is sought after. Due to the fact that RECHCOs are built to be the city's 'new downtown', they physically occupy public space that some in cities view to be synonymous with the public sphere (see Chapter One's Literature Review). The public sphere is thus represented by a physical area of land, which is then easily fought over and
controlled by occupation of its geographic space. The power of the state is threatened by this exercise of public rights. This means that the space begins to represent the conflict between the desire for order and representation (Mitchell, 1995). Mitchell, in his example of People's Park in Berkley, shows how people fought on "behalf of expansion and opposition: the power of the state and corporate capitalism, they felt, had to be opposed by (re)taking space" (Mitchell, 1995, p124). The struggle in People's Park was another "Tiananmen Square" in which Park activists and homeless people together would halt the expansion of the corporate state (Kahn, 1991, p30). The representative value of the space created by RECHCOs in the city is significant.

At a certain point, RECHCOs no longer demonstrate institutions that are the creation of contemporary citizens, and as such feelings of disenfranchisement emerge. Hobbes (1651) outlines a view that citizens are not obliged to submit to the government in cases where the government is in fact too weak to act appropriately. For others when a government fails to secure natural rights (Locke, 1689) or satisfy the best interest of society - or what Rousseau (1763) calls the 'general will', citizens may withdraw their obligation to the social contract. Locke (1689) was the first to argue that individuals would in fact form a state that would provide a 'neutral judge' to its members, and that the contract was void in cases that this did not happen. A more agonistic society, allowing for greater dialogue would be the ultimate goal, and that involves participation in aspects of society such as 'what defines public benefit' feeding directly into RECHCOs' structures.

The failure of development projects to meet their social goals is an old concept, attributed by Laura Nader (1985) to lack of recognition by national and foreign development planners of the pluralistic nature of law and of property concepts in the Arab world (Nader, 1985, p30). Nader believes that many of the conflicts that occurred as a result of these area development schemes could have been avoided if planners had taken into account traditional legal institutions. The same can be said of citizens trying to disrupt the normal flow of business in the RECHCOs.
Figure 6-2: Tents Set Up in the Solidere Centre in a Physical Invasion of the Space

This image has been removed by the author of this thesis for copyright reasons

The spatial dynamics between the centre and the periphery observed in the two post-conflict reconstruction periods in Lebanon are remarkable as they exactly mirror the power relations and conflict lines that divide the country (Höckel, 2007). While the movement of political power during the first reconstruction occurred from centre to periphery when the marginalised citizens that had been crowded out of the capital joined the ranks of various local political actors, most notably Hezbollah, there was then an opposite movement back from the periphery to the city centre. Several hundreds of pro-Hezbollah activists from the Southern rural regions moved to, and occupied, Beirut's Solidere threatening to topple the government and preventing any business taking place in this part of the capital. This occupation of central Beirut was a highly symbolic event and can be interpreted as an attempt by those who had been crowded out of the city centre but who had built up a decentralised basis of power in the periphery to reclaim their place in the capital city (see Chapter Four). Lebanon is indeed a case that underlines the importance of the capital city and its post-conflict reconstruction in the process of state making. But it is also an example that demonstrates how reconstruction can fail and can lead to negative outcomes that perpetuate state fragility, if ambitious but exclusive reconstruction plans, are not accompanied by more inclusive and redistributive national development strategies. Ultimately, people lose faith in the process. The
Thesis Survey conducted in Amman shows this, whereby 38% of Amman's residents no longer want to participate at all in any urban policy processes (Thesis Survey, 2012) because they felt alienated from the Abdali decision-making. If this is broken down further – it is the young people's cohort at 68% that stopped wanting to participate which is even more dangerous and disappointing for the future.

Urban Governance and Policy: Undermining the Local

RECHCOs Promote the National over the Local

Through the three Chapters investigating social, political and economic impacts, the RECHCOs actively participated in creating exclusions that put national interests far above local interests. The local level, as is shown in the analysis of RECHCOs, was set aside in favour of policies, benefits and approvals at the national level instead. Höckel (2007) frames the characteristics of the reconstruction process into a double effect of disintegration. The first was vertical disintegration that led to a widening gap between rich and poor spatially highlighted by Beirut’s Central District developments. Horizontal disintegration was the second form resulting from distribution of resources along sectarian lines, reinforced clientelist networks and hampered national reconciliation and national development strategies. RECHCOs obscure the social and economic realities, and deny the municipality of material and symbolic relationships that people have built with their homes, their work places and their localities. This happened in a variety of ways:

Weak Local Government Weakened Further

RECHCOs, in the cases mentioned, were approved by the patriarchal government with little to no local involvement. In Abdali, Mawared (one of the
shareholders) took on the development roles of the municipality. The local government deferred to the stronger national government with leaders at the central level enforcing their globalised ideology on the local level. As the national government pushed the RECHCO through, the local government implemented a national agenda drafted by the centre with little regard for local democratic accountability or principles. The state agencies that emerged are developed with the aim in mind to "minimise transaction costs" (Parker, 2009, p115) for global investors with a choice of any country around the world.

The neoliberal agenda in this case would argue that to encourage RECHCOs, risk should be removed from the private investor and redistributed across the public at large. The public as such, become the stakeholders "whose return on investment is valorised as a public good" (Parker, 2009, p115). The resultant situation becomes one where the government is accountable and responsible to investors - through ensuring 'market requirements' over and above the needs of its own citizens. There were also exclusions regarding who was allowed to participate in the process. The consequences were a rising trend for vertical social disintegration and a vacuum left by the state being unable to adequately fulfil its basic functions, as explored in Chapter Four. These functions were taken over by para-state actors, in particular Hezbollah, who managed to establish a state within the state empowering them to operate outside state control and even provoke a new violent conflict. The strength of the para-state actors in the Arab World is much stronger than what might exist in the Western world as related to these projects.

The Lebanese state did put in place a set of institutions to govern the reconstruction effort; however these were not strong enough to complete all state functions properly. These institutions – similar to those in Amman (Mawared) – designed as alternatives to the existing organisations perceived to be heavily bureaucratic (as outlined in Chapter Four), were not democratic in nature, did not gain the trust of citizens, and remained driven by the objective of encouraging investment. Salaam (1996) noted that the weak state's limited capacity to setup a planning central agency, implementation and monitoring of reconstruction after the Civil War allowed Rafiq Hariri to
take advantage of the system to internalise public subsidies to the Solidere project.

**Elite Process with no Public Grassroots Participation**

When local democratic participation mechanisms are not respected or are applied in a formal manner it results in a new choreography of elite power. However, grassroots movements sometimes manage to turn the course of events in favour of local participation, though this was not the case in the RECHCOs with weakened civil society structures. The desire to create quick iconic products, rather than taking time to build a common vision for the future, with all stakeholders working together, constitutes a trend also observed in western countries. Mega-projects are very often conceived as planned territories disconnected from the rest of the city. These sorts of projects take place outside the formal framework of decision-making and are based on exemptions from, and exceptions to, existing planning laws.

The elite process meant, in its extreme, that approvals do not take place at the local level. RECHCOs and similar mega-projects have increasingly been used as a vehicle to establish exceptionality measures in planning and policy procedures as was explored in Chapter Four. This sort of new selective urban policy has been associated with new and less democratic governance forms that are driven by elitist priorities. The participatory approach has not been mandated in the design and implementation of mega-projects in Arab metropolises. Social mobilisation is almost absent because of both the weakness of civil society and the power of central government over the local. Some critics have denounced Solidere especially harshly as a circumvented way of exploiting the public for private interests (Adwan, 2005), and clear conflicts of interest have been noted in Chapter Four by Leenders (2003), Salaam (1996), and Nizameddin (2006) amongst others.

The welfare function of the state was subordinated to a profit-oriented, exclusive reconstruction project allowing non-state actors to grow in power and influence to this end. Due to issues related to public debt, and interest
payments (explained in Chapter Five) in both the cases of Beirut and Amman, RECHCOs were marketed as heroes at the national level, which disfranchised the local level even further as the national government pushed through a certain agenda. This change meant that the government’s influence and acceptance by its citizens was reduced. Sub-state actors started to fill the void left by the state, which increased their influence amongst significant parts of the population.

Among Solidere’s critics, many questioned the progress of reconstruction with no community consultation (Fisk 1991, Fisk 1992). Residents found that their role in the reconstruction of Beirut was limited (Beyhum, 1992a). Landowners, who had been opposed by the scheme and viewed it as unconstitutional, organised to protest it (Fisk, 1992). Samir Khalaf suggests that private interest and self-gain are being promoted at the expense of the overall public good. In Amman, landowners began to object and threatened sit-ins and protests. The bourgeoisie became indistinguishable from public officials, and both amassed wealth through real estate (Khalaf, 1993b). The weak state, and the opportunities provided by the available resources for reconstruction have been systematically exploited by individual actors to increase power and influence. The incapacity of the local government to set up efficient and private sector oriented institutions, a feature common to the Arab World, meant that in both Beirut and Amman within the construction process, private entrepreneurs like Baha and Rafiq Hariri were able to initiate profit-oriented schemes and benefit from public subsidies. This type of emerging urban governance model looks at the human agent behind global capital within the cities’ ‘new landlords’, which was a transnational capitalist class represented through the shareholders of real estate companies and their managers and executives. Around the world, these landlords play a significant role in the city politics and through the dynamics of their investment promote a certain lifestyle within the projects (Ley, 2004; Sklair, 2001).

As demonstrated in the Case Studies of Chapter Two, the elite process highlighted the strengths of individual investors. Rafiq Hariri, in the reconstruction project of Beirut’s City Centre into a modern and ‘world-class’ downtown, at the service of international business and elite consumption
practices, figures as both private investor and ‘globalising politician’ servicing the investor’s interests. In 2002, his private construction company Saudi Oger engaged in a very similar project in Amman. Baha Hariri, his son, in Amman, acted as a private investor with strong connections to government with the Mayor of Amman on AID’s Board of Directors. By focusing on private investors receiving public benefits, the boundaries between the public and private sphere were blurred.

Economic Exclusions with Benefits Not Going to Local Population

While RECHCOs were constructed on a very specific site locally, they were nonetheless considered national projects as they were focused on economic benefits for the central government level. The lack of trickle-down effect meant that people turned away from government, and their trust in the system was undermined by low economic returns. The failure of trickle-down to distribute benefits and jobs from prestige projects in an equitable manner to disadvantaged groups and localities surrounding the area is attributable to a number of factors in the case of the RECHCOs. As argued in Chapter Five, job benefits went mainly to non-nationals in Jordan and Lebanon, taxation exemptions were granted, and the housing did not cater to the original residents. The opportunity cost of these developments meant that significant public funding was rerouted away from genuine social needs towards what some term "non-productive" (Mansur, 2013) concepts such as real estate. One author writing on Lebanon notes from an interview that “it is short-sighted for the government to come and waste so much money...when social differences are still great in Lebanon” (Calame and Charlesworth, 2009, p189)\(^\text{228}\).

\(^\text{228}\) The same seems to be true of examples in the UK. Some reports in the literature found that benefits accrued directly to property owners (DCC, 1988, p37) and were not well distributed by mega-projects. For example, one report on the case of Canary Wharf in specific, found that it was “cosily isolated from the encroaching reality of the housing and unemployment problems besetting East London” (Crilley, 1991, p13), other reports found that the initial policies concentrated on physical regeneration with limited thought given to social provision (Parkinson, 1989).
On the economic front, while the RECHCO was meant to promote local economic growth, many of the preconditions required for growth were not controlled at the local level and so the national government was the natural fall-back. There was no comprehensive plan dealing with post-war recovery and institutional roles were never integrated. Höckel, as discussed in Chapter Three argues that because reconstruction was concentrated in Beirut focusing on an elite part of society while sidelining other regions is one of the main reasons behind interruptions in sustainable peace (Höckel, 2007). The argument made here has shown that the RECHCO mega-projects are poorly integrated into the wider urban processes and planning. As a result, the impact on the city as a whole and on project locations is ambiguous. Chapter Five argues that the distribution of short-term benefits of expenditure was skewed away from the poorer populations of these urban development areas. The costs to the public sector were pushed through by central government decisions. For instance, tax exemptions given to AID in Amman could only be decided at the central government level, though most other costs were locally based. In the case of Solidere, with the government's weakened structure and the focus on one private entity that would undertake the project, the post-war reconstruction was selective in planning and fragmented in implementation.

Due to the fact that benefits are given to people outside of the local area, the plan began to be looked at as an attempt by the central government to force certain national solutions and ideologies related to development on specific local communities. This is especially the case when the RECHCOs do not benefit people at the very bottom of the ladder. The failure of local regeneration strategies, based on large-scale investment in mega-project developments, to make a demonstrable contribution to the quantity and quality of work available for disadvantaged groups was a main issue of sustainability and continued acceptance and success. For example, in Amman, the transportation terminal was relocated to the edge of Amman's city centre as an alternative in Tabarbour to the central area of the Abdali District. Those in need of public transportation marginalised at the expense of those who frequent high-end commercial districts. In Beirut, local residents
could no longer afford to live in the centre in their ancestral homes, and were insufficiently compensated for their residences.

*Confusion of Public and Private Interests*

In the case of Lebanon, weak state institutions were not fully able to keep politics and resources related to reconstruction from being exploited for personal reasons, leading to the "perpetuation of instability and the creation of new conflicts over assets, influence and identity" (Höckel, 2007, p3). Rather than fulfilling the political tasks of a prime minister, necessary to establish the state’s power and legitimacy, Rafiq Hariri responded to his role as a wealthy and powerful entrepreneur (Höckel, 2007). With this mix of public and private interests, investors within the new 'doing business' regime wanted to bypass the system entirely. As mentioned in Chapter Four, the experience of Solidere that blurred between private and public interests created what some have termed 'Harirism' in terms of policy. This Harirism is special in that it confuses private and public interests and "represents the colonisation of the former by the latter" (Makdisi, 1997a, p693). Critics did not question Rafiq Hariri's philanthropy towards Lebanon but feared that his private institutions were replacing the public sector. They argued that in Europe or the United States, a similar connection would have been regarded as a potential conflict of interest and a possible source of political embarrassment. The cost of the Dar al-Handasah Master Plan, estimated to be several million dollars, was paid for by Rafiq Hariri as an individual before any official approval was given (see Chapter Four). The sidelining of elected representatives in the design of the project was perceived by some as a forfeiture of the prerogatives of local urban management. The political climate meant that urban planning brought in new forms of public government, which while offering increased power and authority to the private sector also intervened to facilitate the work of the parties. This was apparent in Amman where the Mayor was given the authority by AID to purchase land on their behalf.
The RECHCOs in Amman and Beirut changed how people view their interaction with their government and city and how they feel as respected citizens. The lack of participation of citizens exchanged with the participation of the private sector meant a very low level of public involvement and scrutiny that led to an enhanced opportunity for corruption. Mega-projects underline the fragility of a state unable to set a real strategy for its capital, but eager for bribes and other forms of corruption (Pfeifer, 2012). The systematic corruption was a symptom of two states: a fragmented civil society unable to pursue concerted collective action; and weak state institutions incapable of fulfilling their original functions. It was this constellation and setup that allowed a private actor to monopolise the reconstruction of the capital, pursuing an elitist approach - rather than a more inclusive pluralistic strategy. In a corrupt process the private and the public become intertwined both politically and socially in terms of space. It was the case for Amman and Beirut that perceptions of corruption were clearly identified, and certainly if a generalised statement were to be made it seems that corruption in some form (maybe through the process) is inevitable given the RECHCOs' magnitude and as a result of their intimate connections with government and the special treatment they receive as a result.

**Heritage and Memory: Physical Alterations Undermine Identity**

Chapter Three focused on heritage as one of the main issues. Issues of heritage, memory and even the melancholy that is felt when old areas of the city are lost cannot be ignored, and alongside it the "way they made us feel" (Thesis Survey, 2012). Not everyone felt that way, and some in Amman did feel that the 'new downtown' brought with it a certain glamour, finally bringing Amman into the modern age. However, these percentages were much more heavily leaned towards those people that felt a sense of loss as demonstrated in Chapter Three.

The Abdali project in Amman is one that enjoys 'slick marketing' slogans targeted at the consumer mindset (Al-Masri, 2007, p182). Al-Masri also
comments that the development of such new areas in the Arab world tends to run in parallel to the neglect of the historic urban quarters within the same cities. In the Arab world preservation policy is not well developed and it is not uncommon to let historic city centres deteriorate (Daher, 2011). Nonetheless, the existing literature has shown the extent of the meaning and place that city centres have on city residents. The same was reflected in the empirical evidence gathered. Solidere SAL worked to produce a "clean slate" in the city centre by physically tearing down physical remains of older and damaged buildings (Shwayri, 2008, p89). In Amman, funding was directed to the Abdali project at the expense of the existing centre, where an overwhelming proportion of the population at 94% wished to sponsor the historic centre rather than the "new downtown" (Thesis Survey, 2012). The existing heritage within the city is sidelined by the RECHCOs.

The physical alterations of the space have meant that there has also been a destruction of physical heritage. While the Beirut city centre’s regeneration has been celebrated by many, especially in the international press (Financial Times, New York Times, Economist, see Chapter Two's Case Studies), many intellectuals decry the devastating destruction of heritage that was brought forth with Solidere’s plan, which included the destruction of certain buildings and structures strongly embedded in heritage. Indeed, the project is characterised by two very different opinions. It seems that several different geographical imaginations were at play (Denoeux 1998). Many intellectuals saw the differences between the different styles as differences between two worlds. The changes in the physical heritage have meant both a loss of memory and heritage in the city in favour of more homogenous space. The perceived need to promote RECHCOs for economic competition has led to the overall homogenisation of space as cities all strive for similar things. However, with homogenisation comes repetition and lack of local satisfaction. This new urban RECHCO activity undermined conservation of heritage locations, especially within the historic city centres, which often constitute the older areas of the city.
Contested Space: RECHCOs are Seen to Cause Social, Political and Economic Exclusions and Divisions

Each of the three Chapters (social, political and economic) reflects the RECHCOs as having exclusionary impacts. Chapter Three, for example, explored the notions of exclusions for social and functional reasons (with the type of commercial activities catering to a certain income class); Chapter Four explored how the process of approval was diverted from public participation and local decision-making; Chapter Five showed exclusions for price reasons, whether for real estate or services, and the furthering of divisions as the benefits were routed away from the general public towards a certain elite.

The exclusion of many citizens from the benefits of reconstruction, ignorance towards their demands for democratic participation, and neglect of the basic needs of the poor and marginalised led to an atmosphere of disillusionment and discontent. The Thesis Survey similarly showed a perceived unfairness.

Social

On the social front, exclusions were faced by people feeling that the new RECHCO centre was a private area, with functions priced and catered to a certain social segment, with a private security force to monitor people's entrance and activity. As shown in Chapter Three not everyone felt welcome by the public space created by the RECHCO and there was a certain sense of bitterness associated with the project (Thesis Survey, 2012).

An overwhelming majority of those surveyed in a statistically representative sample within Amman indicated that they were afraid of divisions in the city. In looking at these new projects in Jordan Rami Daher asks if "the Kingdom’s prestige projects that started at the height of the credit bubble have become the biggest scars on our cities’ landscapes. What happened and will they ever become anything but empty shells?" (Jo Magazine Staff, 2011, p2). The thesis found that the RECHCO that exists in Amman in its current format will in fact
become something more than 'an empty shell', and will be an active reminder of a city divided into the 'haves' and 'have-nots'. The creature that Abdali is set to become in the words of those interviewed during the survey is "something that will divide us, that we will see everyday and remember that we are not the same as the rich people" (Thesis Survey, 2012). The literature on Solidere noted that the average Lebanese citizen was slowly made unwelcome in the city centre (Höckel, 2007).

As Chapter One's Literature Review noted, social control of public spaces helps redefine 'the public' (Sennett, 1992). This socio-economic restructuring, combined with the mosaic of newly constructed built environments with their associated increased rents, produces urban islands, a patchwork of discrete spaces with increasingly sharp boundaries, gentrifies areas such as city centres. The RECHCOs alongside other large projects accentuate socioeconomic polarisation through the real-estate market, with the rising prices of property within the RECHCO borders and changes in the priorities of public budgets that are increasingly redirected from social objectives to investments in the built environment.

RECHCOs due to their construct provide physical rehabilitation plans that are not well integrated with national plans (as outlined in Chapter Three); and while the literature views reconstruction and regeneration as a series of processes institutionalising development in cities (Crawford and Killing, 2013), the RECHCOs are "one-off" projects, they neither allowed for cohesion in the social fabric, nor encouraged public participation (discussed later in this Conclusion). Spatial exclusion and its (qualitative) costs have been discussed in multiple places within global city theory (Friedmann and Wolff, 1982; Marcuse and Van Kempen, 2000; Sassen, 2001). The Abdali and Solidere projects have similarly been criticised for increasing spatial divides and creating closed off urban islands catering to the selected few (Daher, 2008). The 'prosperity' marketed by RECHCOs may lead to certain urban geographies marked by social displacement and exclusion with an intangible prioritisation of citizens as different classes of different importance (as Chapter Three notes). To certain critics, the RECHCO model represents little more than the corporatisation of urban forms and linkages that ultimately
dilutes heritage and the unique sense of space that the traditional centres and cities have. The property-led regeneration of RECHCOs has meant a focus only on certain localities with concentrated development and investment activity so that other areas have not received the same benefit. Those outside the target area are in one sense 'excluded' from the windfall of development. The spatial exclusion is a concept from these projects that may be generalised across internationally, although more stringent public access laws in the West may mitigate some of the damage experienced.

**Political**

In looking at the relationship between the RECHCOs and the political system, RECHCOs were found to almost inevitably work their way around streamlined political processes through special connections and even outright corruption as explored in Chapter Four. Along with full governmental support (outside the traditional democratic channels explored in Chapter Five) RECHCOs were pushed through with special incentives. The size and magnitude of the RECHCO and nature of its investors has meant that the traditional political processes are bypassed in favour of segregated decision-making at the top. The public was divided into investors given preferential treatment and "the rest" (Post, 2013). The division causes distrust. As a result, many of the citizens within the cities felt disenfranchised and distant from the political system. Their sense of fairness was undermined. In addition, many residents on principle refused to look beyond process issues when interacting with the RECHCO. In Solidere for instance interviewees often said "[Rafiq] Hariri robbed us of the land," "Solidere are thieves" and were unable to recognise other possible achievements because of the initial process details (Beirut Interviews, 2013). Figure 6-2 shows one manifestation of this in a large 'Stop Solidere' sign in Beirut. Better established and more democratic political and legal systems in the West may make these aspects particularly indicative of the political structure currently in the Arab World.
Economic exclusions primarily within Chapter Five were focused on residents being priced out of the Amman and Beirut RECHCO areas due to unaffordable commercial, office and residential rents and pricing. In addition, the commercial functionality offered was well beyond the reach of the average city citizen (Thesis Survey 2012; Beirut Interviews, 2013). The economic class focused on was upper-income and little was done to accommodate for activities that could cater to a larger audience. The involvement of Gulf investors is another peculiarity of prestige projects in Arab metropolises. The simultaneity and convergence of petro-dollars in mega-projects is impressive; it seems a new trans-Arab capitalism, searching to implement high-end urban developments has emerged and found itself in the RECHCO.

The Abdali project leaves behind Amman's traditional centre, which is a short distance away from the Abdali site. The traditional commercial setting of Amman's city centre, with its wide pavements, haggling vendors and colourful stalls is being replaced by a more sanitary modern setting with brand name
clothing stores as witnessed by the soft opening of the Abdali Boulevard in 2014 - a downtown exclusively for those who can afford higher-end Western clothing. Amman's city centre was in all senses of the word a 'melting pot' for the residents, geographically in the middle of the city. The city centre has been the setting for political protest, it is the place of worship - with one of Amman's most important mosques (one that is right on the edge of the new Abdali project). Similarly Beirut's centre was a popular commercial area with several large religious and governmental institutions.

Lebanon’s reconstruction was focused on Beirut. To this end, reconstruction efforts focused primarily in the capital and on Rafiq Hariri’s trickle-down strategy, which was built on the assumption of having positive spill-over effects from the capital's centre to the rest of the country. The assumption was that the concentrated efforts of development within the capital would be sufficient in terms of positive spill-overs to the entire country was a deeply flawed one. Amman’s city centre and areas surrounding Abdali received only fractions of the public subsidy and funds given to the RECHCO. The case was the same for Beirut. It appears RECHCOs are merely mechanisms for achieving the physical and economic regeneration of discrete parts of urban areas. In the case of Beirut and Amman, this approach, has encouraged the fragmentation of cities and the development of urban regeneration and planning policies that focus on designated zones or sites (Harvey, 1988; Healey et al., 1992b). Wilkinson (1992) argues that this approach represents an obsession with urban fragments and the planning of individual elements rather than integrated urban systems (Wilkinson, 1992, p209). In this context RECHCOs are not geared towards creating equitable cities or localities, rather they are geared at restructuring the spatial form of parts of urban areas to meet the demands of the restructured national and global economy. These parts are by default catered to transnational investors through investment opportunities, luxury apartments, and global brands at the expense of local souqs. Such large income discrepancies are specific to the developing world.
6.3 Lessons Learnt

RECHCOs as they currently exist have several serious misgivings. The process of approval does not adequately involve the public, which gives rise to social tension and political corruption. There is also a need for a transparent formula to decide the extent of public support and benefits. The process and projects within their current design in a predetermined format benefit only a small and select number of people, and the lessons learnt indicate that a series of litmus tests for the RECHCOs would help make them more effective urban policy instruments. With the priority status given to the RECHCOs and their importance in cities, reforming the process of approval associated with them and their impacts may help lay the foundations of a more democratic urban policy. The 'lessons learnt' described below are specific to the Arab RECHCO experiences, where low levels of transparent and sophisticated urban governance and policy exist; though some of the social impacts may be certainly be carried across into other experiences of such projects within the Western world.

Limited Public Participation Lowered Accountability

The RECHCOs as outlined in Chapter Four avoided public participation in their approval process on the assumption that it was time-consuming and would exacerbate project costs. While the overt costs of public participation may indeed start to derail a project, the consequences of sidelining the public have long-lasting effects on alienation and the integration of society within the spaces in the city centre. The RECHCOs as prestige projects within Beirut and Amman serve to curtail and undermine public debate and involvement in policy formulation, and open and accountable government in a number of ways. First, the lack of public participation brings about a crisis in efficiency in that the feelings of the public cannot be adequately managed by the government in the first instance. In the second instance, it brings about a crisis of legitimacy in that political representation based on democracy in
nations becomes no more than an indication on the ability of government (local and central) to internalise the wishes of its own people. The result of this process is an increasing distance and ‘opacity’ between citizens and their representatives (Dalton, 2005) and the city centre as a public space for dialogue is usurped. This also leads to a crisis of identity where people see their locality and culture completely disjointed from the politics around them and so their claims of autonomy take the form of resistance identity and cultural identity politics as opposed to their political identity as citizens (Barber 1995; Castells 2004; Lull, 2007). The final phenomenon is a crisis of equity where the RECHCO itself increases economic inequalities. The political process outlined in Chapter Four showed that one of the major issues related to the transparent and smooth licensing of RECHCOs were the blurred lines between the public and private sectors, so that ordinary members of the public felt that their roles were being usurped. The citizens of the city were not able to actively participate and members of the public did not know how to further involve themselves in the process. The civil society which might have allowed for this was not available in Beirut and Amman.

In the absence of a strong civil society monitoring capability these forms of mega-projects fail. With strong civil society present, however, there have been successful examples of how this has succeeded. In the cases of Jordan and Lebanon, where the state actively intervened to halt a weak civil society from progressing further in their criticism of the RECHCOs, either through the courts or media, the situation is more complex. In Abdali and Solidere there were no clear guidelines on public information to be provided by the RECHCOs, as well as accessibility to corporate records that would enhance public accountability, and no space was carved out for public dialogue.

Ideas of how to integrate civil society around the world are plenty. Looking at the case presented by Mouloudi (2010) from Morocco it seems that in order to protect the affected communities, the elected officials proposed solutions to ensure the integration of collaborative planning involving landowners and proposed the establishment of a monitoring committee to study comments and objections made by citizens during the public inquiry. On the governance level as such, there are also plenty of practical solutions implemented from
around the world. Certain transparent forms of urban governance within opportunities for equal partnership have been explored in the literature, and Clerc and Hurault explored these for Damascus (Clerc and Hurault, 2010).

Amman and Beirut had no specific public agency for planning that could coordinate public participation across stakeholder groups, while simultaneously providing large investors the access to national agencies they desired to avoid administrative bureaucracy. The 'need for speed' bypassed local democracies, with public inquiries being seen as costly. As it stands now private investors seem almost to have been delegated the role of urban policy and planning over major cities in the case of the RECHCOs. Though Ottoman history in the Arab World saw large investors benefiting privately from their management of the public waqf souqs and benefiting privately from the matter, today's citizens, government by modern legislation and aware of democratic principles "want a say" in their city (Beirut Interviews, 2013). The balance between the transnational investors on the one hand, and local communities on the other was an uneven one, and the informalised planning process meant that there were no checks and balances to redefine the equation.

The central government wished to attract investments with capital city real estate as its primary offering, but failed to incorporate the monies spent on investment attraction through public subsidy into a cohesive plan. Chapter Five’s economic impact assessments showed that in fact the costs of attracting these investments in terms of the subsidies and incentives outweighed the benefits. The lack of cohesive plan meant that local authorities were disenfranchised, and the city's citizens felt simply "left out" (Thesis Survey, 2012). Missing out partners in Lebanon provided para-state actors with a platform upon which to recruit as an alternative to government. In Amman, citizens took to the street in protest, and the Abdali project became one synonymous with 'corruption' - when asked to give the first word that came to mind when hearing about the Abdali project "corruption" was the

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229 There is a wide literature on the extent of public participation and its different forms (EPA, 2013), however, this is beyond the scope of the thesis.

230 Reports looking at the UDCs in the UK concluded that the flagship projects would have a role to play but only if they were fully integrated with local job creation and a coherent plan for community renewal (Ward, 1994, p. 12).
top ranking response as indicated by the Thesis Survey (2012). The concentration of funding within select areas of the capital city gave rise to local and national inequalities, as more rural residents viewed the rich residents of the capital as the sole beneficiaries of central government subsidies.

The marginalisation of partners meant that the central government weakened the local government's credibility further amongst its constituents. In addition, far removed from the city citizens, their true priorities were not included in the 'new downtown' Master Plans. Economic benefits therefore remained isolated, and the Abdali and Solidere projects already aesthetically separate from the surrounding neighbourhoods, guarded with private security forces, grew to be seen as even more of islands. The municipalities in both Amman and Beirut, and the associated planning agencies, did not have enough capacity or political mandate to 'localise' the projects adapting them to citizen needs. In addition, the introduction of a 'new guard' into leadership positions in the local municipalities pulled them further towards the central government vision. The global professional planning staff introduced to both Solidere and Abdali's planning teams also meant branding the plans with a certain predefined vision that was never coincided with local aspirations.

The RECHCOs acted as marshalling points for mobilising powerful vested interests. The RECHCOs did not facilitate the development of a coalition of stakeholders; its partnership involving powerful and elite central public and private sector bodies in a framework that excluded democratic local government institutions. The importance of Abdali and Solidere at the national level, meant that had negotiations been included, a longer term sustainable vision to realise social priorities. With weak democratic control over the municipalities, public scrutiny over the RECHCOs and their accountability to the citizens was diminished. As citizens were sidelined with no platform to voice opposition, no room was left for either institutions or individuals to be included to ensure that citizens were engaged and corruption minimised. It was the case for Amman and Beirut that given the weak structure of local government it would have required institutional capacity building in order to have been able to participate adequately in the dialogue even had they been
given a platform for engagement. Alongside this upgrade institutionally, healthy and vibrant local communities, civil society and citizenry are also prerequisites to participation in urban policy, the cases of Abdali and Solidere reflect how easily community opposition is marginalised when there is no civil society base.

In Calame's review of post-war efforts he notes that while the involvement of central government is required the most successful recovery plans allow for this authority to be eventually shared with local agencies to carry out the longer-term projects (Calame, 2005). Solidere and Abdali are still being pushed through by the central and national governments. The local government has still not been transferred the reigns on the projects, and so feelings of disengagement amongst the city citizens persist. While the projects' planners in both Jordan and Lebanon argued that there was a danger to the excessive 'localism' when developing policy that derails from larger agendas (Post, 2013); with no integration of local politics, the project will never fully benefit the community as intended as reflected in the Case Studies presented by this thesis. The national governments in the case of Jordan and Lebanon as part of the Abdali and Solidere projects catered to global trends and politics without sufficient regard for national or local urban policies which skewed the projects' impacts and undermined the positive distributional effects.

If properly planned for with the inclusion of all stakeholder viewpoints, the regeneration of the centres in both Amman and Beirut might have generated a new space for citizen engagement, and this space between state and society could have been used as a conduit for negotiation and dialogue (Cornwall and Coelho, 2004). Were Abdali and Solidere to have positively impacted the cities, the spaces provided may have been hosts for contestation in addition to collaboration, where diverse participants with divergent agendas come together to create new urban policy. In this context, Lefebvre's (1996) 'right to the city' does not so much refer to urban services like housing, work and education alone but also the right to participate in making 'the urban' and the right to inhabit and change urban space. One of the most critical elements of urban citizenship struggles – through contests of identity and belonging – and
the rights to the city is the assertion of the right to produce space in the city, and so this becomes a right of citizenship in the city itself.

To this end, Abdali and Solidere had the ability to impact the process of democratisation as a whole. Democratisation in this sense of citizenship in the city begins with an expansion of the number of people who are able to participate in the collective decision-making; followed by the scope of issues that the citizens of the city are allowed to participate in; and the extent of their decision-making ability (Satterthwaite et al., 2007). In most cases, economic reform is sufficient in the short-run to pacify citizens; however in the case where there are no direct and immediate widespread economic benefits, political reform is the only remaining option (Razzaz, 2012). Continuing not to update the "social contract" process means, in part, destroying "the values of the work ethic, creativity, innovation, and the common public good (everything is a zero sum game) in society, and replac[ing] it with values of dependency, corruption, cronyism, deceit, and mistrust" (Razzaz, 2012, p6). The negative impacts economically, socially and politically of the RECHCOs make this concept a relevant one.

**Preconditions on Distributional Effects**

In part the RECHCOs failed at the economic level because there were no preconditions regarding the distributional effects in place. The RECHCOs depended highly on 'property-led' regeneration with little insight into other community economic needs. No minimum stipulations were given on the number of jobs provided to city citizens and local residents, similarly there were no provisions for affordable housing in either the Solidere or Abdali project. In terms of the initial goal of providing an impact assessment from the perspective of the city resident, the thesis was able to reflect on the economic, social and political effects. Though many critics have noted that while cooperation between the public and private sectors is worthy of admiration the relative strengths of both must be taken into account to ensure the limitation of coercion in negotiations (Clayden, 1990). The Docklands Boroughs
community were seen to be relatively 'powerless' (Oc and Tiesdell, 1991) only able to, at the most extreme, delay development through insistent calls for public inquiries, and 'procrastination' (Oc and Tiesdell, 1991).

The RECHCO cases in Amman and Beirut did not include any stipulations on how some benefits might be distributed locally benefiting citizens in the area. The public subsidies and contributions given to the RECHCO were local in nature (infrastructure being built in Beirut and Amman sponsored by the municipal governments) and land being expropriated from local citizens; it follows that participation is to some extent expected by these citizens as was apparent through the Thesis Survey and the interviews that took place in Beirut. It is also of note that the RECHCOs appeared to affect different societal segments differently and some more adversely than others. Young people for instance were more likely to be frustrated by the political process associated with RECHCOs and so opt not to participate in the future (as was the case in Amman shown in the Thesis Survey). Females were more likely to feel negatively affected by the lack of family-friendly facilities in the RECHCOs (Thesis Survey, 2012).

**Strict Regulations Regarding Public Space and Space Usage**

The RECHCOs did not consider inclusion of the public in their plans, and even actively avoided it, leading to alienation of the citizens as an inevitable consequence. Market forces alone it seemed were developing real estate at the expense of memory, sense of place, and ultimately citizenship. Though technical institutions reviewed the plan in both the cases of Amman and Beirut, the RECHCOs did not give credence to criticisms of density assumptions, public space or space usage. Solidere SAL for instance considered within its legal requirements for open public space to be unusable space around infrastructure, or landscaping alongside the major roads inaccessible to the public. Standards, accessibility and maintenance provisions were not developed and monitored adequately by a technically capable and politically able local government. This meant that Solidere and
Abdali did not adhere to the basic urban planning provisions other projects within the city abided by meant for citizens' protection.

Conclusion

In assessing the impacts of RECHCOs, it can be concluded that there are negative consequences of RECHCOs on the life of citizens within cities. RECHCOs, as they stand, fail in the three pillars of social, political and economic impacts due to their exclusive nature and lack of integration more fully to be inclusive of all the city's citizens. RECHCOs with their investors and capital override and deteriorate social, economic and political traditions in the city and cause widening divides hurting local communities. The RECHCOs in Beirut and Amman were considered by decision-makers as products rather than processes. However, their magnitudes alone substitute them for urban strategies and with proper thought given to local participation in decision-making and the engagement of the local institutional structures the RECHCOs could have served as democratising vehicles and capacity building instruments. Today the RECHCOs studied here do not have mitigating measures nor a strict political process in place to ensure the transparent involvement of stakeholders to guarantee RECHCOs as working for the public benefit effective tools within cities. This thesis can therefore be read as part of a larger project where each of the impacts discussed is associated with a set of recommendations that do not diminish the importance of citizens within the city and include them as critical components of the reform as a next step to the study.

The thesis' contribution to the urban literature as a whole comes through the examination of the broad themes set out in Chapter One's Introduction. The first of these themes included an analysis of the city centre's role in the city and how RECHCOs negatively affected this role. The second theme described the interaction between RECHCOs and public space, participation and citizenship and as such touched upon the relationship between space and citizenship within cities. The third theme focused on RECHCOs' as tools
within a framework of urban governance and policies, ending with a series of lessons learnt within the conclusion to help govern these issues. The fourth theme examined heritage and memory in the city in the context of RECHCOs contributing to the literature tying these issues into the experience of the city citizen. The final theme focused on privatised and contested space describing how the segregation incited by the RECHCOs gave rise to conflict within the city provoking antagonism amongst its citizens.

The thesis started with examining Solidere which is over a decade old, and then looked at Abdali still under construction as an empirical contribution to the literature on the modern Arab city and a contribution to comprehensive urban impact assessments looking at social, political and economic issues. Both projects studied come from very different socioeconomic and political backgrounds at the national level in Lebanon and Jordan. The similarities across the impacts of both projects created a platform from which several more general meaningful conclusions about RECHCOs could be drawn. The lessons learnt illustrate the importance of RECHCOs' impacts on urban policies and their new downtown spaces on the city. The Conclusion Chapter demonstrated that without a studied framework for participation, cost-benefit analysis and transparent accountable processes to empower local institutions and communities within Arab cities, RECHCOs will not be the powerful vehicles for positive the social, political and economic effects that their narrative claims. This is the basis for detailed further research on the mitigation measures required for an idealised RECHCO process as a next step to the thesis.
Appendices

Appendix I: Abdali Survey Questions

This survey is designed to be about 30 minutes in length and will focus on your opinions regarding the Abdali project in Amman. The data gathered will be used to support my research into Real Estate Holding Companies within the Middle East.

Date of Interview: ____________

Length of Interview: ____________

Time Started: ____________

Signed Consent Form: □ Yes □ No

Neighbourhood Location: .........................

Have you heard of the Abdali Project?

□ Yes □ No -> end interview and record statistic

Section A: Personal Information

1. Gender: □ Male □ Female

2. Age: □ 18-25 □ 26 - 35 □ 36 - 50 □ 51-64 □ 65+

3. Marital Status: □ Married □ Single

4. Children: □ 0 □ 1 □ 2 □ 3 □ 4 □ 5 □ 5+

5. District:
□ Tareq □ Jubeiha
□ Shafa Badran □ Wadi al-Seir
□ Marka □ Al-Nasr
□ Umm Qusair and Muqablain □ Ras al-Ain
□ Badr □ Abdali
□ Basman □ Tla’a Al-Ali, Umm Al-Summaq, Khalda
□ Sahab □ Badr al-Jadeedah
□ Khareebat al-Souq, Jawa, Yadoudah □ Al-Quweismeh, Abu Alanda, Al-Rajeeb
□ Zahran □ Marj Al-Hamam
□ Al-Yarmouk □ Al-Madina
□ Sweileh □ Al-Muwaqqar
□ Uhod □ Al-Jeezah
□ Husban and Umm Al-Basateen □ Naour
□ Abu Nseir

6. Household income:
□ Less than 3600 JD annually
□ Between 3600 - 6000 JD annually
□ Between 6000 - 12000 JD annually
□ Above 12000 JD annually
7. What is your level of education?
- Less than secondary school
- Secondary school
- Community or vocational college
- University degree or above

8. Are you a member of a Community Based Organisation, Union or Political Party?
- Yes
- No

9. Are you the chief income earner in the household?
- No
- Yes
- No income earners
- I am still a student

10. If you are working:
- Public sector
- Private sector

11. Are you at a managerial level?
- Yes
- No

12. What is your annual municipality taxes payment?
- Less than 20 JDs
- 20 - 50 JDs
- 50 -100 JDs
- 100 - 150 JDs
- 150 - 200 JDs
- 200 - 300 JDs
- Above 300
- Don't know

13. Do you contribute to tax payments in your home?
- Person most responsible
- Jointly responsible
- Not responsible
- Don't know

14. What is the length of time you have lived in Amman?
- Less than 1 year
- 1 – 2 years
- 2 – 5 years
- 5 – 10 years
- 10 – 20 years
- 20– 30 years
- More than 30 years

15. What is the length of time you have lived in your District?
- Less than 1 year
- 1 – 2 years
- 2 – 5 years
- 5 – 10 years
- 10 – 20 years
- 20– 30 years
- More than 30 years
16. Do you vote in Municipal Elections?

<table>
<thead>
<tr>
<th>1= Always</th>
<th>2=Often</th>
<th>3=Sometimes</th>
<th>4=Rarely</th>
<th>5=Never</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

17. Have you ever participated in a public meeting organised by the Greater Amman Municipality?
☐ Yes ☐ No
If yes, how was the experience?

18. Did you ever participate in a public meeting about Abdali?
☐ Yes ☐ No
If No, do you feel you should have been asked?
☐ Yes ☐ No, explain:
If Yes, would you have participated if asked?
☐ Yes ☐ No, explain:

19. Have you or anyone close to you ever had property expropriated?
☐ Yes ☐ No

20. If yes, did you feel the expropriation was for the public benefit?
☐ Yes ☐ No, explain:

21. Did you feel that you were paid a fair market price?
☐ Yes ☐ No, explain:

Section B: Introductory Questions

22. How did you hear about the Abdali project? (You can check more than one)
☐ Saw the project/ the billboards around the project
☐ Newspaper
☐ People talking
☐ Used to use bus terminal nearby
☐ Used to frequent markets nearby
☐ Drive by the project frequently

23. Have the things you heard/read been:

<table>
<thead>
<tr>
<th>1= Very Positive</th>
<th>2=Positive</th>
<th>3=Neutral</th>
<th>4=Negative</th>
<th>5=Very Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

Explain:
24. Out of the list of features below which needs upgrading in your district? Please prioritise 1-7, 1 being of highest priority, and 7 of lowest

<table>
<thead>
<tr>
<th>Feature</th>
<th>Doesn't Need Improvement</th>
<th>Needs Improvement</th>
<th>Don't Know</th>
<th>Priority to Improve (fill in 1-7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping space</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Pedestrian plazas</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>High quality residences</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>High quality office space and business hub</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Public green space and parks</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Public community and youth play areas and facilities</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Improved infrastructure</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Sports facilities</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Playgrounds for children</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Cultural centres</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Parking</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

25. Out of the list of features below which needs upgrading in Amman? Please prioritise 1-7, 1 being of highest priority, and 7 of lowest

<table>
<thead>
<tr>
<th>Feature</th>
<th>Doesn't Need Improvement</th>
<th>Needs Improvement</th>
<th>Don't Know</th>
<th>Priority to Improve (fill in 1-7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping space</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Pedestrian plazas</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>High quality residences</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>High quality office space and business hub</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Public green space and parks</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Public community and youth play areas and facilities</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Improved infrastructure</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Sports facilities</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Playgrounds for children</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Cultural centres</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Parking</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

26. Have you, or someone close to you, ever dealt with licensing something at the Greater Amman Municipality (GAM)?
   □ Yes □ No
27. Do you believe the GAM treats the Abdali investors and other investors, including Amman’s residents equally?

<table>
<thead>
<tr>
<th>1 = Yes Equally</th>
<th>2 = Somewhat Equally</th>
<th>3 = Somewhat Unequally</th>
<th>4 = Extremely Unequally</th>
<th>5 = Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Explain:____________________________________________________________________

28. Do you feel that investors/residents in Amman should build tower developments?

☐ Yes  ☐ No

☐ It optimizes land use  ☐ It will ruin the way the city looks
☐ It looks better for the city  ☐ It will create too much traffic
☐ It if regulations are clear and transparent for everyone  ☐ There is no demand for it
☐ Other, specify  ☐ Other, specify

Explain:____________________________________________________________________

29. Do you believe the Abdali project should have been granted a license to develop the area it was given?

<table>
<thead>
<tr>
<th>1 = Yes Definitely</th>
<th>2 = Yes with some reservations</th>
<th>3 = Unsure</th>
<th>4 = No, not really</th>
<th>5 = Definitely not</th>
<th>6 = Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Explain:____________________________________________________________________

30. Do you believe that Abdali should be supported as a National Initiative?

☐ Yes  ☐ No: Explain:__________________________________________________________

31. Is the Abdali project for the public benefit?

<table>
<thead>
<tr>
<th>1=Strongly agree</th>
<th>2=Tend to agree</th>
<th>3= Neither</th>
<th>4=Tend to disagree</th>
<th>5=Strongly disagree</th>
<th>6=Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Explain:____________________________________________________________________

32. Which of the following features does Abdali provide?

<table>
<thead>
<tr>
<th>Feature</th>
<th>Provides to all Jordanians</th>
<th>Provides to a certain subset of Jordanians</th>
<th>Does Not Provide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping spaces</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Pedestrian plazas</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>High quality residences</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>High quality office space and business hub</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Public green space and parks</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Public community and youth play areas and facilities</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Improved infrastructure for Amman</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Sports facilities</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Playgrounds for children</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Cultural centres</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
33. Make the following choices by checking which of the two options you would choose from in each line:

<table>
<thead>
<tr>
<th></th>
<th>1. Rehabilitate the current downtown □</th>
<th>Support the creation of the Abdali Project □</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Support the creation of the Abdali Project □</td>
<td>Create a new park similar to the King Hussein Park □</td>
</tr>
<tr>
<td></td>
<td>3. Upgrade roads and pavements in various residential neighbourhoods within Amman □</td>
<td>Support the creation of the Abdali Project □</td>
</tr>
<tr>
<td></td>
<td>4. Support the creation of the Abdali Project □</td>
<td>Upgrade water network within the city □</td>
</tr>
<tr>
<td></td>
<td>5. Upgrade sewer network within the city □</td>
<td>Support the creation of the Abdali Project □</td>
</tr>
<tr>
<td></td>
<td>6. Support the creation of the Abdali Project □</td>
<td>Provide more government training initiatives to support jobs □</td>
</tr>
<tr>
<td></td>
<td>6. Create funds for entrepreneurship □</td>
<td>Support the creation of the Abdali Project □</td>
</tr>
<tr>
<td></td>
<td>7. Support the creation of the Abdali Project □</td>
<td>Support loan guarantee programs □</td>
</tr>
<tr>
<td></td>
<td>8. Provide a rebate from the municipality on taxes □</td>
<td>Support the creation of the Abdali Project □</td>
</tr>
<tr>
<td></td>
<td>9. Support the creation of the Abdali Project □</td>
<td>Create a fund to support tourism based initiatives □</td>
</tr>
</tbody>
</table>

Explain:_____________________________________________________

34. Who should pay for the infrastructure upgrades surrounding the Abdali project?

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Tend to agree</th>
<th>Neither</th>
<th>Tend to disagree</th>
<th>Strongly disagree</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdali investors</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Municipality</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Amman's citizens</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Explain:__________________________________________________________________

35. Do you think the process of licensing Abdali was transparent?

<table>
<thead>
<tr>
<th>1=Very Transparent</th>
<th>2= Transparent</th>
<th>3= Neutral</th>
<th>4= Not Transparent</th>
<th>5= Corrupt process</th>
</tr>
</thead>
<tbody>
<tr>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Explain:__________________________________________________________________

36. Do you think you can afford to shop in Abdali?
☐ Yes of course  
☐ No most things are not designed for me

37. Will you go drink a cup of coffee in Abdali?
☐ Yes, explain:___________________________________________________________
☐ No, explain:________________________________________________________________
38. Do you think it will be more expensive than the rest of Amman?

<table>
<thead>
<tr>
<th>Choice</th>
<th>1=Yes by a lot</th>
<th>2=Yes by a little</th>
<th>3= No</th>
<th>4= Less expensive</th>
<th>5 = Much less expensive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

39. Who are Abdali's investors? (Interviewer to check those mentioned out loud)

- □ Private Jordanian investors
- □ Investors from the Gulf
- □ Baha Hariri
- □ Mawared/Army
- □ It is a publically traded company
- □ Jordanian royalty
- □ Other, specify: ....................................

40. Who will Abdali’s customers be on a scale of 1-5, with 5 as most prevalent?

<table>
<thead>
<tr>
<th>Qualities</th>
<th>1=None</th>
<th>2=Few</th>
<th>3=Good Amount</th>
<th>4=Quite a lot</th>
<th>5=Very much so</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower-income Jordanians</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Medium-income Jordanians</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Higher-income Jordanians</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Non-Jordanian Tourists</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Gulf Tourists</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

41. Rank Abdali on its potential for the following qualities and attributes?

<table>
<thead>
<tr>
<th>Potential</th>
<th>1=Will do this highly</th>
<th>2=Will do this</th>
<th>3=Neutral</th>
<th>4=Will not do this</th>
<th>5=Will hurt this</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create Jordanian white-collar Jobs</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Create Jordanian blue-collar Jobs</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Contributed to additional taxation for government</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Make the traffic situation much worse</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Will create more open space for the average Jordanian</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Will create a new downtown for Amman</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Will cause further deterioration of Amman’s existing downtown</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Will make Amman more beautiful</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Will help bring tourists in to visit Amman</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Will create a new business hub for the city</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Will bring on board high quality living spaces for the average Jordanian</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

42. Did you use public transportation that was located in the Abdali area?

<table>
<thead>
<tr>
<th>Use of Public Transportation</th>
<th>1= Yes all the time</th>
<th>2=Yes sometimes</th>
<th>3=Not very often</th>
<th>4=Never</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>
43. Were you disappointed with the relocation of the terminal to Tabarbour?

1= Yes very
2= A little bit
3= Not really
4= Not affected

☐ ☐ ☐ ☐

44. Should we have more projects like Abdali?

1= Definitely
2= Maybe
3= Neutral
4= Not Really
5= Not at all

☐ ☐ ☐ ☐ ☐

Explain: ________________________________________________________________

45. If neutral or no (3, 4 or 5), which of the following would change your mind?

☐ Restrictions and monitoring
☐ Public participation
☐ More building regulations
☐ Other, please specify: ........................................
☐ Nothing

46. Would you consider buying an apartment here (select all that apply)?

☐ Yes
☐ No
☐ It is in the centre of Amman
☐ Prices are appropriate
☐ Design is attractive
☐ Other, specify
☐ Dislike of project
☐ Too expensive
☐ Not designed for Jordanians
☐ Other, specify

47. Was the Abdali location a good one? (Please check all that apply)

☐ Yes
☐ No
☐ It is in the centre of Amman
☐ It is ideal for a business hub near the financial district
☐ It is a good location in terms of infrastructure
☐ Other, specify
☐ It is a very crowded area
☐ It disturbs the residences around it
☐ Nowhere in Amman is a good location
☐ Other, specify

Explain: ________________________________________________________________

48. Have you heard about the Abdali expropriations of land surrounding the project?

☐ Yes, positively: ________________________________________________________
☐ Yes, negatively: _______________________________________________________  
☐ No: ___________________________________________________________________

49. Do you believe they are in the public benefit?

1= definitely not
2= mildly not
3= neutral
4= slightly in the public benefit
5= very much in the public benefit

☐ ☐ ☐ ☐ ☐

Comment: ______________________________________________________________

50. Do you know that Abdali has been given tax exemptions?

☐ Yes ☐ No
51. Should Abdali have been given tax exemptions?
☐ Yes  ☐ No
☐ If is for the public benefit  ☐ It is a private project
☐ It will encourage more investment  ☐ We need the taxes to produce other public projects
☐ But only if everyone is  ☐ It is unfair when others don't
☐ Other, specify  ☐ Other, specify

Explain:__________________________________________________________________

52. Within your district of Amman what would you be willing to pay for the following improvements? (Over and above your current municipal tax) annually:

<table>
<thead>
<tr>
<th></th>
<th>Shopping space</th>
<th>Pedestrian plazas</th>
<th>High quality residences</th>
<th>High quality office space and business hub</th>
<th>Public green space and parks</th>
<th>Public community and youth play areas and facilities</th>
<th>Improved infrastructure</th>
<th>Sports facilities</th>
<th>Playgrounds for children</th>
<th>Cultural centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero, I pay enough already</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>1- 5 JDs</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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</tr>
<tr>
<td>6- 10 JDs</td>
<td>☐</td>
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<tr>
<td>11- 20 JDs</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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</tr>
<tr>
<td>21- 50 JDs</td>
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<tr>
<td>51- 100 JDs</td>
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<td>☐</td>
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</tr>
<tr>
<td>101- 200 JDs</td>
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<td>☐</td>
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</tr>
<tr>
<td>201- 500 JDs</td>
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<tr>
<td>501- 1,000 JDs</td>
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<tr>
<td>1,001- 5,000 JDs</td>
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<tr>
<td>5,001- 10,000 JDs</td>
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<tr>
<td>Over 10,000 JDs</td>
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</tr>
</tbody>
</table>
53. Within Amman what would you be willing to pay for the following improvements? (Over and above your current municipal tax) annually:

<table>
<thead>
<tr>
<th>Improvements</th>
<th>Shopping space</th>
<th>Pedestrian plazas</th>
<th>High quality residences</th>
<th>High quality office space and business hub</th>
<th>Public green space and parks</th>
<th>Public community and youth play areas and facilities</th>
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</thead>
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<td>Zero, I pay enough already</td>
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<td>☐</td>
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<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>1- 5 JDs</td>
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<tr>
<td>6- 10 JDs</td>
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<td>11- 20 JDs</td>
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<tr>
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<td>☐</td>
<td>☐</td>
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<tr>
<td>51- 100 JDs</td>
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<td>☐</td>
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<td>☐</td>
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<td>☐</td>
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<tr>
<td>101- 200 JDs</td>
<td>☐</td>
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<td>☐</td>
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<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>201- 500 JDs</td>
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<td>☐</td>
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<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>501- 1,000 JDs</td>
<td>☐</td>
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<tr>
<td>1,001- 5,000 JDs</td>
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</tr>
<tr>
<td>5,001- 10,000 JDs</td>
<td>☐</td>
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<td>☐</td>
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</tr>
<tr>
<td>Over 10,000 JDs</td>
<td>☐</td>
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</tr>
</tbody>
</table>

54. How much in total JD value do you think the citizen of Amman should pay for Abdali annually?
☐ Zero
☐ 1- 5 JDs
☐ 6- 10 JDs
☐ 11- 20 JDs
☐ 21- 50 JDs
☐ 51- 100 JDs
☐ 101- 200 JDs
☐ 201- 500 JDs
☐ 501- 1,000 JDs
☐ 1,001- 5,000 JDs
☐ 5,001- 10,000 JDs
☐ Over 10,000 JDs
55. How much in total JD do you think the citizen of Amman actually has and will pay for Abdali annually?
- Zero
- 1-5 JDs
- 6-10 JDs
- 11-20 JDs
- 21-50 JDs
- 51-100 JDs
- 101-200 JDs
- 201-500 JDs
- 501-1,000 JDs
- 1,001-5,000 JDs
- 5,001-10,000 JDs
- Over 10,000 JDs

56. What are the main reasons you would pay for the Abdali project in your city? (Please check all that apply)
- It offers a great public good
- It will create jobs
- It will incite tourists to visit
- It will provide a new shopping area for Amman
- It will provide pedestrian areas needed in the city
- It will create a new business hub
- It will modernise the way the city looks
- Amman needs a new downtown
- Other, please specify

57. What are the main reasons you would not pay for the Abdali project in your city? (Please check all that apply)
- I object to paying higher taxes under any circumstances
- I cannot afford it
- I need more information before deciding
- The benefits that Abdali offers are not important to me
- I feel Amman’s downtown is already great and does not need to be moved
- I feel I would rather upgrade the existing downtown
- I feel this money is better spent elsewhere
- I feel it will generate traffic that cannot be coped with
- I am against towers in the city
- I feel that this company does not offer a public good
- Other

58. On a scale of 1-10, with 1 being the best, what are your overall impressions of the Abdali project?
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

Explain:__________________________________________________________________

59. Are you proud to have Abdali in your city?
- Yes
- No

Explain:__________________________________________________________________
60. Did the Abdali project in any way make you want to participate by voicing your opinion to do with development in the city more or less?

1 = a lot more
2 = more
3 = neutral
4 = less
5 = a lot less

□ □ □ □ □

Explain: ________________________________________________________________

61. Do you think you will be given a chance to do this in the future?

1 = a lot more
2 = more
3 = neutral
4 = less
5 = a lot less

□ □ □ □ □

Explain: ________________________________________________________________

62. What is the first word that comes to mind when you think about the Abdali project?

________________________

63. Any other comments?

....................................................................................................................
....................................................................................................................
....................................................................................................................
....................................................................................................................
....................................................................................................................

Section C for Residents of Abdali:

64. Do you, or anyone close to you, own your own property within the Abdali district

□ Yes □ No

Type of property

□ Commercial □ Residential

65. If yes:

What happened to property prices?

<table>
<thead>
<tr>
<th>JD/sqm 2000</th>
<th>JD/sqm 2006 or later</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Went up highly</td>
<td></td>
</tr>
<tr>
<td>□ Went up a little bit</td>
<td></td>
</tr>
<tr>
<td>□ Stayed the same</td>
<td></td>
</tr>
<tr>
<td>□ Decreased slightly</td>
<td></td>
</tr>
<tr>
<td>□ Decreased a lot</td>
<td></td>
</tr>
</tbody>
</table>

66. Did you have property expropriated for the Abdali project?

□ Yes □ No

67. Did anyone you know have their property expropriated for the Abdali project?

□ Yes □ No

68. Was the market price paid fair?

1 = definitely not
2 = mildly not
3 = neutral
4 = fair
5 = generous

□ □ □ □ □

69. Any other comments?

....................................................................................................................
....................................................................................................................
....................................................................................................................
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....................................................................................................................
....................................................................................................................
Appendix II: Abdali Survey Design and Methodology and Sampling Plan

Survey Design and Methodology

Survey Objectives

The survey has several major objectives:

1. Measure public awareness and attitudes surrounding the Abdali project and the extent to which it is positive or negative
2. Assess perceptions of Abdali’s public benefit and public costs
3. Gauge actual USD level of public benefit and willingness to pay through a series of contingent valuation questions.

To achieve these objectives, the thesis will use a statistically sound sample frame of Amman's residents across the distributional criteria outlined in the Survey Sample Plan of Section B.

Questionnaire Design

Questionnaire design covered several general stages including:

- Preliminary design work on the areas to be explored in the survey by answering each objective with a series of questions
- Question wording and sequencing in order to conduct a statistically-reliable, geographically-dispersed survey. In general, closed questions are easier to administer but they require the researcher and the respondent to have similar understandings. Open questions allow more
freedom but are much more difficult to analyse. During the course of the questionnaire design, the decision of open ended versus close ended questions will be addressed, based on each question’s importance and usefulness, in terms of both the type of question and the response needed.

- Physical design or layout: After deciding on the questionnaire’s questions, as well as the response methods, the design of the questionnaire will be developed by grouping related questions into similar sections.

These broad points will be covered with detailed questions, in order to make sure that responses will reflect satisfaction levels accurately. Common survey principles state that questionnaire items must:

- Be related explicitly to particular analysis objectives
- Be understood by the survey respondents
- Ask for factual information or attitudes that respondents can recall from memory
- Avoid response bias or other negative influences on respondents’ decision processes
- Be formatted in a way that makes them useful to interviewer as well as respondents and be formatted in such a way that entry errors are minimised.

**Questionnaire Testing**

Questionnaire testing is critical for identifying problems, for both respondents and interviewers, with regard to question content, order/context effects, skip instructions, and formatting. Problems with question content, for example,
include confusion with the overall meaning of the question, as well as misinterpretation of individual terms or concepts.

Problems with skip instructions may result in missing data and frustration by respondents. Formatting concerns are relevant to self-administered questionnaires and may lead to confusion, as well as loss of information.

A Pilot Collection Model will be used to test the questionnaire, and a dry run sample survey will be conducted, where approximately 50 surveys (taking into consideration the different distributional characteristics as indicated in the survey sampling) will be covered to test survey instrument validity and reliability, and make adjustments as required.

The feedback of the questionnaire testing shall be used to revise the questionnaire (e.g., modify questions, scales, length, etc.) in order to enhance the clarity, effectiveness, and suitability of the questionnaire in achieving the survey’s overarching objectives.

Survey Implementation

The survey will be implemented across Amman, targeting local areas, with the characteristics of the sample distribution respected in terms of percentages for with at least 1500 surveys distributed proportionately, in order to avoid any later weighting of the sample.

Data Tabulation, Analysis and Reporting of Results

All the responses gathered from the field shall be verified on a daily basis, in order to ascertain that they are correct, along with tabulating, and analysing, the data in a suitable form.
The data shall be entered with suitable quality controls, which includes at least 10% of double data entry. 20% double entry is a method of data entry quality control. It requires at least 20% of all questionnaires to be entered two times and then matched to estimate the level of error. If the level of error/match is satisfactory, data entry is also considered satisfactory.

Quality control measures include:

- Double entry of data
- Rejecting surveys with lower than 90% response rates
- Benchmarking surveys against the target
- Collect the incoming completed Survey questionnaires and conduct a 100% check for incomplete, omitted or otherwise erroneous data recording practices. If necessary, replace unsatisfactory interviews with properly conducted ones, or ensure that requested answers are gathered from the target firm;
- Use statistical methods to check the consistency, accuracy and quality of work.

Confidentiality and Information

A statistical sample will be designed to ensure geographic representation across the city of Amman based on the city’s 27 districts. Participants will be recruited from commercial districts in each of the identified regions in the city and approached on the street. Certain restrictions of gender, age and nationality will be identified by the sample. The consent form that each participant will sign will:

a) Confirm that they are taking part in the survey of their own free will;
b) Be adequately informed, regarding the purpose of the survey and how any data provided in the course of the survey, including personal information and specific answers to survey questions, will be utilised and kept confidential;
c) Have achieved an overall positive impression regarding participating in a survey; and
d) Be amenable to the idea of taking part in a future survey.

As a researcher I will ensure that:

a) Interviewees will be shielded from unwarranted and undesirable invasions of privacy, or any other manner of harassment.
b) In any event where the interviewee might be led to believe that divulging data is obligatory, it will be made clear that all interactions with the interviewer are strictly voluntary.
c) Accurate and prompt identification is offered when requested.
d) All questions asked by the interviewee will be addressed in a straightforward manner, without deception or ambiguity.
e) There will be no attempts to mislead the interviewee
f) All interviewees have the right to deny an interview, or to end a current interview.
g) Recording equipment, such as photographing or sound recording devices, will only be utilised with the full knowledge and consent of the interviewee.

Consent

Each person will sign a consent form with the survey.
Anonymity of the participants

The names and contacts of participants will not be included in the same file as the survey results and will in no way appear in the presentation of these results.

How material will be anonymised

The names and contacts of participants will be held in a separate file to the survey results and only linked through a numeric key once the data is inputted.

Material at the end of the project

The material will be retained for a period of five years and then destroyed.

Sample Design

The sample will be designed to collect data on Amman residents over the age of 18, who participate in some way to household expenses. The participants will be approached in local areas, though it is important for this reason that the stratification of the sample is strictly adhered to. Within each districts further neighbourhood targets will be created in order to ensure fair and equal distribution across the city.

The sample is designed to produce reliable estimates for major survey variables for the country as a whole, and is proportionately distributed across the districts of Amman, of which there are currently twenty seven.
It is important that the survey is distributed proportionately amongst the different geographies of the city, even to the neighbourhood level inline with population, in order to ensure that the survey is not biased to a certain area. In addition, the different levels of income, sexes and ages will be observed to ensure that the sample is indeed reflective of the population (proportional stratification). The sampling unit will be selected from the sampling frame at the neighbourhood level.

The four main levels produced were:

- **Location**: Stratification to ensure proper geographical coverage of the city within each of its districts.
- **Sex**: Stratification by the sex levels to ensure the representativeness of the sample.
- **Age**: To ensure representation across the city’s age groups.
- **Annual Income**: As a proxy for other issues such as employment status, and standard of living

<table>
<thead>
<tr>
<th>Amman District</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tareq</td>
<td>58,325</td>
<td>3%</td>
</tr>
<tr>
<td>Al-Jubeiha</td>
<td>50,250</td>
<td>2%</td>
</tr>
<tr>
<td>Shafa Badran</td>
<td>17,000</td>
<td>1%</td>
</tr>
<tr>
<td>Wadi al-Seir</td>
<td>136,350</td>
<td>7%</td>
</tr>
<tr>
<td>Marka</td>
<td>101,940</td>
<td>5%</td>
</tr>
<tr>
<td>Al-Nasr</td>
<td>16,728</td>
<td>1%</td>
</tr>
<tr>
<td>Umm Qusair and Muqabalain</td>
<td>42,000</td>
<td>2%</td>
</tr>
<tr>
<td>Ras al-Ain</td>
<td>103,150</td>
<td>5%</td>
</tr>
<tr>
<td>Badr</td>
<td>152,050</td>
<td>7%</td>
</tr>
<tr>
<td>Abdali</td>
<td>105,709</td>
<td>5%</td>
</tr>
<tr>
<td>Basman</td>
<td>238,070</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Table 0-1**: Population Distribution across Amman
<table>
<thead>
<tr>
<th>Area</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tla’a Al-Ali, Um Al-Summaq, Khalda</td>
<td>128,350</td>
<td>6%</td>
</tr>
<tr>
<td>Sahab</td>
<td>47,800</td>
<td>2%</td>
</tr>
<tr>
<td>Badr al-Jadeedah</td>
<td>12,750</td>
<td>1%</td>
</tr>
<tr>
<td>Khareebat al-Souq, Jawa, Yadoudah</td>
<td>98,290</td>
<td>5%</td>
</tr>
<tr>
<td>Al-Quweisimeh, AbuAlanda, Al-Rajeeb</td>
<td>156,780</td>
<td>8%</td>
</tr>
<tr>
<td>Zahran</td>
<td>60,177</td>
<td>3%</td>
</tr>
<tr>
<td>Marj al-Hamam</td>
<td>32,305</td>
<td>2%</td>
</tr>
<tr>
<td>Al-Yarmouk</td>
<td>172,250</td>
<td>8%</td>
</tr>
<tr>
<td>Al-Madina</td>
<td>35,188</td>
<td>2%</td>
</tr>
<tr>
<td>Sweileh</td>
<td>71,200</td>
<td>3%</td>
</tr>
<tr>
<td>Al-Muwaqqar</td>
<td>22,360</td>
<td>1%</td>
</tr>
<tr>
<td>Uhod</td>
<td>17,346</td>
<td>1%</td>
</tr>
<tr>
<td>Al-Jeezah</td>
<td>50,800</td>
<td>2%</td>
</tr>
<tr>
<td>Husban and Umm al-Basateen</td>
<td>28,660</td>
<td>1%</td>
</tr>
<tr>
<td>Naour</td>
<td>50,340</td>
<td>2%</td>
</tr>
<tr>
<td>Abu Nseir</td>
<td>28,370</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total Amman</strong></td>
<td><strong>2,034,538</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1,046,176</td>
<td>51%</td>
</tr>
<tr>
<td>Female</td>
<td>988,362</td>
<td>49%</td>
</tr>
<tr>
<td><strong>Total Amman</strong></td>
<td><strong>2,034,538</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Household Income

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3600 JD annually</td>
<td>539,153</td>
<td>26%</td>
</tr>
<tr>
<td>Between 3600 - 6000 JD annually</td>
<td>624,603</td>
<td>31%</td>
</tr>
<tr>
<td>Between 6000 - 10000 JD annually</td>
<td>498,462</td>
<td>24%</td>
</tr>
<tr>
<td>Above 12000 JD annually</td>
<td>374,355</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Total Amman</strong></td>
<td><strong>2,034,538</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Ages

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>590,536</td>
<td>29%</td>
</tr>
<tr>
<td>26-50</td>
<td>1,083,623</td>
<td>53%</td>
</tr>
<tr>
<td>51-64</td>
<td>241,700</td>
<td>12%</td>
</tr>
<tr>
<td>65+</td>
<td>118,679</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total Amman</strong></td>
<td><strong>2,034,538</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Department of Statistics, 2004*

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231 The exchange rate of USD to JD is pegged at USD 1.41 to JD 1.
Copies of the Forms

The forms below will be used (and translated to Arabic) such that the participants have given written consent and have a clear idea of what the project is about.
GUIDE INFORMATION/CONSENT FORM FOR SURVEYS

Title of Research Project
Real Estate and Construction Holding Companies as Tools for Development in the Middle East

Details of Project
I am a PhD research student at the University of Exeter within the Politics department, and all data gathered will be used to support my research into Real Estate Construction and Holding Companies within the Middle East.

This project is a PhD thesis which will focus on a proposed framework for policy makers to follow on how and when to use Real Estate Construction and Holding Companies (RECHCOs). The thesis will focus on two case studies: Solidere in Beirut and Abdali in Amman. The Case Studies will provide insight into the motivations and politics behind two specific RECHCOs to support an argument that examines when RCEHCOs may indeed be positive tools for development. The findings may later be used in certain publications and articles stemming from the dissertation.

Research will be based on a comprehensive survey (1500+) and a series of in-depth background interviews. This consent form relates to the surveys.

Contact Details
For further information about the research or your interview data, please contact:

Tamam Mango, Department of Politics, Exeter University, Devon UK.
Tel: 00 962 (0) 796760003, Email: tm318@ex.ac.uk

If you have concerns/questions about the research you would like to discuss with someone else at the University, please contact:
Confidentiality

The survey will be filled out by the participant and reviewed at that time. The survey will not be used other than for the purposes described above and third parties will not be allowed access to them (except as may be required by the law). The data will be held in accordance with the Data Protection Act for a five year period then destroyed.

Anonymity

Survey data will be held and used on an anonymous basis, with no mention of name, but the group of which you are a member may be referred to.

Consent

I voluntarily agree to participate and to the use of my data for the purposes specified above. I can withdraw consent at any time by contacting the interviewers.

TICK HERE: □ DATE..................................................

Note: Your contact details are kept separately from your survey data

Name:.................................................................................. .................

Signature:........................................................................................

Email/phone:....................................................................................

Signature of researcher........................................................................
INFORMATION FORM: SURVEYS

These notes give some information about a study for a PhD thesis regarding the use of Real Estate Construction and Holding Companies (RECHCOs) in the Middle East, specifically looking at the case of Abdali in Amman in which you are invited to take part.

The research is part of a PhD thesis being completed in the Politics Department at the University of Exeter. It involves looking at a proposed framework for policy makers to follow on how and when to use RECHCOs, focusing on two case studies: Solidere in Beirut and Abdali in Amman. The Case Studies will provide insight into the motivations and politics behind two specific RECHCOs to support an argument that examines when RECHCOs may be positive tools for development. The survey is being distributed to a sample size of 1500+ across Amman and focuses on your opinions related to the project, and how much you as a resident of Amman would be willing to pay to see such a project established.

You will also be asked to complete a consent form immediately before you complete the survey.

Detailed instructions will be given within the survey. You are asked to complete the survey in the presence of the surveyor yourself, and to feel free to ask any questions regarding the survey or its purpose.

The entire survey will typically take about 20 - 30 minutes. You will be able to say that you wish to stop the survey and leave at any time, without giving a reason. This would not affect your relationship with the surveyor in any way. The survey will not benefit you directly. It is perfectly in order for you to take time to consider whether to participate or to refuse participation. After signing the consent form, you will still have the right to withdraw from completing the survey at any time without giving a reason. The results of the survey will be held securely and you will not be identified by name in any publications that might arise from the study. Please feel free to ask any questions about any aspect of the survey.

Tamam Mango

Email: tm318@ex.ac.uk Tel: 00 962 (0) 79 676 0003
GUIDE INFORMATION/CONSENT FORM FOR INTERVIEWS

Title of Research Project
Real Estate and Construction Holding Companies as Tools for Development in the Middle East

Details of Project
I am a PhD research student at the University of Exeter within the Politics department, and all data gathered will be used to support my research into Real Estate Holding Companies within the Middle East.

This project is a PhD thesis which will focus on a proposed framework for policy makers to follow on how and when to use Real Estate Construction Holding Companies (RECHCOs). The thesis will focus on two case studies: Solidere in Beirut and Abdali in Amman. The research will include a comprehensive definition of a RECHCO, a proposed cost-benefit analysis and approval process based on the Case Studies, and criteria for the conditions under which RECHCOs should be used and in what manner. The Case Studies themselves will provide insight into the motivations and politics behind two specific RECHCOs to support an argument that examines when RECHCOs may indeed be positive tools for development. The findings may later be used in certain publications and articles stemming from the dissertation.

Research will be based on a comprehensive survey (of 1,500 Amman residents) and a series of in-depth background interviews. This consent form relates to the interviews.

Contact Details
For further information about the research or your interview data, please contact:

Tamam Mango, Department of Politics, Exeter University, Devon UK.
Tel: 00 962 (0) 796760003, Email: tm318@ex.ac.uk
If you have concerns/questions about the research that you would like to discuss with someone else at the University, please contact:

Prof. Michael Dumper, Email: mick.dumper@exeter.ac.uk, Tel: 00 44 (0) 1392 723167

**Confidentiality**

Interview tapes and transcripts will be held in confidence. They will not be used other than for the purposes described above and third parties will not be allowed access to them (except as may be required by the law). However, if you request it, you will be supplied with a copy of your interview transcript so that you can comment on and edit it as you see fit (please give your email below). Your data will be held in accordance with the Data Protection Act for a five year period then destroyed.

**Anonymity**

Interview data may be held and used with mention of your name with specific quotes attributed to you in the thesis. If requested these quotes and attributions may be provided to you for approval prior to use.

**Consent**

I voluntarily agree to participate and to the use of my data for the purposes specified above. I can withdraw consent at any time by contacting the interviewers.

**TICK HERE:** ☐ DATE……………………………

**Note: Your contact details are kept separately from your interview data**

Name of interviewee:...................................................................................

Signature: ..............................................................................................

Email/phone:...........................................................................................

Signature of researcher.............................................................................

2 copies to be signed by both interviewee and researcher, one kept by each
INFORMATION FORM: INTERVIEWS

These notes give some information about a study for a PhD thesis regarding the use of Real Estate Construction Holding Companies in the Middle East, specifically looking at the case of Abdali in Amman in which you are invited to take part.

The research is part of a PhD thesis being completed in the Politics Department at the University of Exeter. It involves looking at a proposed framework for policy makers to follow on how and when to use RECHCOs, focusing on two case studies: Solidere in Beirut and Abdali in Amman. The research will include a comprehensive definition of a RECHCO, a proposed cost-benefit analysis and approval process based on the Case Studies, and criteria for the conditions under which RECHCOs should be used and in what manner. The Case Studies themselves will provide insight into the motivations and politics behind two specific RECHCOs to support an argument that examines when RECHCOs may indeed be positive tools for development. Stakeholders related to the projects will be interviewed to help gather data for the project. In addition a 1,500-person survey is being undertaken. You will be asked to complete a consent form immediately before you begin the interview. This form will outline issues related to anonymity and privacy.

The entire interview will typically take about 1 hour. You will be able to say that you wish to stop the interview and leave at any time, without giving a reason. This would not affect your relationship with the interviewer in any way. The interview will not benefit you directly. It is perfectly in order for you to take time to consider whether to participate or to refusal participation. After signing the consent form, you will still have the right to withdraw from completing the interview at any time without giving a reason. The interview results may be used in conjunction with your name as quotes. If you wish to see these quotes or references to this interview you may do so by contacting me directly and you can request that these quotes be removed. Also note that while the transcripts of this interview will be used for the purpose of my
dissertation and not released to any third parties, I will be obliged to release
them if I am required to do so legally by the relevant legal authorities so there
may be negative political or legal repercussions to your comments during the
interview and this must be kept in mind through our discussions. Please feel
free to ask any questions about any aspect of the interview.

Tamam Mango

Email: tm318@ex.ac.uk

Tel: 00 962 (0) 79 676 0003
Appendix III: Ethics Approval

CERTIFICATE OF ETHICAL APPROVAL

Academic Unit: Politics

Title of Project: Real Estate and Construction Holding Companies as Tools for Development in the Middle East

Names of the Project Research Team Member(s): Tanam Manga

Project Contact Point: tanm318@exeter.ac.uk

This project has been approved for the period
From: 01.04.12
To: 30.09.14

College Ethics Committee approval reference: 11.07.13.xiii

Signature: __________________________ Date approved: 19.03.12
(Johnathan Cillem-Mayer – Chair SSIS College Ethics Committee)
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